

8 Aug 2025

Ringgit Weekly Outlook

Bracing for US inflation and tariff volatility; stabilisation likely near current levels

Overview

- Performance:** As expected, the ringgit strengthened this week, trading within the 4.23–4.24/USD range, after a weaker-than-expected US jobs report pulled the greenback lower.
- Market Dynamics:** Friday's soft payrolls print dragged the DXY below 99.0, prompting markets to reprice the USD lower. Traders now expect the Fed to deliver three 25 bps rate cuts this year. Political drama in the US, spurred by Trump's firing of the BLS chief, Fed Governor Kugler's resignation and the US–India tariff spat, has injected fresh risk premium into US assets. Optimism over a potential Ukraine–Russia truce and dovish remarks from Fed officials, who flagged weakening labour conditions, further pressured the USD.
- Data Impact:** Markets will focus on upcoming US inflation figures, as persistent price pressures may delay the Fed's pivot. Consensus expects core CPI to rise 0.3% MoM (from 0.2%), while PPI may increase 0.2% (from 0.0%). If inflation proves hotter than expected, investors may again reassess the Fed's trajectory. At the same time, traders will monitor Fedspeak and new tariff headlines for direction.
- Outlook:** Trump's proposed chips and pharmaceutical tariffs will likely dampen sentiment in risk assets. Investors are also tracking pressure on BRICS and signs of strain in the US–China trade détente. Trump's rapid-fire policy moves and media headlines continue to drive market uncertainty. Still, the ringgit should find support from domestic economic stability and a softer USD, likely holding near current levels.
- Technical:** USDMYR continues to hover near its 5-day EMA at 4.23. External developments will dictate near-term moves, with initial support at 4.23 (S1) and resistance at 4.24 (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	43.98	4.23	4.24	4.24	4.23	4.22
						▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

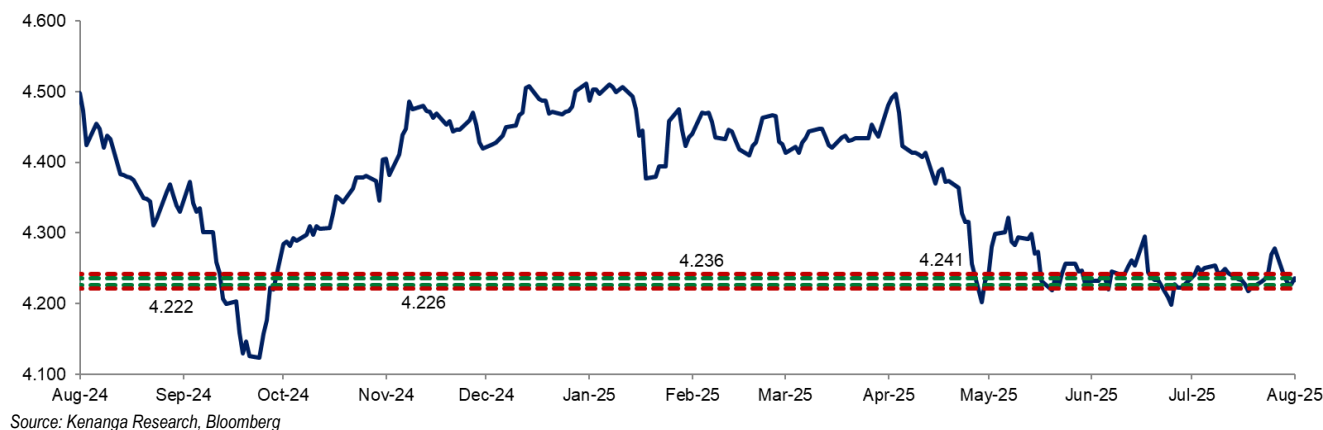
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

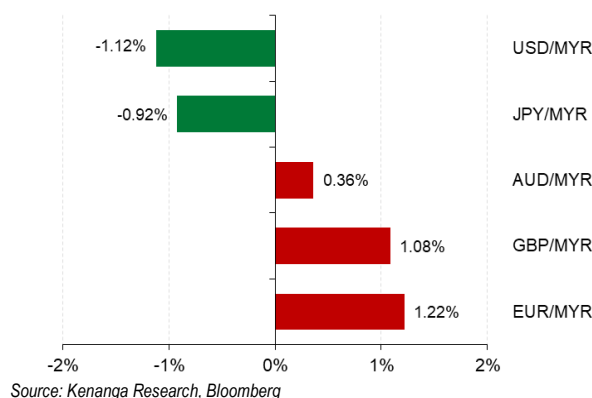
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

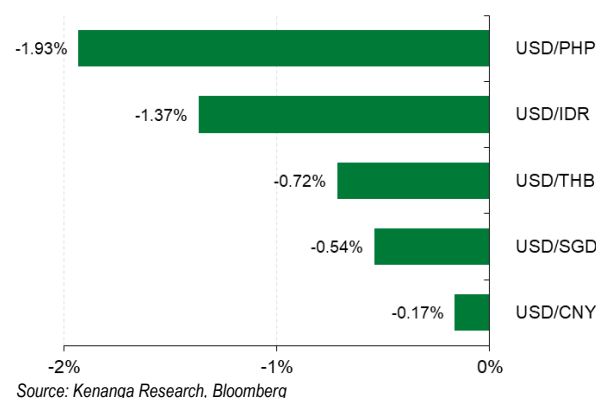
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



8 Aug 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	08/08/24 Last Year	08/07/25 Last Month	01/08/25 Last Week	08/08/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.473	4.241	4.278	4.230	-5.54%	-5.43%	-0.24%	-1.12%
AUDMYR	2.785	2.930	2.773	2.748	2.758	-0.97%	-5.87%	-0.54%	0.36%
GBPMYR	5.590	5.668	5.765	5.626	5.687	1.73%	0.32%	-1.35%	1.08%
EURMYR	4.636	4.888	4.979	4.878	4.937	6.49%	1.00%	-0.85%	1.22%
JPYMYR	2.850	3.061	2.896	2.902	2.876	0.90%	-6.06%	-0.71%	-0.92%
SGDMYR	3.288	3.376	3.318	3.293	3.297	0.28%	-2.34%	-0.65%	0.12%
ASEAN 5 + CNY + JPY									
USIDR	16198	15894	16206	16513	16287	0.55%	2.47%	0.50%	-1.37%
USDTHB	34.276	35.347	32.516	32.507	32.274	-5.84%	-8.69%	-0.74%	-0.72%
USDSGD	1.365	1.325	1.279	1.290	1.283	-6.00%	-3.16%	0.33%	-0.54%
USDPHP	57.884	57.333	56.363	58.164	57.040	-1.46%	-0.51%	1.20%	-1.93%
USDCNY	7.299	7.176	7.179	7.193	7.181	-1.62%	0.07%	0.04%	-0.17%
USDJPY	157.140	146.110	146.400	150.670	150.670	-4.12%	3.12%	2.92%	0.00%
USD									
EURUSD	1.032	1.093	1.173	1.159	1.167	13.12%	6.83%	-0.49%	0.72%
GBPUSD	1.245	1.269	1.358	1.328	1.345	8.03%	5.97%	-0.96%	1.27%
AUDUSD	0.621	0.655	0.654	0.647	0.652	5.02%	-0.47%	-0.29%	0.73%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
11/8/2025	MY	Unemployment Rate (JUN)	3.0%	N/A
12/8/2025	US	Core Inflation Rate (JUL)	0.2% MoM	0.3% MoM
14/8/2025	UK	GDP Growth Rate Preliminary (Q2)	0.7% QoQ	N/A
14/8/2025	US	PPI (JUL)	0.0% MoM	0.2% MoM
15/8/2025	JP	GDP Growth Rate Preliminary (Q2)	0.0% QoQ	0.1% QoQ
15/8/2025	CN	Retail Sales (JUL)	4.8% YoY	4.6% YoY
15/8/2025	MY	GDP Growth Rate (Q2)	4.4% YoY	4.5% YoY*
15/8/2025	US	Retail Sales (JUL)	0.6% MoM	0.5% MoM

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

Muhammad Saifuddin Sapuan
Economist
saifuddin.sapuan@kenanga.com.my

Afiq Asyraf Syazwan Abd. Rahim
Economist
afiqasyraf@kenanga.com.my

Nurul Hanees Hairulkama
Economist
nurulhanees@kenanga.com.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable, but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

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 E-mail: research@kenanga.com.my