

12 Dec 2025

# Ringgit Weekly Outlook

Sub-4.10/USD in sight as data and major central banks might steer USD lower

## Overview

- Performance:** The ringgit strengthened towards 4.10/USD post-FOMC, in line with expectations, as the DXY moved closer to 98.0.
- Market Dynamics:** The ringgit held around 4.11–4.12/USD as investors questioned whether the global easing cycle had ended. Talk of potential hikes in Australia, New Zealand and Canada, along with hawkish comments from the ECB's Schnabel, added uncertainty. Even so, markets kept a dovish view on the Fed, supported by the prospect of Kevin Hassett's nomination and seasonal USD softness. The Fed's 25 bps cut lifted risk assets, although the hawkish dot plot limited USD weakness. The plan to buy USD40.0b in T-bills to manage balance-sheet maturities is seen as a mild USD negative.
- Data Impact:** Next week brings a heavy slate of macro data. Investors will focus on November's labour report on Tuesday, with consensus expecting NFP at 50.0k and unemployment at 4.4%. We see downside risk due to the prolonged government shutdown. November's inflation report is also due, with core CPI likely to hold near 3.0%. The BoJ, BoE and ECB will also meet, with markets expecting a BoJ hike, a BoE cut and an ECB hold.
- Outlook:** A weaker US labour print paired with steady inflation would likely extend USD softness. A hawkish BoJ would add further pressure. If rising JGB yields prompt Japanese investors to repatriate some of their UST holdings, US yields could climb further, weighing on the USD. A stronger EUR is also plausible if the ECB upgrades its growth forecasts. With seasonal USD weakness reinforcing these trends, the DXY may slip below 98.0. A move below 4.10/USD next week looks increasingly likely and brings the ringgit closer to our end-2025 forecast of 4.08/USD.
- Technical:** USDMYR retains a mildly bullish tone. Technically, the pair may test its 5-day EMA near 4.11 within a 4.09–4.12 range.

Table 1: Currency Outlook

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

	Short Term (Technical)						Trend
	RSI (7)	EMA (5)	R1	R2	S1	S2	
USDMYR	22.36	4.11	4.11	4.12	4.10	4.09	▲

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

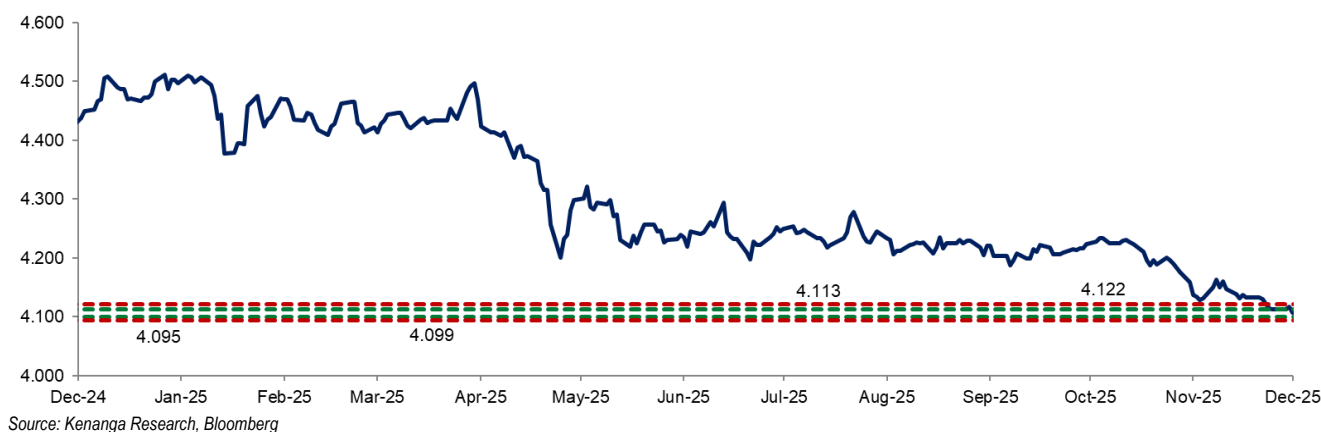
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

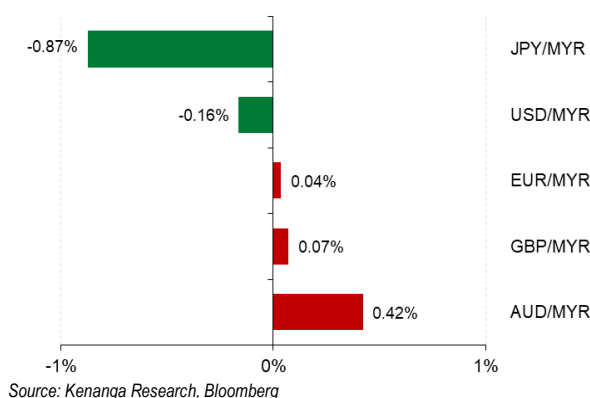
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

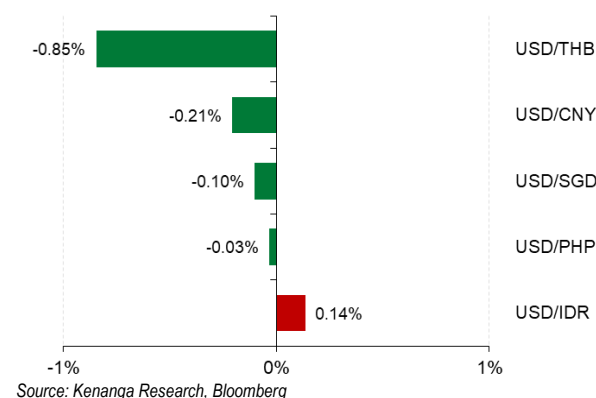
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



12 Dec 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	11/12/24 Last Year	11/11/25 Last Month	04/12/25 Last Week	11/12/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.433	4.138	4.114	4.107	-8.29%	-7.34%	-0.74%	-0.16%
AUDMYR	2.785	2.814	2.699	2.721	2.732	-1.88%	-2.89%	1.23%	0.42%
GBPMYR	5.590	5.644	5.436	5.489	5.493	-1.74%	-2.67%	1.05%	0.07%
EURMYR	4.636	4.655	4.786	4.804	4.806	3.66%	3.25%	0.42%	0.04%
JPYMYR	2.850	2.905	2.683	2.658	2.635	-7.54%	-9.29%	-1.77%	-0.87%
SGDMYR	3.288	3.296	3.177	3.177	3.174	-3.47%	-3.72%	-0.11%	-0.10%
ASEAN 5 + CNY + JPY									
USDIDR	16198	15919	16694	16653	16676	2.95%	4.76%	-0.11%	0.14%
USDTHB	34.276	33.897	32.386	32.033	31.762	-7.33%	-6.30%	-1.93%	-0.85%
USDSGD	1.365	1.344	1.302	1.295	1.294	-5.17%	-3.74%	-0.60%	-0.10%
USDPHP	57.884	58.305	58.967	59.019	59.000	1.93%	1.19%	0.06%	-0.03%
USDCNY	7.299	7.263	7.117	7.072	7.057	-3.32%	-2.83%	-0.85%	-0.21%
USDJPY	157.140	152.600	154.250	154.750	155.870	-0.81%	2.14%	1.05%	0.72%
USD									
EURUSD	1.032	1.050	1.157	1.167	1.171	13.47%	11.55%	1.16%	0.34%
GBPUSD	1.245	1.272	1.314	1.334	1.338	7.48%	5.15%	1.82%	0.25%
AUDUSD	0.621	0.635	0.652	0.661	0.666	7.18%	4.87%	2.02%	0.67%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
15/12/2025	CN	Industrial Production (NOV)	4.9% YoY	5.0% YoY
16/12/2025	US	Non Farm Payrolls (NOV)	N/A	50.0k
16/12/2025	US	Unemployment Rate (NOV)	N/A	4.4%
16/12/2025	US	S&P Global Manufacturing PMI Flash (DEC)	52.2	N/A
18/12/2025	UK	BoE Interest Rate Decision	4.00%	3.75% (25 bps cut)
18/12/2025	EA	ECB Interest Rate Decision	2.00%	2.00% (status quo)
18/12/2025	US	Core Inflation (NOV)	N/A	3.0% YoY
19/12/2025	JP	BoJ Interest Rate Decision	0.50%	0.75%* (25 bps hike)

Source: Kenanga Research, Trading Economics, Bloomberg

\*KIBB

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