Ringgit Weekly Outlook

Holds firm below 4.20/USD as US–China optimism offsets Fed ambiguity

Overview

- **Performance:** The MYR strengthened to around 4.19–4.20/USD this week even as the DXY stayed elevated near 99.5. Renewed market optimism following the Trump–Xi meeting helped support sentiment.
- **Market Dynamics:** Global markets rallied early in the week on hopes of constructive US–China engagement. The ringgit also benefitted from a firmer CNY, with the PBoC guiding the USDCNY fix lower. Meanwhile, the Fed's 25 bps rate cut was fully expected. Powell's comment that the Fed is "not on a preset course" tempered expectations of further aggressive easing, with markets now pricing around a 70.0% chance of another cut in December, down from 90.0%. The BoJ's reluctance to tighten policy continued to lend support to the USD.
- **Data Impact:** The US government shutdown is likely to persist into mid-November, reducing the flow of official data and pushing investors to rely more on secondary indicators. Upcoming ISM manufacturing and services prints will be key to gauging underlying economic momentum. In Asia, firmer China PMI or export data may provide near-term support for emerging-market currencies. Both BNM and the BoE are expected to hold policy rates steady, limiting immediate rate-driven catalysts for the ringgit.
- **Outlook:** The Fed's latest guidance makes the USD more difficult to sell, as the easing path is less clear. More evidence of labour-market weakness is needed to reinforce expectations of three further cuts by 1Q26. We still hold that view, though with lower conviction given political and fiscal uncertainty in Washington. Even so, improving US–China trade tone should help the ringgit stay below 4.20/USD.
- **Technical:** USDMYR is likely to hover near its 5-day EMA at 4.20, with a neutral bias and a narrow trading band of 4.19–4.21.

Table 1: Currency Outlook

Long Term*							
	Q3-25	Q4-25F	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Trend
USDMYR	4.21	4.08	4.05	4.02	3.99	3.95	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	35.79	4.20	4.21	4.22	4.19	4.18	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

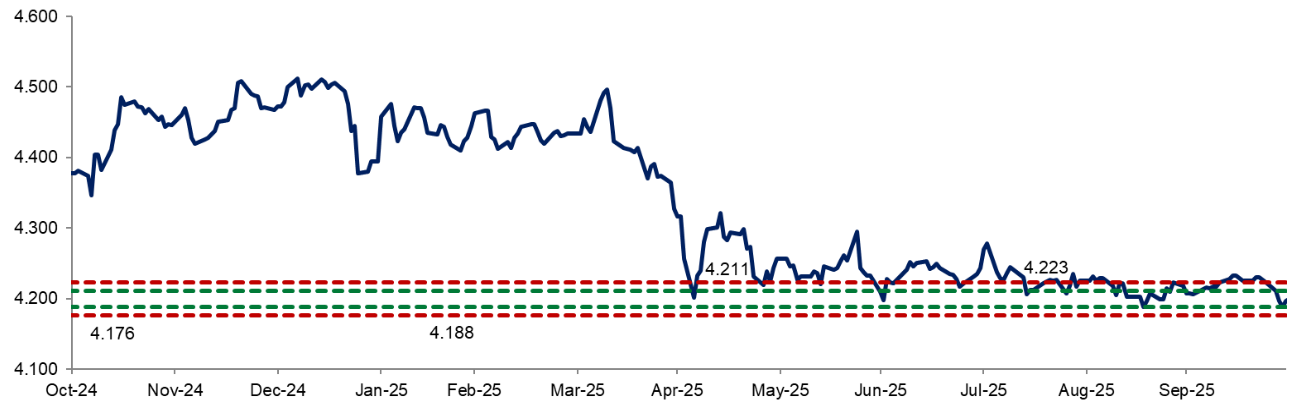
**F=Forecasts for end of period*
Source: Kenanga Research, Bloomberg

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.

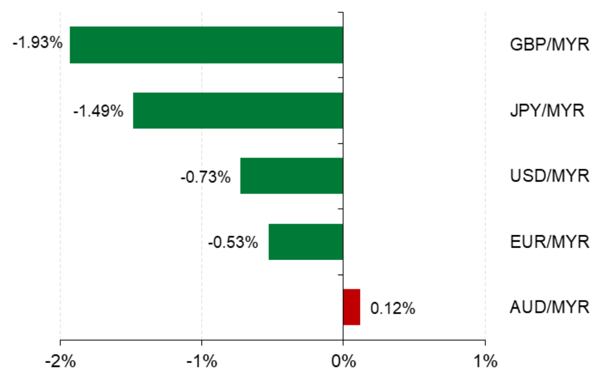
$$EMA = (P \times \alpha) + [Previous\ EMA\ \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



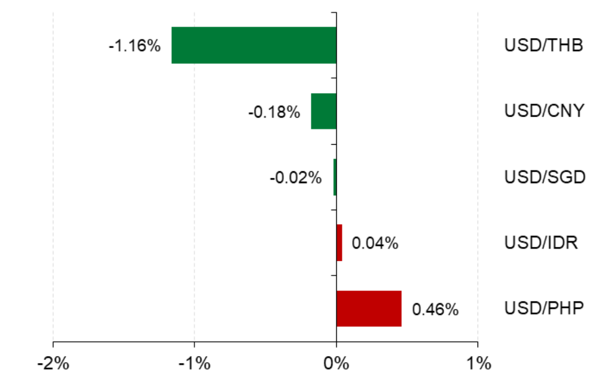
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	30/10/24 Last Year	30/09/25 Last Month	23/10/25 Last Week	30/10/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.378	4.207	4.227	4.196	-6.31%	-4.16%	-0.26%	-0.73%
AUDMYR	2.785	2.880	2.782	2.753	2.756	-1.02%	-4.29%	-0.92%	0.12%
GBPMYR	5.590	5.692	5.657	5.643	5.534	-1.00%	-2.76%	-2.16%	-1.93%
EURMYR	4.636	4.746	4.943	4.900	4.874	5.14%	2.70%	-1.38%	-0.53%
JPYMYR	2.850	2.865	2.842	2.767	2.726	-4.36%	-4.86%	-4.10%	-1.49%
SGDMYR	3.288	3.310	3.262	3.253	3.231	-1.74%	-2.39%	-0.96%	-0.69%
ASEAN 5 + CNY + JPY									
USDIDR	16198	15705	16665	16629	16636	2.70%	5.93%	-0.17%	0.04%
USDTHB	34.276	33.71	32.398	32.816	32.435	-5.37%	-3.78%	0.11%	-1.16%
USDSGD	1.365	1.323	1.290	1.300	1.300	-4.76%	-1.76%	0.76%	-0.02%
USDPHP	57.884	58.235	58.2	58.614	58.885	1.73%	1.12%	1.18%	0.46%
USDCNY	7.299	7.116	7.121	7.123	7.110	-2.59%	-0.08%	-0.15%	-0.18%
USDJPY	157.140	152.900	148.030	152.770	153.960	-2.02%	0.69%	4.01%	0.78%
USD									
EURUSD	1.032	1.083	1.175	1.159	1.161	12.50%	7.13%	-1.18%	0.16%
GBPUSD	1.245	1.298	1.344	1.334	1.318	5.86%	1.55%	-1.95%	-1.21%
AUDUSD	0.621	0.658	0.661	0.651	0.657	5.73%	-0.20%	-0.67%	0.92%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
03/11/2025	MY	S&P Global Manufacturing PMI (OCT)	49.8	N/A
03/11/2025	CN	RatingDog Manufacturing PMI (OCT)	51.2	50.7
03/11/2025	US	ISM Manufacturing PMI (OCT)	49.1	49.2
05/11/2025	US	ISM Services PMI (OCT)	50.0	51.0
06/11/2025	MY	BNM Interest Rate Decision	2.75%	2.75%* (status quo)
06/11/2025	UK	BoE Interest Rate Decision	4.00%	4.00% (status quo)
07/11/2025	CN	Exports (OCT)	8.3% YoY	N/A
07/11/2025	MY	Industrial Production (SEP)	4.9% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg
**KIBB*

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