

Ringgit Weekly Outlook

Set for a tight range of 3.90-3.93 as core PCE and geopolitics steer USD direction

Overview

- Performance:** As expected, the MYR traded broadly within 3.90–3.91/USD, consolidating as the USD regained modest ground.
- Market Dynamics:** Recent US macro resilience has not lifted the USD to January highs. Conviction remains fragile and “sell America” sentiment lingers. Higher oil prices, driven by tensions in the Strait of Hormuz, and Japanese investment flows provide some support. FOMC minutes signalled a balanced outlook: further hikes remain possible, but softer data leaves room for future cuts. A dovish RBNZ pivot also dampened pro-cyclical FX expectations and challenged the view that stronger global growth will automatically trigger hawkish repricing.
- Data Impact:** Core PCE, the Fed’s preferred gauge, takes centre stage. A projected 0.3% monthly increase may temper recent dovish sentiment. A wider US trade deficit suggests 4Q25 growth could slip below 3.0%, potentially capping USD gains. Markets will also track jobless claims and PPI, alongside the confirmation timeline for Kevin Warsh as Fed Chair. These releases will refine the inflation narrative and drive event risk for the USD.
- Outlook:** Equities continue to lead macro signals, with Nvidia’s earnings likely to drive FX volatility and shape risk sentiment. The USD’s safe-haven premium has eased, but high-beta currencies remain vulnerable in this fragile environment. Geopolitical risks, including potential US-Iran tensions, could offer episodic support for oil and the USD. For MYR, the external USD trajectory remains the key driver. We expect USDMYR to trade within 3.90–3.93, supported by stable domestic conditions and balanced risks.
- Technical:** USDMYR remains neutral and may test the 5-day EMA near 3.91. The pair should stay within the 3.91–3.92 range.

Table 1: Currency Outlook

Long Term*							
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Trend
USDMYR	4.06	3.92	3.88	3.90	3.95	4.00	▼
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	37.578	3.907	3.913	3.917	3.903	3.897	—

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.

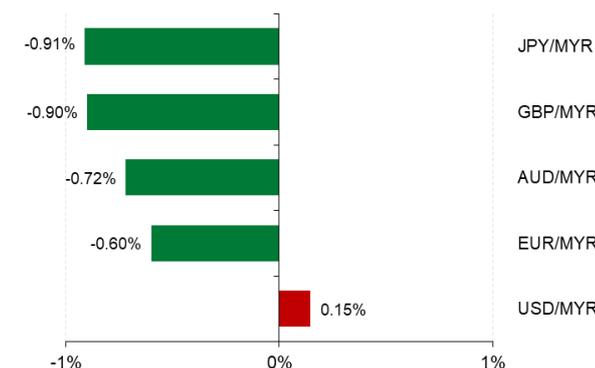
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



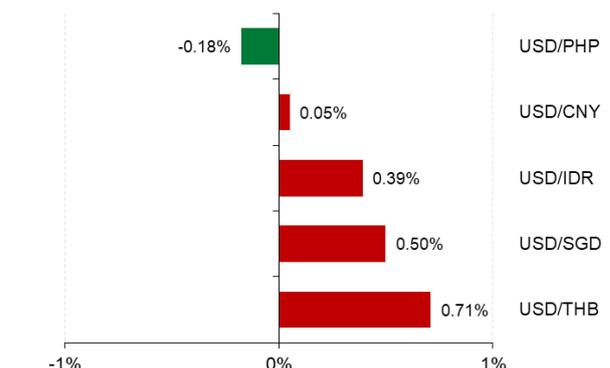
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs’ Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers’ Performance



Source: Kenanga Research, Bloomberg

20 Feb 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	19/02/25 Last Year	19/01/26 Last Month	12/02/26 Last Week	19/02/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.443	4.055	3.903	3.909	-12.73%	-12.03%	-3.60%	0.15%
AUDMYR	2.716	2.825	2.715	2.780	2.760	-0.88%	-2.29%	1.65%	-0.72%
GBPMYR	5.455	5.601	5.436	5.327	5.279	-5.57%	-5.74%	-2.88%	-0.90%
EURMYR	4.752	4.634	4.713	4.640	4.612	-0.52%	-0.46%	-2.14%	-0.60%
JPYMYR	2.585	2.929	2.568	2.549	2.526	-11.36%	-13.74%	-1.63%	-0.91%
SGDMYR	3.152	3.309	3.154	3.096	3.085	-6.17%	-6.77%	-2.18%	-0.36%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16325	16955	16828	16894	4.30%	3.49%	-0.36%	0.39%
USDTHB	31.524	33.708	31.256	30.971	31.191	-9.00%	-7.47%	-0.21%	0.71%
USDSGD	1.286	1.343	1.285	1.261	1.267	-7.14%	-5.64%	-1.39%	0.50%
USDPHP	58.862	58.102	59.46	58.108	58.006	0.21%	-0.17%	-2.45%	-0.18%
USDCNY	6.989	7.279	6.964	6.901	6.905	-5.41%	-5.14%	-0.85%	0.05%
USDJPY	156.840	151.730	157.890	153.120	154.710	-1.55%	1.96%	-2.01%	1.04%
USD									
EURUSD	1.172	1.042	1.162	1.188	1.179	14.27%	13.09%	1.42%	-0.74%
GBPUSD	1.346	1.259	1.341	1.364	1.349	8.37%	7.12%	0.59%	-1.10%
AUDUSD	0.669	0.635	0.670	0.712	0.705	13.61%	11.03%	5.28%	-0.97%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
23/2/2026	US	Factory Orders (DEC)	2.7% MoM	1.0% MoM
24/2/2026	US	ADP Employment Change Weekly	10.25k	N/A
26/2/2026	MY	PPI (JAN)	-2.7% YoY	N/A
26/2/2026	US	Initial Jobless Claims (FEB/21)	206.0k	N/A
27/2/2026	US	7-year Note Auction	N/A	N/A
27/2/2026	JP	Industrial Production Preliminary (JAN)	-0.1% MoM	5.3% MoM
27/2/2026	MY	M3 Money Supply (JAN)	4.1% YoY	N/A
27/2/2026	US	PPI (JAN)	0.5% MoM	0.3% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

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