

# Ringgit Weekly Outlook

Momentum intact but may face pullback as USD rebound risks build

## Overview

- Performance:** The ringgit appreciated sharply this week, gaining nearly 3.0% to around 3.92-3.93/USD, its strongest level since April 2018. This performance far outpaced peers.
- Market Dynamics:** The USD weakened sharply this week, with the DXY sliding to around the 96.0 level as FX-specific forces eclipsed macro and rate signals. Suspected USDJPY intervention triggered a sharp rise in USD hedging and renewed speculative selling. Portfolio rebalancing into commodities and emerging market assets added pressure and reinforced debasement trades, seen in continued strength in gold and silver. A marginally firmer Fed tone failed to arrest the decline, underscoring the limited influence of short-term rates on FX at present.
- Data Impact:** Attention next week turns to US labour data, which will shape expectations for Fed policy into March. Consensus looks for a firm NFP print and a stable unemployment rate. These outcomes could offer the USD modest near-term support. Beyond macro data, markets are also watching Trump's potential nominee for Fed chair, which could be announced as early as tomorrow. At the same time, investors are also pricing a higher risk of a US government shutdown as funding talks stall ahead of a critical deadline. Geopolitical risk has also resurfaced, with Washington issuing fresh warnings toward Iran.
- Outlook:** Our near-term preference remains for a USD rebound, but this requires clear confirmation from strong US data. A robust labour report, combined with the nomination of Warsh as Fed chair, could support the USD. A US shutdown or renewed geopolitical tensions may also trigger bouts of risk aversion that favour the USD, though such support is unlikely to last. We maintain our core view of a bullish MYR and bearish USD bias into year-end, but higher volatility and periodic corrections may weaken the MYR from current levels in the interim.
- Technical:** USDMYR appears due for a technical correction, with scope to drift towards the 5-day EMA around 3.95.

Table 1: Currency Outlook

Long Term*							
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Trend
USDMYR	4.06	4.05	4.02	3.99	3.95	4.00	▼
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	16.886	3.948	3.958	3.983	3.914	3.895	▲

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

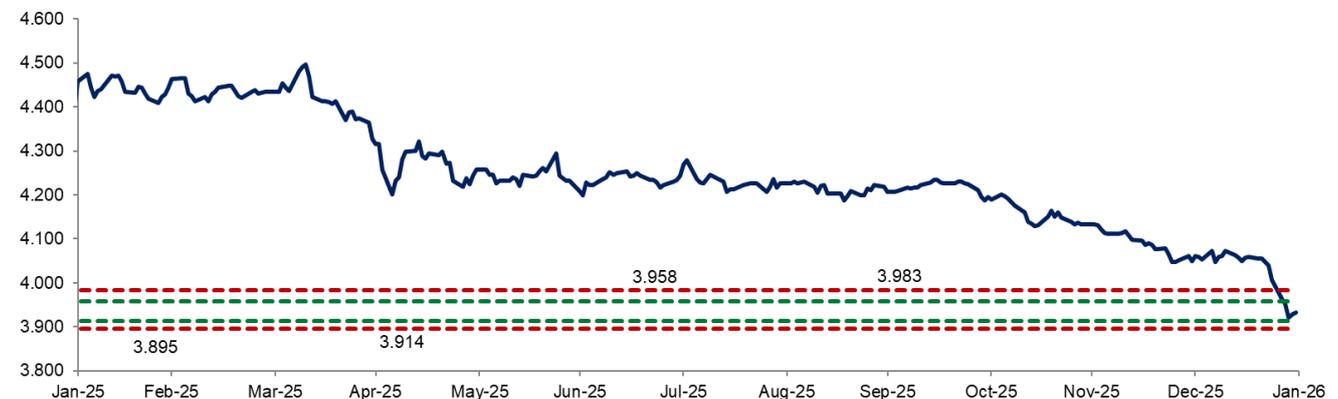
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

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.

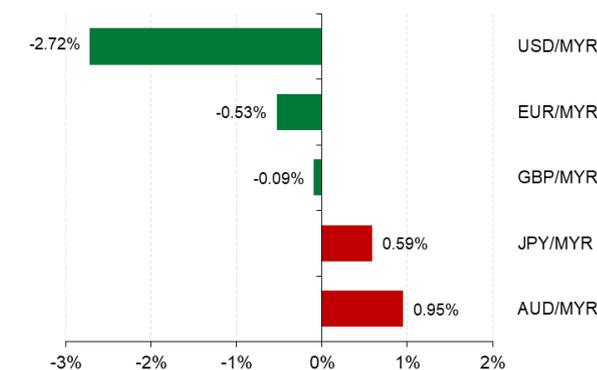
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



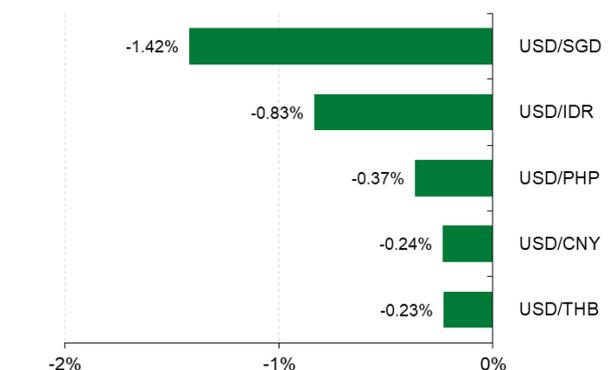
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

30 Jan 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	29/01/25 Last Year	29/12/25 Last Month	22/01/26 Last Week	29/01/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
<b>MYR</b>									
USDMYR	4.054	4.395	4.060	4.039	3.930	-12.26%	-10.58%	-3.22%	-2.72%
AUDMYR	2.716	2.741	2.720	2.747	2.773	-0.43%	1.17%	1.92%	0.95%
GBPMYR	5.455	5.473	5.478	5.429	5.424	-2.97%	-0.90%	-0.99%	-0.09%
EURMYR	4.752	4.587	4.782	4.723	4.698	1.34%	2.43%	-1.75%	-0.53%
JPYMYR	2.585	2.829	2.596	2.546	2.561	-10.13%	-9.47%	-1.35%	0.59%
SGDMYR	3.152	3.257	3.159	3.146	3.109	-5.45%	-4.56%	-1.60%	-1.18%
<b>ASEAN 5 + CNY + JPY</b>									
USDIDR	16725	16221	16788	16896	16755	3.44%	3.29%	-0.20%	-0.83%
USDTHB	31.524	33.728	31.45	31.338	31.266	-8.78%	-7.30%	-0.59%	-0.23%
USDSGD	1.286	1.351	1.285	1.284	1.265	-7.28%	-6.35%	-1.53%	-1.42%
USDPHP	58.862	58.46	58.824	59.166	58.950	1.84%	0.84%	0.21%	-0.37%
USDCNY	6.989	7.245	7.006	6.969	6.952	-4.76%	-4.04%	-0.77%	-0.24%
USDJPY	156.840	155.390	156.330	158.640	153.440	-2.35%	-1.25%	-1.85%	-3.28%
<b>USD</b>									
EURUSD	1.172	1.040	1.177	1.170	1.194	15.75%	14.78%	1.50%	2.11%
GBPUSD	1.346	1.242	1.350	1.345	1.378	10.73%	11.01%	2.11%	2.49%
AUDUSD	0.669	0.623	0.670	0.680	0.703	13.27%	12.94%	4.97%	3.38%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
2/2/2026	MY	S&P Global Manufacturing PMI (JAN)	50.1	N/A
2/2/2026	CN	RatingDog Manufacturing PMI (JAN)	50.1	50.0
2/2/2026	US	ISM Manufacturing PMI (JAN)	47.9	48.3
3/2/2026	US	JOLTs Job Openings (DEC)	7.146m	7.100m
4/2/2026	US	ADP Employment Change (JAN)	41.0k	48.0k
4/2/2026	US	ISM Services PMI (JAN)	54.4	53.5
5/2/2026	UK	BoE Interest Rate Decision	3.75%	3.75% (status quo)
5/2/2026	EU	ECB Interest Rate Decision	2.00%	2.00% (status quo)

Source: Kenanga Research, Trading Economics, Bloomberg

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