Ringgit Weekly Outlook

On hold as August PCE and September payrolls tests whether the Fed is truly done

Overview

- **Performance:** MYR closed Thursday at 4.086/USD from 4.082 last Friday, as hawkish Fedspeak kept the USD bid
- **Market Dynamics:** Hawkish remarks from Fed members Goolsbee, Musalem and Barkin revived bets on a further Fed hike this year. Barkin warned that one hike may not be enough. US front-end yields held firm even as Brent briefly slipped below USD100.0/bbl, Strong PMIs and rebounding oil lifted DXY above 101.0. The dollar's resilience to softer oil shows that Fed pricing, not energy, now drives USD demand. Firm USD momentum and weak risk appetite kept investors from rebuilding ringgit longs.
- **Data Watch:** Next week's US calendar carry the signal. August core PCE should confirm elevated price pressures, while consensus expects a solid September payrolls print of around 100k. Upside surprises would push markets to price an October hike and extend the USD rally. Iran wants the US back in the MoU before the midterms, which keeps talks alive. The Trump-Xi summit and a two-month trade truce extension offer a modest cushion for regional FX.
- **Outlook:** We are reviewing our view that the September Fed hike was the last, as core PCE, payrolls and US-Iran will decide the odds of another. Brent should stay elevated and range-bound until US-Iran talks firm up. This keeps the USD's front-end edge intact but limits further upside from stretched levels. Investors will likely trade headlines rather than conviction, and any DXY pullback towards 100 should draw selective ringgit buying. We expect MYR to firm toward 4.07 next week, with risks on both sides, and keep our 3.95 year-end forecast.
- **Technical:** Momentum has turned neutral, with RSI-7 near 62. Support at 4.079; resistance at 4.090.

Table 1: Currency Outlook

Long Term*							
	Q2-26	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Trend
USDMYR	4.08	4.05	3.95	4.00	4.02	3.95	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	61.688	4.083	4.090	4.093	4.079	4.072	▼

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

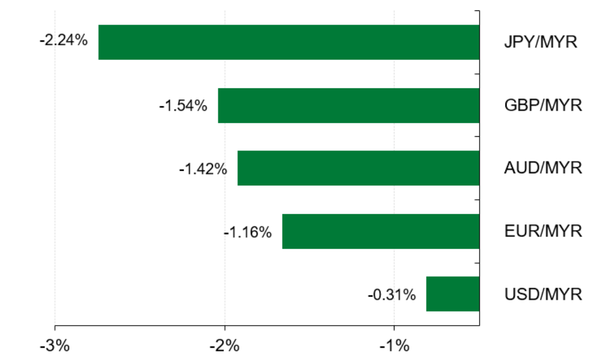
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

Graph 1: USDMYR Trend

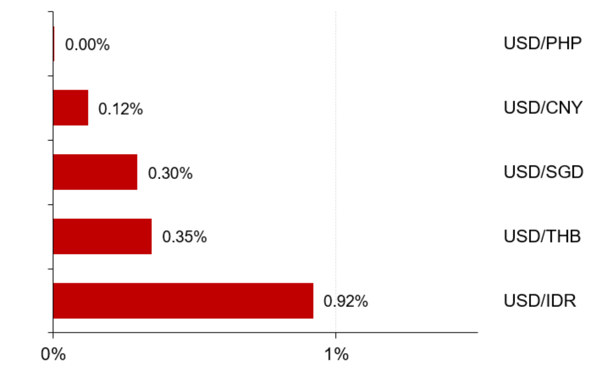
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	24/09/25 Last Year	28/04/26 Last Month	17/09/26 Last Week	24/09/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.215	3.953	4.099	4.086	0.79%	-3.05%	3.37%	-0.31%
AUDMYR	2.716	2.785	2.837	2.915	2.873	5.81%	3.16%	1.29%	-1.42%
GBPMYR	5.455	5.677	5.334	5.491	5.406	-0.88%	-4.77%	1.36%	-1.54%
EURMYR	4.752	4.960	4.622	4.702	4.647	-2.19%	-6.30%	0.55%	-1.16%
JPYMYR	2.585	2.840	2.476	2.633	2.574	-0.42%	-9.37%	3.97%	-2.24%
SGDMYR	3.152	3.277	3.096	3.212	3.192	1.27%	-2.57%	3.10%	-0.60%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16685	17243	17753	17916	7.12%	7.38%	3.90%	0.92%
USDTHB	31.524	32.018	32.512	33.351	33.467	6.16%	4.53%	2.94%	0.35%
USDSGD	1.286	1.287	1.277	1.276	1.280	-0.50%	-0.59%	0.20%	0.30%
USDPHP	58.862	57.468	61.285	62.74	62.743	6.59%	9.18%	2.38%	0.00%
USDCNY	6.989	7.132	6.837	6.705	6.713	-3.94%	-5.87%	-1.81%	0.12%
USDJPY	156.840	148.400	159.630	155.650	158.740	1.21%	6.97%	-0.56%	1.99%
USD									
EURUSD	1.172	1.175	1.169	1.148	1.137	-2.94%	-3.22%	-2.73%	-0.91%
GBPUSD	1.346	1.347	1.348	1.341	1.323	-1.69%	-1.75%	-1.89%	-1.31%
AUDUSD	0.669	0.661	0.717	0.711	0.703	5.02%	6.40%	-1.90%	-1.14%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
29/9/2026	US	JOLTS Job Openings	7.271m	7.225m
29/9/2026	CN	NBS Manufacturing PMI	49.8	N/A
30/9/2026	US	Core PCE Price Index (AUG)	0.2%	0.3%
30/9/2026	US	ADP Employment Change (SEP)	38k	58k
30/9/2026	US	GDP Growth Rate (Q2)	2.1%	1.5%
01/10/2026	US	ISM Manufacturing PMI (SEP)	54.6	55.0
02/10/2026	US	Non-Farm Payrolls (SEP)	162k	100k
02/10/2026	US	Unemployment Rate (SEP)	4.1%	4.1%

Source: Kenanga Research, Trading Economics, Bloomberg

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