

25 Jul 2025

# Ringgit Weekly Outlook

Volatility ahead of key US macro data and August 1 tariff deadline

## Overview

- **Performance:** The ringgit strengthened more than expected, hovering around 4.22–4.23/USD as the DXY slipped below the 98.0 mark.
- **Market Dynamics:** The USD came under pressure early in the week despite no clear catalyst. A stronger EUR, boosted by defensive reallocations ahead of the August 1, drove the drift. Markets appeared to favour the EUR in light of tariff uncertainties. Meanwhile, the JPY also gained ground following the US-Japan trade agreement, adding to USD weakness. These moves supported risk assets, prompting rotation from US and into EMs.
- **Data Impact:** US labour market data remained firm, though housing data showed signs of weakness. Ahead of the Fed's upcoming decision, where we expect no change in rate, focus will be on JOLTS report, ADP jobs data, and the 2Q25 advance GDP reading. A string of upside surprises could reignite hawkish Fed expectations and lift the USD. US-EU tariff deal, as well as other pending negotiations, will also be closely watched in the run-up to Friday's deadline.
- **Outlook:** Softer US data will be needed to maintain our call for a September Fed cut. For now, consensus points to a resilient US economy. A favourable US-EU trade deal would support the EUR and risk sentiment. For the ringgit, the key risk lies in Malaysia's trade talks with the US. A no-deal outcome could pressure the MYR. Expect elevated volatility in the 4.20–4.25/USD range amid a data-heavy and politically sensitive week.
- **Technical:** USDMYR is anchored near its 5-day EMA at 4.23. Immediate support is at 4.22 (S1), with resistance at 4.23 (R1).

Table 1: Currency Outlook

Long Term*						
	Q2-25	Q3-25F	Q4-25F	Q1-26F	Q2-26F	Q3-25F
USDMYR	4.21	4.16	4.08	4.05	4.02	3.99
						▼
Short Term (Technical)						
	RSI (7)	EMA (5)	R1	R2	S1	S2
USDMYR	36.59	4.23	4.23	4.24	4.22	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

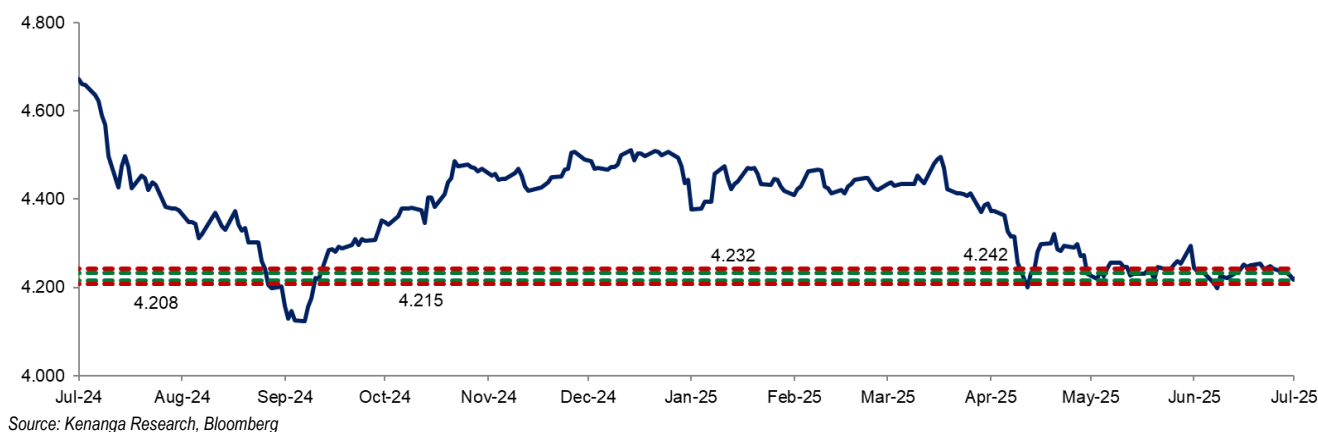
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

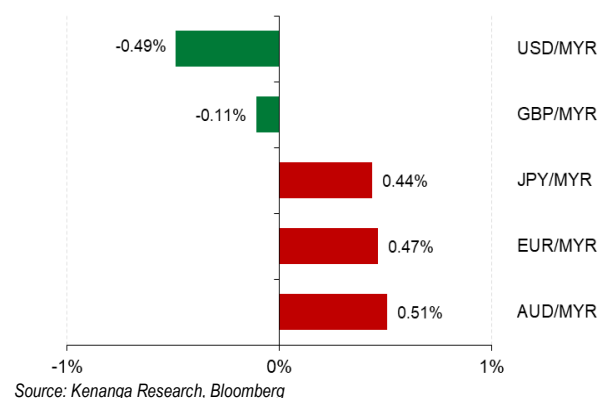
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

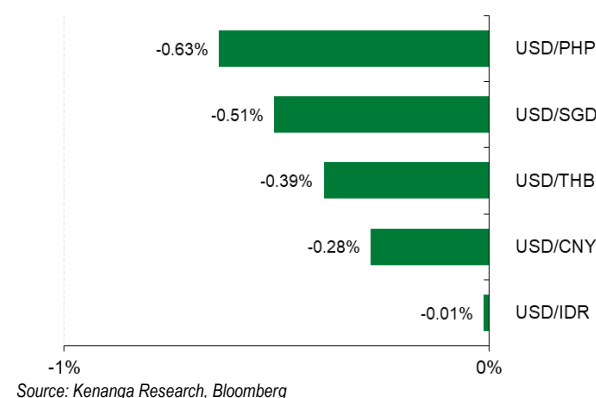
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



25 Jul 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	25/07/24 Last Year	25/06/25 Last Month	18/07/25 Last Week	25/07/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.661	4.237	4.243	4.223	-5.72%	-9.41%	-0.34%	-0.49%
AUDMYR	2.785	3.042	2.752	2.767	2.781	-0.14%	-8.57%	1.05%	0.51%
GBPMYR	5.590	6.006	5.767	5.704	5.698	1.93%	-5.13%	-1.20%	-0.11%
EURMYR	4.636	5.058	4.916	4.936	4.959	6.97%	-1.95%	0.88%	0.47%
JPYMYR	2.850	3.062	2.908	2.851	2.863	0.47%	-6.49%	-1.55%	0.44%
SGDMYR	3.288	3.473	3.309	3.305	3.302	0.43%	-4.92%	-0.23%	-0.09%
ASEAN 5 + CNY + JPY									
USIDR	16198	16250	16300	16297	16295	0.60%	0.28%	-0.03%	-0.01%
USDTHB	34.276	36.142	32.64	32.39	32.264	-5.87%	-10.73%	-1.15%	-0.39%
USDSGD	1.365	1.342	1.281	1.285	1.279	-6.29%	-4.70%	-0.15%	-0.51%
USDPHP	57.884	58.591	56.708	57.193	56.830	-1.82%	-3.01%	0.22%	-0.63%
USDCNY	7.299	7.247	7.174	7.175	7.155	-1.98%	-1.27%	-0.27%	-0.28%
USDJPY	157.140	152.210	145.730	144.660	144.660	-7.94%	-4.96%	-0.73%	0.00%
USD									
EURUSD	1.032	1.085	1.160	1.163	1.174	13.83%	8.23%	1.21%	1.01%
GBPUSD	1.245	1.288	1.361	1.342	1.350	8.45%	4.85%	-0.78%	0.62%
AUDUSD	0.621	0.652	0.650	0.651	0.658	6.04%	0.94%	1.35%	1.15%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
28/7/2025	MY	PPI (JUN)	-3.6% YoY	N/A
29/7/2025	US	JOLTs Job Openings (JUN)	7.769m	7.350m
30/7/2025	EA	GDP Growth Rate Flash (Q2)	0.6% QoQ	N/A
30/7/2025	US	GDP Growth Rate Advance (Q2)	-0.5% QoQ	2.5% QoQ
31/7/2025	US	Fed Interest Rate Decision	4.50%	4.50% (status quo)*
31/7/2025	JP	BoJ Interest Rate Decision	0.50%	0.50% (status quo)*
31/7/2025	US	Core PCE Price Index (JUN)	0.2% MoM	0.3% MoM
1/8/2025	MY	S&P Global Manufacturing PMI (JUL)	49.3	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

\*KIBB

For further information, please contact:

**Wan Suhaimie Wan Mohd Saidie**  
Head of Economic Research  
[wansuhaimi@kenanga.com.my](mailto:wansuhaimi@kenanga.com.my)

**Muhammad Saifuddin Sapuan**  
Economist  
[saifuddin.sapuan@kenanga.com.my](mailto:saifuddin.sapuan@kenanga.com.my)

**Afiq Asyraf Syazwan Abd. Rahim**  
Economist  
[afiqasyraf@kenanga.com.my](mailto:afiqasyraf@kenanga.com.my)

**Nurul Hanees Hairulkama**  
Economist  
[nurulhanees@kenanga.com.my](mailto:nurulhanees@kenanga.com.my)

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**KENANGA INVESTMENT BANK BERHAD (15678-H)**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)