

25 April 2025

Ringgit Weekly Outlook

Poised to benefit from safe-haven rotation and rising Fed rate cut bets

Overview

- Performance:** The ringgit once again outperformed expectation, strengthening below the 4.40/USD mark. A cocktail of rising US growth concerns and waning confidence in the USD kept the DXY below 100.0.
- Market Dynamics:** The ringgit strengthened to 4.37/USD on Monday, as investors rotated into safe-haven alternatives amid growing unease over US assets. Trump's criticism of the Fed added to the USD's credibility crisis. Gains briefly eased to 4.39/USD on signs of US-China trade de-escalation but rebounded after Beijing denied any negotiations, contradicting Trump's claim.
- Data Impact:** Markets now eye a data-heavy week in the US, with 1Q25 GDP (Consensus: 0.2% QoQ), core PCE (0.1% MoM), and ISM manufacturing (48.1). A downside surprise could boost expectations of monetary easing, with market now anticipating three rate cuts in 2025, further weakening the greenback. Markets will also monitor EU GDP for clues on the ECB's policy path, and the BoJ's rate decision for updated projections, especially as the EUR and JPY serve as growing safe-haven alternatives to the USD.
- Outlook:** The ringgit stands to gain further if expectations for Fed dovishness deepens. The USD's only meaningful upside would stem from tangible signs of a US-China trade thaw. The DXY remains highly sensitive to any signals of tariff de-escalation. We are monitoring developments closely and may revise our ringgit outlook upwards should tensions abate materially.
- Technical:** The USDMYR pair remains in consolidation, trading near its 5-day EMA of 4.383. Market focus remains on trade rhetoric, with initial support at (S1) 4.367 and resistance at (R1) 4.387.

Table 1: Currency Outlook

Long Term*							
	Q1-25	Q2-25F	Q3-25F	Q4-25F	Q1-26F	Q2-26F	Trend
USDMYR	4.434	4.530	4.490	4.449	4.383	4.317	▲

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	31.984	4.383	4.387	4.399	4.367	4.358	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

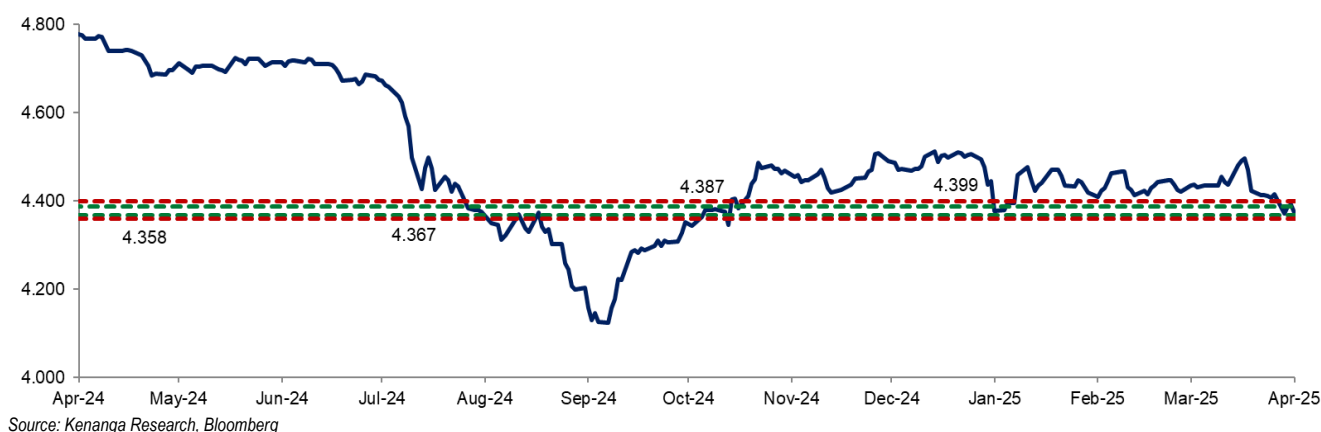
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

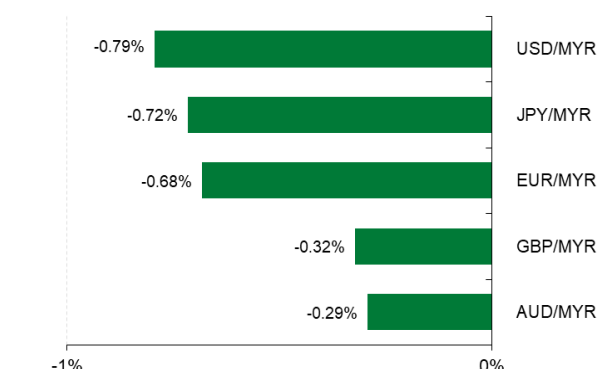
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

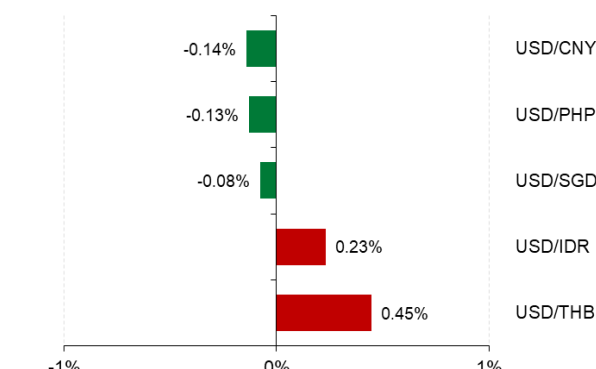
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



25 April 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	24/04/24 Last Year	24/03/25 Last Month	17/04/25 Last Week	24/04/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.777	4.435	4.407	4.372	-2.37%	-8.48%	-1.41%	-0.79%
AUDMYR	2.785	3.104	2.793	2.800	2.792	0.26%	-10.07%	-0.05%	-0.29%
GBPMYR	5.590	5.937	5.749	5.836	5.817	4.06%	-2.03%	1.18%	-0.32%
EURMYR	4.636	5.105	4.807	5.012	4.978	7.36%	-2.49%	3.55%	-0.68%
JPYMYR	2.850	3.083	2.964	3.091	3.069	7.67%	-0.48%	3.52%	-0.72%
SGDMYR	3.288	3.510	3.317	3.358	3.333	1.38%	-5.03%	0.47%	-0.73%
ASEAN 5 + CNY + JPY									
USIDR	16198	16155	16568	16834	16873	4.17%	4.44%	1.84%	0.23%
USDTHB	34.276	37.012	33.819	33.299	33.448	-2.42%	-9.63%	-1.10%	0.45%
USDSGD	1.365	1.361	1.336	1.313	1.312	-3.89%	-3.64%	-1.85%	-0.08%
USDPHP	57.884	57.548	57.319	56.634	56.562	-2.28%	-1.71%	-1.32%	-0.13%
USDCNY	7.299	7.246	7.261	7.299	7.289	-0.14%	0.59%	0.39%	-0.14%
USDJPY	157.140	154.930	149.610	142.580	142.490	-9.32%	-8.03%	-4.76%	-0.06%
USD									
EURUSD	1.032	1.069	1.085	1.136	1.138	10.29%	6.47%	4.89%	0.17%
GBPUSD	1.245	1.244	1.297	1.322	1.330	6.85%	6.92%	2.58%	0.57%
AUDUSD	0.621	0.650	0.630	0.635	0.639	2.83%	-1.75%	1.33%	0.49%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
29/4/2025	US	Goods Trade Balance Advance (MAR)	-USD147.91b	-USD146.00b
29/4/2025	US	JOLTs Job Openings (MAR)	7.568m	N/A
30/4/2025	CN	Caixin Manufacturing PMI (APR)	51.2	N/A
30/4/2025	EA	GDP Growth Rate Flash (Q1)	0.2% QoQ	N/A
30/4/2025	US	Core PCE Price Index (APR)	0.4% MoM	0.1% MoM
30/4/2025	US	GDP Growth Rate Advance (Q1)	2.4% QoQ	0.2% QoQ
1/5/2025	JP	BoJ Interest Rate Decision	0.50%	0.50% (status quo)*
1/5/2025	US	ISM Manufacturing PMI (APR)	49.0	48.1

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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