

04 Sep 2025

# Ringgit Weekly Outlook

## US jobs data to set breakout path for ringgit

### Overview

- Performance:** The ringgit eased slightly, trading near 4.23/USD this week, as the DXY climbed above 98.0.
- Market Dynamics:** Last Friday's federal appeals court ruling against Donald Trump's universal tariffs carried weight, but markets barely stirred, likely due to uncertainty over its impact. Instead, the DXY rose on mounting debt concerns abroad, prompting some unwinding of USD longs. We doubt this strength will last ahead of crucial data releases and the Fed's expected easing.
- Data Impact:** We see downside risk for the DXY in the coming days as positioning unwinds further before Friday's payrolls. The weak JOLTs reading reinforces expectations. Consensus now pegs NFP at roughly 70.0k, with some anticipating a sub-50.0k print. Focus will then shift to next week's inflation data, where both core CPI and PPI are forecast at 0.3% MoM, still elevated. Even so, the Fed may lean on weaker labour data to justify a September rate cut. The ECB, by contrast, looks set to stay on hold, lending support to the EUR.
- Outlook:** Malaysia's domestic backdrop remains stable, leaving little case for sustained ringgit weakness. BNM is expected to keep its policy rate unchanged at 2.75% today, while looming Fed cuts should pressure the DXY. That said, scrutiny of the Fed independence will intensify as Trump appointee Stephen Miran faces Senate confirmation hearings for a Fed board seat. Markets will also watch the BRICS virtual summit next week on US tariffs, a potential headwind for emerging-market currencies.
- Technical:** USDMYR is hovering near its 5-day EMA at 4.22. Momentum remains range-bound, with R1 at 4.23 and S1 at 4.22. The US jobs report will likely set the next breakout.

### 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	48.68	4.22	4.23	4.23	4.22	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

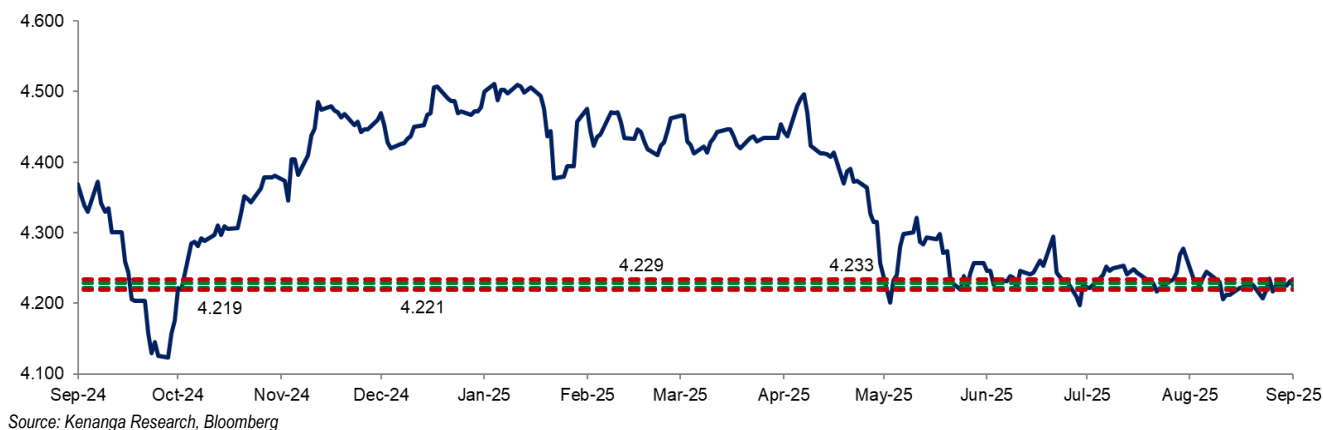
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

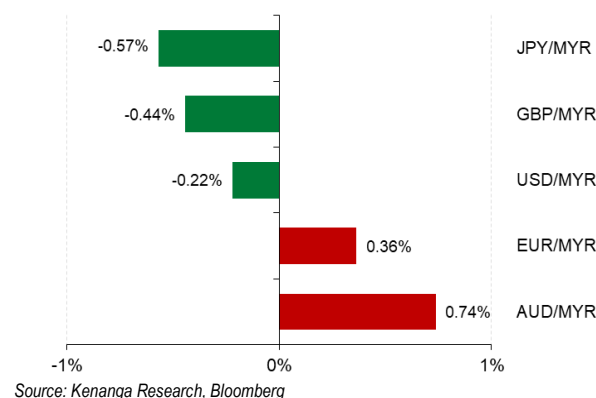
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

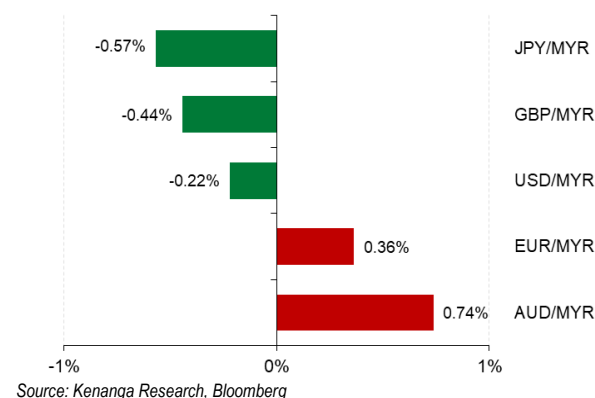
### Graph 1: USDMYR Trend



### Graph 2: Weekly Core Pairs' Performance



### Graph 3: Weekly Regional Peers' Performance



04 Sep 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	03/09/24 Last Year	04/08/25 Last Month	27/08/25 Last Week	03/09/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.369	4.237	4.235	4.226	-5.64%	-3.28%	-0.26%	-0.22%
AUDMYR	2.785	2.942	2.744	2.741	2.761	-0.85%	-6.17%	0.61%	0.74%
GBPMYR	5.590	5.730	5.632	5.693	5.667	1.38%	-1.09%	0.62%	-0.44%
EURMYR	4.636	4.823	4.900	4.909	4.927	6.26%	2.14%	0.55%	0.36%
JPYMYR	2.850	2.992	2.871	2.859	2.843	-0.25%	-4.98%	-0.97%	-0.57%
SGDMYR	3.288	3.338	3.289	3.286	3.282	-0.19%	-1.68%	-0.23%	-0.14%
ASEAN 5 + CNY + JPY									
USIDR	16198	15526	16401	16368	16416	1.35%	5.73%	0.09%	0.29%
USDTHB	34.276	34.261	32.443	32.5	32.365	-5.58%	-5.53%	-0.24%	-0.42%
USDSGD	1.365	1.309	1.288	1.290	1.289	-5.55%	-1.56%	0.10%	-0.05%
USDPHP	57.884	56.613	57.366	57.177	57.314	-0.98%	1.24%	-0.09%	0.24%
USDCNY	7.299	7.121	7.181	7.152	7.142	-2.15%	0.29%	-0.54%	-0.13%
USDJPY	157.140	146.030	147.580	148.120	148.690	-5.38%	1.82%	0.75%	0.38%
USD									
EURUSD	1.032	1.104	1.157	1.158	1.164	12.86%	5.51%	0.60%	0.56%
GBPUSD	1.245	1.312	1.330	1.342	1.340	7.69%	2.20%	0.80%	-0.13%
AUDUSD	0.621	0.673	0.648	0.647	0.653	5.17%	-2.99%	0.79%	0.99%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
8/9/2025	CN	Exports (AUG)	7.2% YoY	5.4% YoY
10/9/2025	CN	Inflation Rate (AUG)	0.0% YoY	-0.2% YoY
10/9/2025	MY	Unemployment Rate (JUL)	3.0%	3.0%
10/9/2025	US	PPI (AUG)	0.9% MoM	0.3% MoM
11/9/2025	EA	ECB Interest Rate Decision	2.00%	2.00% (status quo)
11/9/2025	US	Core Inflation (AUG)	0.3% MoM	0.3% MoM
12/9/2025	MY	Retail Sales (JUL)	5.4% YoY	N/A
12/9/2025	US	Michigan Consumer Sentiment Preliminary (SEP)	58.2	59.3

Source: Kenanga Research, Trading Economics, Bloomberg

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