

17 July 2026

Ringgit Weekly Outlook

Steadies as Hormuz risk offsets soft US inflation

Overview

- Performance:** MYR traded broadly unchanged around 4.07-4.08/USD as softer US inflation offset USD geopolitical support.
- Market Dynamics:** Fresh US strikes on Iran and renewed Strait of Hormuz risks pushed oil prices higher, lifting the USD. The ringgit briefly weakened before stabilising around 4.07-4.08/USD as softer US CPI and PPI pared dollar gains. Easing inflation reduced near-term Fed tightening expectations but did not remove hawkish risks entirely. Investors stayed cautious, with geopolitical uncertainty continuing to support defensive USD positioning.
- Data Watch:** Today's focus is Malaysia's 2Q26 advance GDP estimate, where we expect growth of 5.7% YoY, above the 5.2% consensus, reinforcing the economy's resilience. Next week's domestic calendar is relatively light, with domestic trade data the main release. Abroad, the ECB policy decision and US weekly jobless claims are unlikely to move markets materially. Developments in the West Asia, particularly Strait of Hormuz risks, should remain the key driver of USD sentiment.
- Outlook:** Our base case assumes geopolitical tensions stay elevated but stop short of a prolonged energy supply disruption. The ringgit should keep tracking broad USD moves, as US monetary policy expectations remain the dominant driver. Investors are likely to hold defensive USD exposure until geopolitical risks ease and confidence in the disinflation trend builds. We expect USDMYR to trade within 4.05-4.10, with near-term risks tilted toward modest USD strength.
- Technical:** USDMYR stays range bound. A decisive break above 4.08 targets 4.09, while 4.07 remains key support.

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	43.853	4.074	4.077	4.082	4.069	4.066
						—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

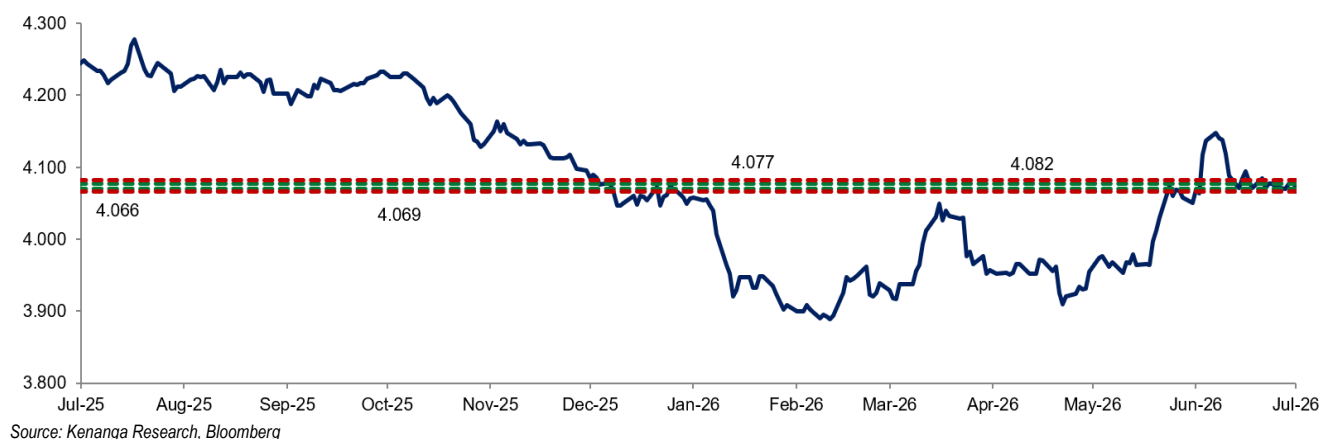
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

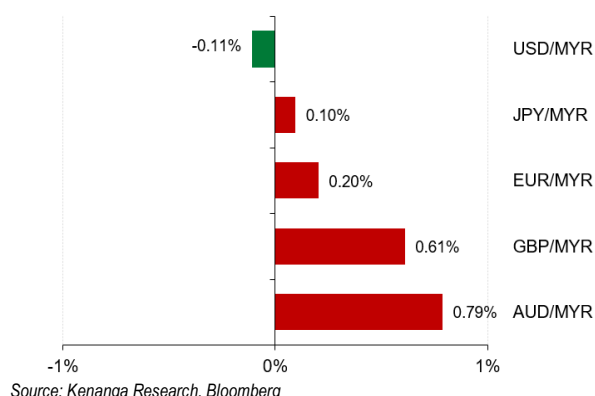
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

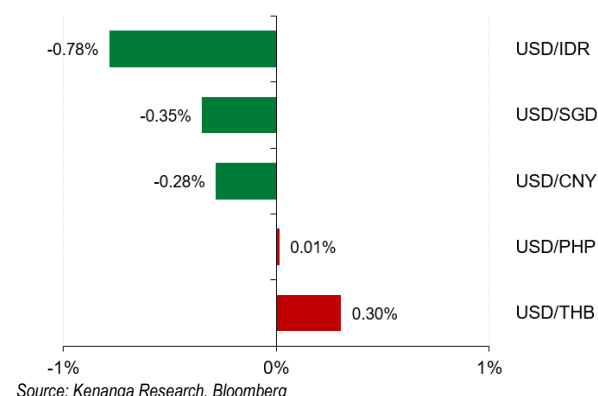
Graph 1: USDMYR Trend



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	16/07/25 Last Year	28/04/26 Last Month	09/07/26 Last Week	16/07/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.245	3.953	4.077	4.073	0.47%	-4.05%	3.04%	-0.11%
AUDMYR	2.716	2.769	2.837	2.829	2.851	4.98%	2.95%	0.50%	0.79%
GBPMYR	5.455	5.688	5.334	5.469	5.502	0.87%	-3.27%	3.16%	0.61%
EURMYR	4.752	4.930	4.622	4.661	4.670	-1.72%	-5.27%	1.04%	0.20%
JPYMYR	2.585	2.854	2.476	2.509	2.512	-2.83%	-11.99%	1.45%	0.10%
SGDMYR	3.152	3.304	3.096	3.154	3.160	0.23%	-4.35%	2.05%	0.19%
ASEAN 5 + CNY + JPY									
USIDR	16725	16287	17243	18128	17986	7.54%	10.43%	4.31%	-0.78%
USDTHB	31.524	32.533	32.512	33.462	33.564	6.47%	3.17%	3.24%	0.30%
USDSGD	1.286	1.285	1.277	1.294	1.289	0.24%	0.34%	0.95%	-0.35%
USDPHP	58.862	57.08	61.285	61.623	61.632	4.71%	7.97%	0.57%	0.01%
USDCNY	6.989	7.179	6.837	6.792	6.773	-3.09%	-5.65%	-0.94%	-0.28%
USDJPY	156.840	148.720	159.630	162.490	162.150	3.39%	9.03%	1.58%	-0.21%
USD									
EURUSD	1.172	1.162	1.169	1.142	1.146	-2.21%	-1.35%	-1.99%	0.32%
GBPUSD	1.346	1.341	1.348	1.340	1.350	0.36%	0.73%	0.15%	0.81%
AUDUSD	0.669	0.652	0.717	0.693	0.700	4.63%	7.38%	-2.26%	1.02%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
20/7/2026	CN	Loan Prime Rate (1Y)	3.00%	3.00% (status quo)
20/7/2026	MY	Balance of Trade (JUN)	MYR40.4b	N/A
21/7/2026	UK	Unemployment Rate (MAY)	4.9%	N/A
22/7/2026	JP	Balance of Trade (JUN)	-JPY378.7b	N/A
22/7/2026	UK	Inflation Rate (JUN)	2.8% YoY	N/A
23/7/2026	EA	ECB Interest Rate Decision	2.25%	2.25% (status quo)
23/7/2026	US	Initial Jobless Claims (JUL/18)	208.0k	N/A
24/7/2026	JP	Inflation Rate (JUN)	1.5% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

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