

13 Jun 2025

# Ringgit Weekly Outlook

To trade steady despite geopolitical tensions as soft USD narrative persists

## Overview

- Performance:** As anticipated, the ringgit held within a narrow band of 4.22–4.24/USD this week, supported by a weaker greenback.
- Market Dynamics:** The ringgit initially weakened after strong NFP data reduced market expectations of near-term Fed rate cuts, lifting the USD on firmer yields. The ringgit then regained some ground as US-China trade discussions buoyed risk sentiment. Thereafter, softer US CPI figures flipped the market narrative towards a dovish stance, reinforcing expectations of Fed easing and pulling the DXY below the 98.0 level.
- Data Impact:** Despite robust Treasury auctions, the USD remained subdued, suggesting domestic demand, rather than foreign appetite, drove strength. This lent some weight to the de-dollarisation narrative. With few domestic catalysts, the ringgit's direction remains guided by external factors. All eyes are on next week's US retail sales, expected to contract by 0.7% MoM, ahead of the FOMC meeting. While the Fed fund rates are likely to remain unchanged, any dovish tone could pressure the USD.
- Outlook:** Rising Brent price amid Israel-Iran tensions may lend some support to the USD, but the broader trend still favours a weaker greenback. In the week ahead, the ringgit is expected to trade around current level as markets monitor developments in US-China trade talks and Israel-Iran conflict. Upcoming release of US Treasury data on foreign holdings will also be scrutinised for signs that the "Sell America" trend is gaining traction.
- Technical:** USDMYR remains neutral, hovering around its 5-day EMA of 4.23. Near term moves will hinge on external factors, with initial support at 4.23 (S1) and resistance at 4.25 (R1).

Table 1: Currency Outlook

Long Term*							
	Q1-25	Q2-25F	Q3-25F	Q4-25F	Q1-26F	Q2-26F	Trend
USDMYR	4.43	4.25	4.16	4.08	4.05	4.02	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	51.61	4.23	4.25	4.26	4.23	4.21	—

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

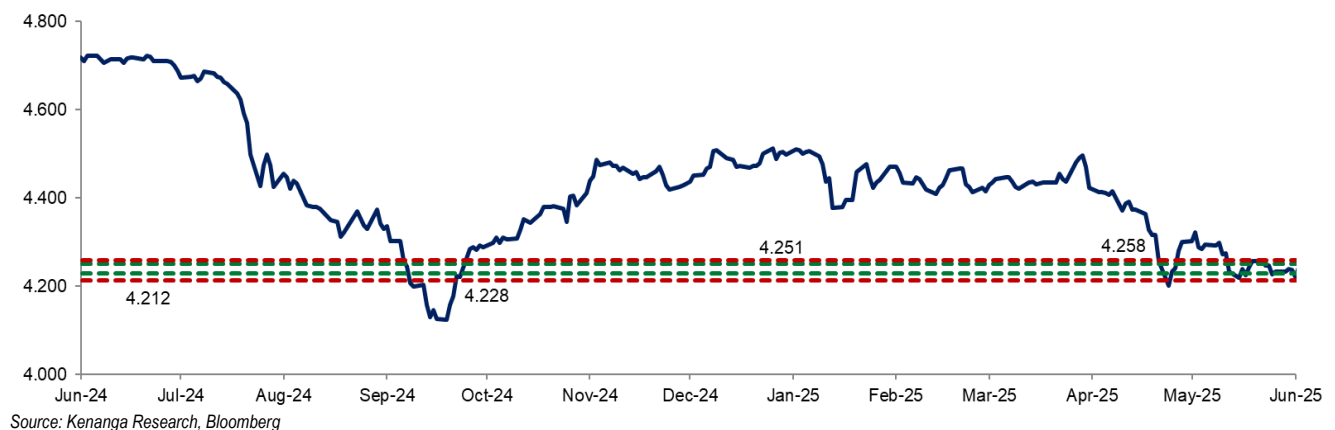
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

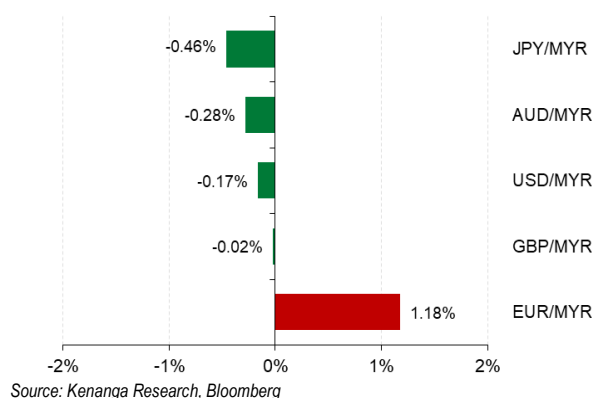
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

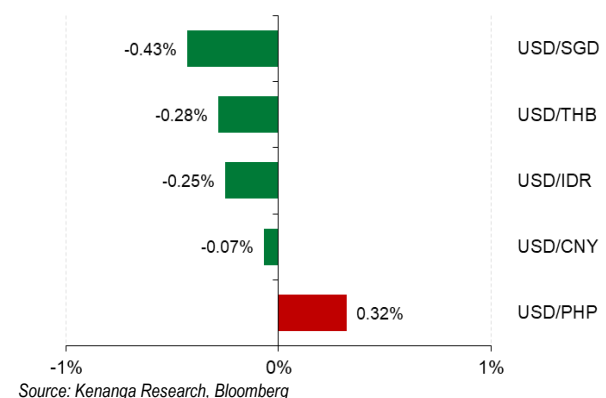
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



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Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	12/06/24 Last Year	12/05/25 Last Month	05/06/25 Last Week	12/06/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.717	4.301	4.227	4.220	-5.77%	-10.54%	-1.88%	-0.17%
AUDMYR	2.785	3.120	2.757	2.752	2.744	-1.45%	-12.05%	-0.46%	-0.28%
GBPMYR	5.590	6.018	5.713	5.734	5.733	2.55%	-4.74%	0.35%	-0.02%
EURMYR	4.636	5.072	4.827	4.827	4.884	5.34%	-3.72%	1.17%	1.18%
JPYMYR	2.850	2.998	2.898	2.953	2.940	3.15%	-1.95%	1.45%	-0.46%
SGDMYR	3.288	3.489	3.313	3.290	3.297	0.29%	-5.49%	-0.47%	0.22%
ASEAN 5 + CNY + JPY									
USIDR	16198	16295	16604	16284	16243	0.28%	-0.32%	-2.17%	-0.25%
USDTHB	34.276	36.677	33.502	32.489	32.397	-5.48%	-11.67%	-3.30%	-0.28%
USDSGD	1.365	1.352	1.308	1.285	1.279	-6.28%	-5.40%	-2.19%	-0.43%
USDPHP	57.884	58.604	55.502	55.619	55.798	-3.60%	-4.79%	0.53%	0.32%
USDCNY	7.299	7.241	7.205	7.178	7.173	-1.74%	-0.94%	-0.45%	-0.07%
USDJPY	157.140	157.330	148.400	143.140	143.550	-8.65%	-8.76%	-3.27%	0.29%
USD									
EURUSD	1.032	1.076	1.108	1.142	1.159	12.37%	7.75%	4.63%	1.48%
GBPUSD	1.245	1.276	1.314	1.358	1.359	9.18%	6.50%	3.42%	0.11%
AUDUSD	0.621	0.662	0.639	0.651	0.652	4.96%	-1.48%	2.07%	0.09%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
16/6/2025	CN	Retail Sales (MAY)	5.1% YoY	4.9% YoY
17/6/2025	JP	BoJ Interest Rate Decision	0.50%	0.50% (status quo)
17/6/2025	US	Retail Sales (MAY)	0.1% MoM	-0.7% MoM
18/6/2025	US	Building Permits Preliminary (MAY)	1.422m	1.430m
19/6/2025	US	Fed Interest Rate Decision	4.50%	4.50% (status quo)*
19/6/2025	UK	BoE Interest Rate Decision	4.25%	4.25% (status quo)
20/6/2025	CN	Loan Prime Rate 1Y	3.00%	3.00% (status quo)
20/6/2025	MY	Exports (MAY)	16.4% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

\*KIBB

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