

Ringgit Weekly Outlook

Energy shock and Middle East tensions lifts USD, keeping ringgit pressured near 3.95/USD

Overview

- Performance:** The MYR depreciated toward the 3.95/USD level, last seen about a month ago, as Brent surged by roughly 18.0% over the period and the USD index (DXY) climbed above the 99.0 mark.
- Market Dynamics:** The USD strengthened as Middle East tensions intensified. The DXY climbed from around 97.6 last Friday to above 98.3 after the US-Israel strike on Iran. It later moved past 99.0 when Qatar suspended gas production following an Iranian attack. Higher oil prices also raised doubts that the Fed will deliver two rate cuts this year. Rising volatility triggered position reductions and supported the DXY as investors unwound short USD exposures.
- Data Impact:** While geopolitics continues to dominate market direction, attention will shift to US NFP and unemployment data tonight. Any deterioration could modestly weigh on the USD. However, markets remain focused on the path of crude prices and their implications for US inflation and Fed policy. Next week's key focus includes US inflation data, with consensus expecting firmer readings, alongside developments in the Iran conflict.
- Outlook:** It appears premature to expect de-escalation in the Middle East. The longer oil and gas prices remain elevated, the greater the strain on energy importing economies. As noted [here](#)¹, While Malaysia benefits economically from higher oil prices (short-term), the ringgit no longer behaves as a traditional oil proxy and instead trades more like a high beta EM currency. Until investors gain clearer visibility on the conflict's duration, the USD should remain supported, keeping the ringgit pressured around 3.94–3.98/USD.
- Technical:** USDMYR is approaching overbought territory and may test the 5-day EMA, likely stabilising near the 3.94 level.

Table 1: Currency Outlook

Long Term*							
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Trend
USDMYR	4.06	3.95	3.88	3.90	3.95	4.00	▼
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	73.468	3.938	3.956	3.964	3.934	3.919	▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

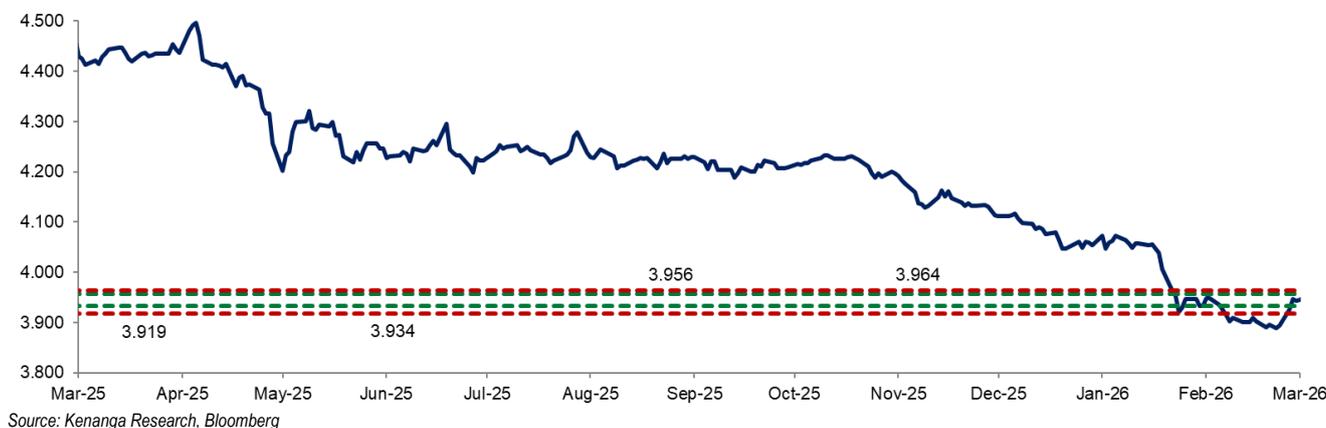
EMA (5): 5-day Exponential Moving Average

EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

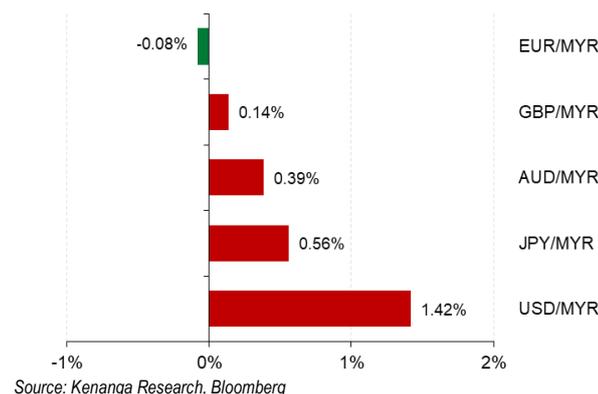
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

¹ Report: US-Israel Strike on Iran: Shifts market from geopolitical tension to oil shock transmission (https://www.kenangafx.com.my/wp-content/uploads/2026/03/EV_US-Israel-Strike-on-Iran-_260304-Kenanga.pdf)

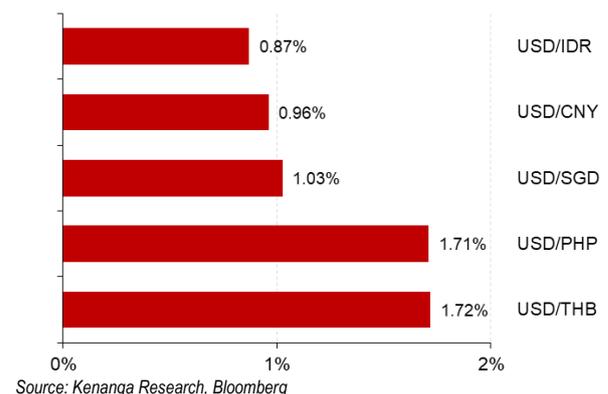
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



6 Mar 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	05/03/25 Last Year	05/02/26 Last Month	26/02/26 Last Week	05/03/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.430	3.949	3.890	3.945	-11.92%	-10.94%	-0.10%	1.42%
AUDMYR	2.716	2.784	2.751	2.768	2.779	-0.20%	-0.16%	1.04%	0.39%
GBPMYR	5.455	5.686	5.356	5.261	5.268	-5.76%	-7.34%	-1.65%	0.14%
EURMYR	4.752	4.745	4.652	4.589	4.585	-1.10%	-3.37%	-1.44%	-0.08%
JPYMYR	2.585	2.966	2.511	2.494	2.508	-12.00%	-15.44%	-0.13%	0.56%
SGDMYR	3.152	3.315	3.098	3.078	3.091	-5.98%	-6.76%	-0.20%	0.43%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16313	16842	16759	16905	4.36%	3.63%	0.37%	0.87%
USDTHB	31.524	33.674	31.74	31.061	31.595	-7.82%	-6.17%	-0.46%	1.72%
USDSGD	1.286	1.337	1.274	1.264	1.277	-6.46%	-4.50%	0.20%	1.03%
USDPHP	58.862	57.325	58.711	57.63	58.616	1.26%	2.25%	-0.16%	1.71%
USDCNY	6.989	7.237	6.938	6.846	6.911	-5.32%	-4.50%	-0.38%	0.96%
USDJPY	156.840	149.350	157.240	155.960	157.290	0.10%	5.32%	0.03%	0.85%
USD									
EURUSD	1.172	1.070	1.179	1.180	1.161	12.54%	8.54%	-1.50%	-1.59%
GBPUSD	1.346	1.283	1.359	1.354	1.335	7.26%	4.04%	-1.74%	-1.36%
AUDUSD	0.669	0.628	0.698	0.711	0.705	13.48%	12.13%	1.02%	-0.96%

Source: Kenanga Research, Bloomberg

Table 3: Upcoming Major Data Release And Policy Announcement for the Week

Date	Country	Indicator	Previous	Consensus/Forecast
9/3/2026	CN	Inflation Rate (FEB)	0.2% YoY	0.9% YoY
10/3/2026	CN	Balance of Trade (JAN-FEB)	USD114.1b	N/A
10/3/2026	MY	Industrial Production (JAN)	4.8% YoY	4.9% YoY*
10/3/2026	US	Existing Home Sales (FEB)	3.91m	3.87m
11/3/2026	MY	Unemployment Rate (JAN)	2.9%	N/A
11/3/2026	US	Core Inflation Rate (FEB)	0.3% MoM	0.3% MoM
12/3/2026	US	Building Permits Preliminary (JAN)	1.455m	1.392m
13/3/2026	US	Core PCE Price Index (JAN)	0.4% MoM	0.4% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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