

26 June 2026

Ringgit Weekly Outlook

Labour data and Hormuz risks to test whether USD rally has peaked

Overview

- Performance:** MYR strengthened to 4.12/USD from Monday's high of 4.15 as risk sentiment stabilised and USD demand eased.
- Market Dynamics:** Hawkish Fed rhetoric and expectations of higher US rates initially weakened the MYR. The ringgit later recovered as equity volatility eased and Strait of Hormuz disruption fears receded. Brent falling below USD75.0/barrel and steady crude shipments signalled easing geopolitical risk premiums, although elevated US yields continued to underpin the USD. FX positioning remained moderately USD-supportive ahead of key US labour market data.
- Data Watch:** Focus next week shifts to the US labour market report and developments surrounding the Strait of Hormuz. Investors will assess whether employment conditions remain sufficiently resilient to validate the market's hawkish repricing of the Fed path into 2026. A softer labour print could challenge expectations for additional tightening and curb recent USD strength. Markets will also closely monitor whether oil flows through the Strait of Hormuz remain uninterrupted, as any renewed disruption could revive safe-haven demand for the USD and weigh on risk-sensitive currencies.
- Outlook:** Our baseline assumes the fragile US-Iran ceasefire broadly holds and oil shipments through the Strait of Hormuz continue without major disruptions. Under this scenario, lower oil prices and easing geopolitical risk premiums should cap further USD upside. Investors are likely to use next week's labour market data to reassess whether current hawkish Fed pricing has become excessive. We expect USDMYR to trade within 4.08-4.12, with risks tilted towards gradual MYR appreciation as the current USD rally nears its peak.
- Technical:** USDMYR turned neutral, with immediate resistance at 4.13, while support is seen at 4.09 followed by 4.07.

Table 1: Currency Outlook

Long Term*						
	Q1-26	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Q2-27F
USDMYR	4.05	4.08	4.03	3.95	4.00	4.02
						▲
Short Term (Technical)						
	RSI (7)	EMA (5)	R1	R2	S1	S2
USDMYR	53.149	4.117	4.133	4.164	4.087	4.072
						—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

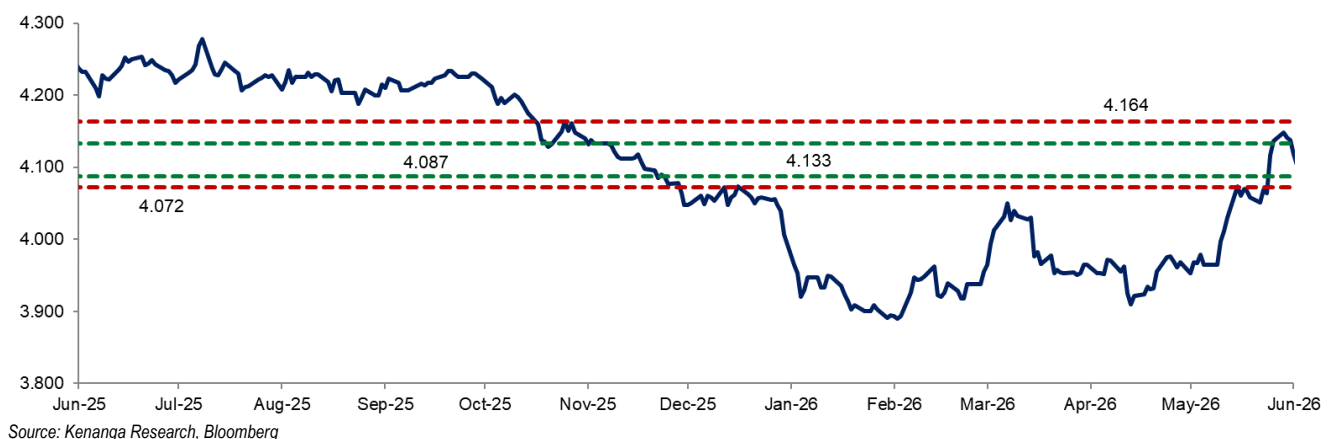
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

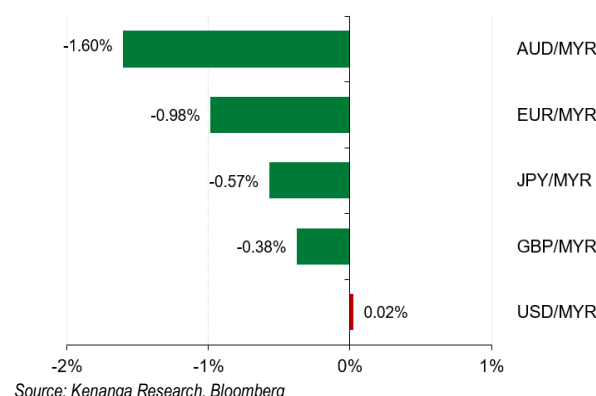
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

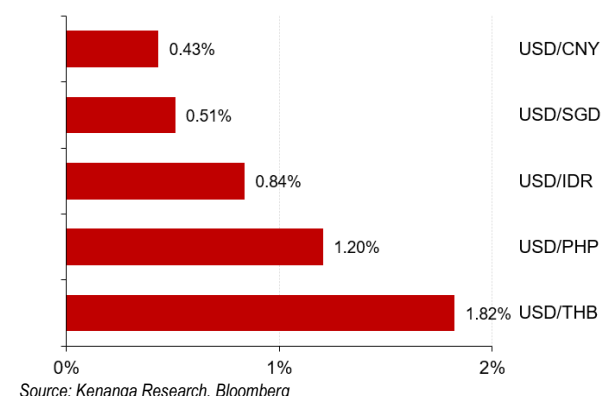
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



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Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	25/06/25 Last Year	28/04/26 Last Month	18/06/26 Last Week	25/06/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.237	3.953	4.117	4.118	1.58%	-2.81%	4.18%	0.02%
AUDMYR	2.716	2.752	2.837	2.888	2.842	4.65%	3.27%	0.19%	-1.60%
GBPMYR	5.455	5.767	5.334	5.451	5.431	-0.44%	-5.83%	1.82%	-0.38%
EURMYR	4.752	4.916	4.622	4.725	4.679	-1.54%	-4.83%	1.23%	-0.98%
JPYMYR	2.585	2.908	2.476	2.558	2.544	-1.59%	-12.53%	2.75%	-0.57%
SGDMYR	3.152	3.309	3.096	3.192	3.176	0.74%	-4.04%	2.56%	-0.50%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16300	17243	17794	17943	7.28%	10.08%	4.06%	0.84%
USDTHB	31.524	32.64	32.512	32.788	33.386	5.91%	2.29%	2.69%	1.82%
USDSGD	1.286	1.281	1.277	1.291	1.298	0.89%	1.30%	1.61%	0.51%
USDPHP	58.862	56.708	61.285	60.588	61.318	4.17%	8.13%	0.05%	1.20%
USDCNY	6.989	7.174	6.837	6.768	6.798	-2.74%	-5.25%	-0.58%	0.43%
USDJPY	156.840	145.730	159.630	160.920	161.880	3.21%	11.08%	1.41%	0.60%
USD									
EURUSD	1.172	1.160	1.169	1.146	1.135	-3.18%	-2.22%	-2.97%	-1.00%
GBPUSD	1.346	1.361	1.348	1.323	1.317	-2.13%	-3.20%	-2.34%	-0.45%
AUDUSD	0.669	0.650	0.717	0.701	0.689	2.99%	6.11%	-3.80%	-1.60%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
29/6/2026	MY	PPI (MAY)	5.4% YoY	N/A
30/6/2026	CN	NBS Manufacturing PMI (JUN)	50.0	50.1
30/6/2026	US	JOLTs Job Openings (MAY)	7.618m	7.275m
1/7/2026	MY	S&P Global Manufacturing PMI (JUN)	49.9	N/A
1/7/2026	US	ADP Employment Change (JUN)	122.0k	118.0k
1/7/2026	US	ISM Manufacturing PMI (JUN)	54.0	53.8
2/7/2026	US	Non Farm Payrolls (JUN)	172.0k	115.0k
2/7/2026	US	Unemployment Rate (JUN)	4.3%	4.3%

Source: Kenanga Research, Trading Economics, Bloomberg

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