

10 July 2026

Ringgit Weekly Outlook

Expected US disinflation could cap oil-driven dollar strength

Overview

- Performance:** MYR traded around 4.07-4.09/USD as higher oil prices and hawkish Fed risks lifted the USD.
- Market Dynamics:** Renewed US-Iran strikes pushed oil prices higher and revived demand for the USD. The ringgit weakened early in the week before stabilising around 4.07-4.08/USD. Higher energy costs reinforced concerns that US disinflation could slow, keeping Fed hawkish risks in focus. FX positioning remained cautious as investors cut carry exposure during risk-off spells but selectively returned to higher-yielding currencies.
- Data Watch:** Next week's focus turns to US June CPI and PPI, Fed Chair Kevin Warsh's congressional testimony, and US retail sales. Consensus expects US headline CPI to fall 0.1% MoM, pointing to renewed disinflation. A softer inflation print would support the case for an extended Fed pause and could prompt investors to trim USD longs. Markets will also watch China's 2Q GDP and whether US-Iran tensions keep driving oil prices and risk sentiment.
- Outlook:** Our base case assumes US-Iran tensions stay intermittent without a sustained hit to energy supply. Renewed US disinflation should support an extended Fed pause, though elevated oil prices may keep hawkish risks in alive. Investors may selectively re-enter higher-yielding currencies if CPI confirms easing prices pressures and geopolitical risks remain contained. We expect USDMYR to trade within 4.05-4.10, with risks tilted toward MYR appreciation if disinflation continues.
- Technical:** USDMYR remains neutral. A sustained break below 4.06 would expose 4.05, while 4.08-4.09 stays key resistance.

Table 1: Currency Outlook

Long Term*						
	Q2-26	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Q3-27F
USDMYR	4.08	4.03	3.95	4.00	4.02	3.95
						▼
Short Term (Technical)						
	RSI (7)	EMA (5)	R1	R2	S1	S2
USDMYR	41.133	4.075	4.080	4.090	4.064	4.058
						—

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

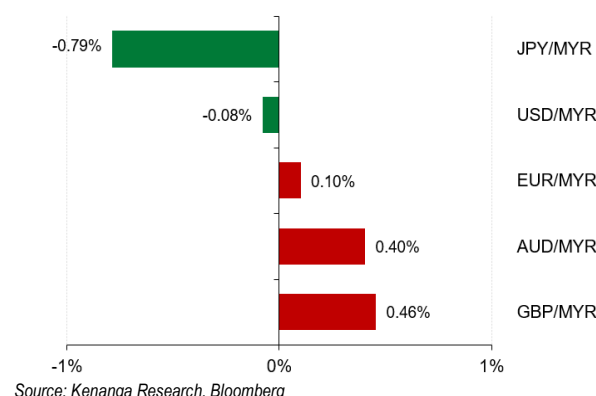
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

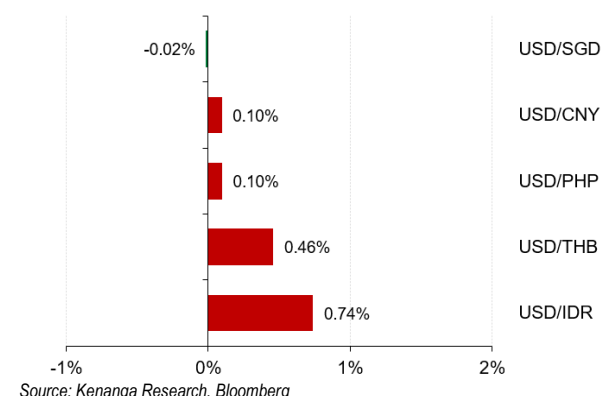
Graph 1: USDMYR Trend



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	09/07/25 Last Year	28/04/26 Last Month	02/07/26 Last Week	09/07/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.252	3.953	4.081	4.077	0.58%	-4.11%	3.15%	-0.08%
AUDMYR	2.716	2.777	2.837	2.817	2.829	4.16%	1.87%	-0.28%	0.40%
GBPMYR	5.455	5.779	5.334	5.444	5.469	0.26%	-5.37%	2.53%	0.46%
EURMYR	4.752	4.981	4.622	4.656	4.661	-1.92%	-6.43%	0.84%	0.10%
JPYMYR	2.585	2.899	2.476	2.529	2.509	-2.92%	-13.45%	1.36%	-0.79%
SGDMYR	3.152	3.320	3.096	3.154	3.154	0.04%	-5.01%	1.85%	0.00%
ASEAN 5 + CNY + JPY									
USIDR	16725	16258	17243	17995	18128	8.39%	11.50%	5.13%	0.74%
USDTHB	31.524	32.699	32.512	33.309	33.462	6.15%	2.33%	2.92%	0.46%
USDSGD	1.286	1.281	1.277	1.294	1.294	0.59%	0.97%	1.30%	-0.02%
USDPHP	58.862	56.566	61.285	61.563	61.623	4.69%	8.94%	0.55%	0.10%
USDCNY	6.989	7.181	6.837	6.786	6.792	-2.82%	-5.41%	-0.66%	0.10%
USDJPY	156.840	146.660	159.630	161.360	162.490	3.60%	10.79%	1.79%	0.70%
USD									
EURUSD	1.172	1.170	1.169	1.141	1.142	-2.53%	-2.38%	-2.31%	0.11%
GBPUSD	1.346	1.358	1.348	1.333	1.340	-0.45%	-1.38%	-0.65%	0.47%
AUDUSD	0.669	0.652	0.717	0.690	0.693	3.57%	6.29%	-3.25%	0.49%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
14/7/2026	CN	Exports (JUN)	19.4% YoY	18.2% YoY
14/7/2026	US	ADP Employment Change Weekly	21.0k	N/A
14/7/2026	US	Core Inflation Rate (JUN)	0.2% MoM	0.2% MoM
14/7/2026	US	Fed Chair Wash Testimony	N/A	N/A
15/7/2026	CN	GDP Growth (Q2)	5.0% YoY	4.5% YoY
15/7/2026	US	PPI (JUN)	1.1% MoM	-0.1% MoM
16/7/2026	US	Retail Sales (JUN)	0.9% MoM	0.3% MoM
17/7/2026	MY	GDP Growth Rate (Q2)	5.4% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

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