

15 Aug 2025

# Ringgit Weekly Outlook

To rangebound as markets await US–Russia summit and Jackson Hole symposium

## Overview

- Performance:** The ringgit strengthened to 4.21–4.23/USD this week as the USD index (DXY) dipped to as low as 97.8 on Wednesday.
- Market Dynamics:** The DXY gained early support after Trump extended the tariff pause on China, signalling a temporary easing of trade tensions. It later softened as core inflation came in slightly above expectations, enough to stir concern but not enough to override the weak jobs data. While Treasury Bessent called for a 50 bps cut in September, markets anchored themselves to 25 bps and three cuts in 2025. Sentiment shifted sharply after the PPI surged 0.9% MoM for both headline and core, well above the 0.2% MoM consensus, prompting traders to scale back to just two 25 bps cuts.
- Data Impact:** The stronger-than-expected PPI shifts market focus to tonight's retail sales (consensus: +0.6% MoM). An upside surprise could further temper Fed-cut bets and reinforce the case for a more cautious Fed. Markets will also closely watch Friday's US–Russia summit, where a ceasefire could lift the EUR and risk assets, as well as next week's FOMC minutes and Powell's tone at Jackson Hole for signals on inflation tolerance.
- Outlook:** Markets continue to swing between two and three Fed cuts over the past few weeks. We maintain our base case for two, underpinned by evidence that firms are absorbing tariff costs, a trend that is unsustainable and likely to squeeze margins. Further easing would require either a major deterioration in the next jobs report or a significantly dovish tone from Powell at Jackson Hole. We expect the ringgit to range around 4.22–4.23/USD in the near term.
- Technical:** USDMYR is tracking its 5-day EMA at 4.22. Near-term directions hinge on the Fed signals, with immediate support at 4.21.

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	45.06	4.22	4.24	4.25	4.21	4.19
						—

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

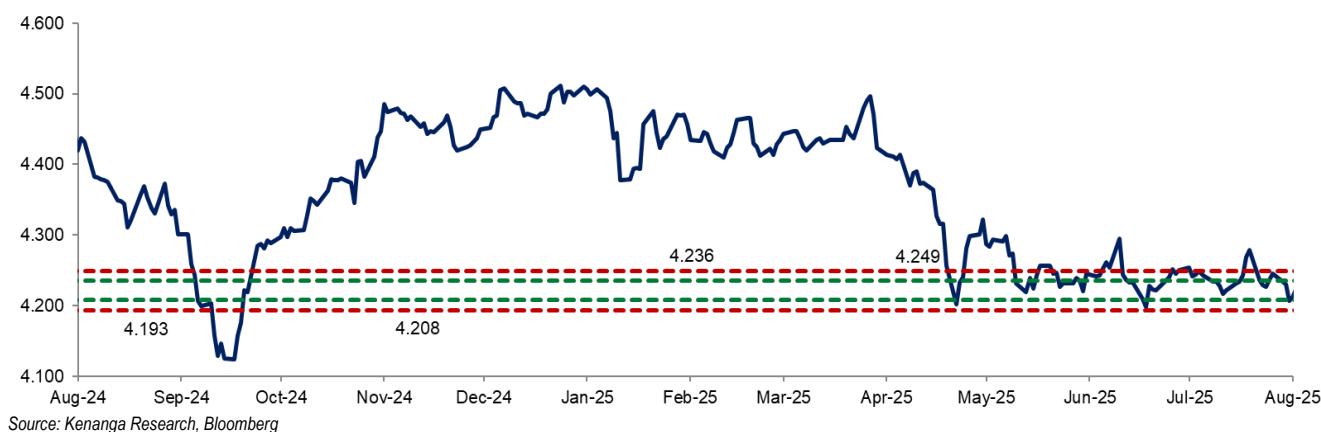
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

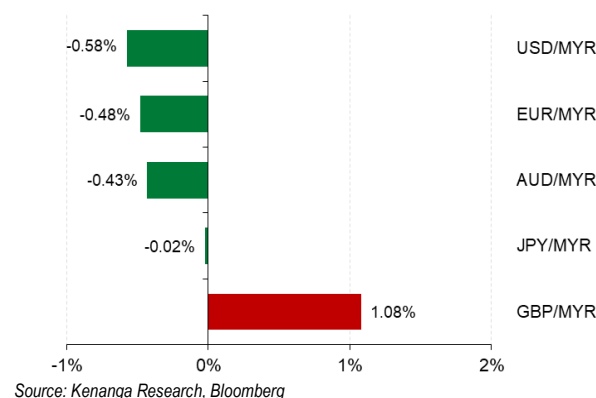
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

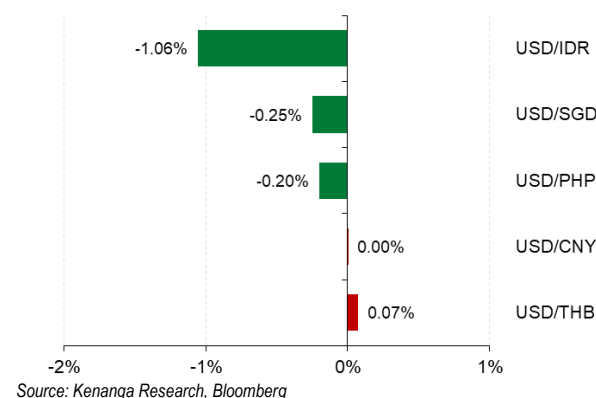
Graph 1: USDMYR Trend



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	14/08/24 Last Year	14/07/25 Last Month	07/08/25 Last Week	14/08/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.420	4.253	4.236	4.212	-5.96%	-4.71%	-0.98%	-0.58%
AUDMYR	2.785	2.933	2.794	2.762	2.750	-1.25%	-6.25%	-1.58%	-0.43%
GBPMYR	5.590	5.681	5.736	5.659	5.720	2.32%	0.68%	-0.28%	1.08%
EURMYR	4.636	4.874	4.973	4.944	4.920	6.13%	0.96%	-1.06%	-0.48%
JPYMYR	2.850	3.009	2.889	2.875	2.874	0.86%	-4.48%	-0.52%	-0.02%
SGDMYR	3.288	3.361	3.321	3.299	3.287	-0.02%	-2.20%	-1.01%	-0.37%
ASEAN 5 + CNY + JPY									
USDIDR	16198	15675	16250	16287	16115	-0.51%	2.81%	-0.83%	-1.06%
USDTHB	34.276	34.896	32.389	32.354	32.377	-5.54%	-7.22%	-0.04%	0.07%
USDSGD	1.365	1.315	1.281	1.284	1.281	-6.16%	-2.62%	0.00%	-0.25%
USDPHP	57.884	56.963	56.664	57.04	56.925	-1.66%	-0.07%	0.46%	-0.20%
USDCNY	7.299	7.141	7.172	7.181	7.182	-1.61%	0.57%	0.13%	0.00%
USDJPY	157.140	146.870	147.200	150.670	150.670	-4.12%	2.59%	2.36%	0.00%
USD									
EURUSD	1.032	1.102	1.170	1.167	1.170	13.36%	6.11%	0.00%	0.21%
GBPUSD	1.245	1.284	1.349	1.338	1.358	9.11%	5.75%	0.68%	1.51%
AUDUSD	0.621	0.663	0.657	0.653	0.653	5.12%	-1.61%	-0.62%	-0.02%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
19/8/2025	MY	Exports (JUL)	-3.5% YoY	-4.7% YoY*
19/8/2025	US	Building Permits Preliminary (JUL)	1.393m	1.390m
19/8/2025	US	Housing Starts (JUL)	1.321m	1.290m
20/8/2025	CN	Loan Prime Rate 1Y	3.00%	3.00% (status quo)
21/8/2025	US	FOMC Minutes	N/A	N/A
21/8/2025	US	Initial Jobless Claims (AUG/16)	224.0k	N/A
21/8/2025	US	Existing Home Sales (JUL)	3.93m	3.90m
22/8/2025	MY	Inflation Rate (JUL)	1.1% YoY	1.4% YoY*

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)