

24 July 2026

Ringgit Weekly Outlook

Fed meeting and Gulf risks cap ringgit gains

Overview

- Performance:** MYR traded broadly flat around 4.09/USD as geopolitical risks offset softer US inflation expectations.
- Market Dynamics:** Renewed Middle East tensions and fresh threats to Red Sea shipping kept energy prices elevated, underpinning the USD. The ringgit traded largely sideways around 4.09/USD as softer US inflation continued to temper broader dollar gains. Markets increasingly priced a higher probability of the Fed staying restrictive for longer amid renewed energy-driven inflation risks. Investors held defensive USD positions while awaiting greater clarity on geopolitics and Fed policy.
- Data Watch:** Next week's focus shifts to the FOMC, where we expect the Fed to keep rates unchanged at 3.50%-3.75%. Markets will also monitor the BoE and BoJ policy meetings, alongside US 2Q26 advance GDP and core PCE inflation for fresh signals on the US policy outlook. Separately, Malaysia retaining a 10% US Section 301 tariff rate, alongside broad exemptions for key export sectors, should help cushion medium-term external trade risks.
- Outlook:** Our base case assumes Gulf tensions remain elevated but stop short of a sustained disruption to global energy supplies. We continue to expect the Fed to hold on an extended pause, despite markets assigning a higher probability of rate hikes. Investors are likely to retain defensive USD exposure until geopolitical risks ease and inflation concerns moderate. We expect USDMYR to trade within 4.09-4.10, with risks skewed towards modest ringgit weakness.
- Technical:** USDMYR remains constructive above 4.09. A break above 4.10 exposes 4.11, while 4.09 serves as immediate 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	61.539	4.090	4.097	4.100	4.090	4.084
						—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

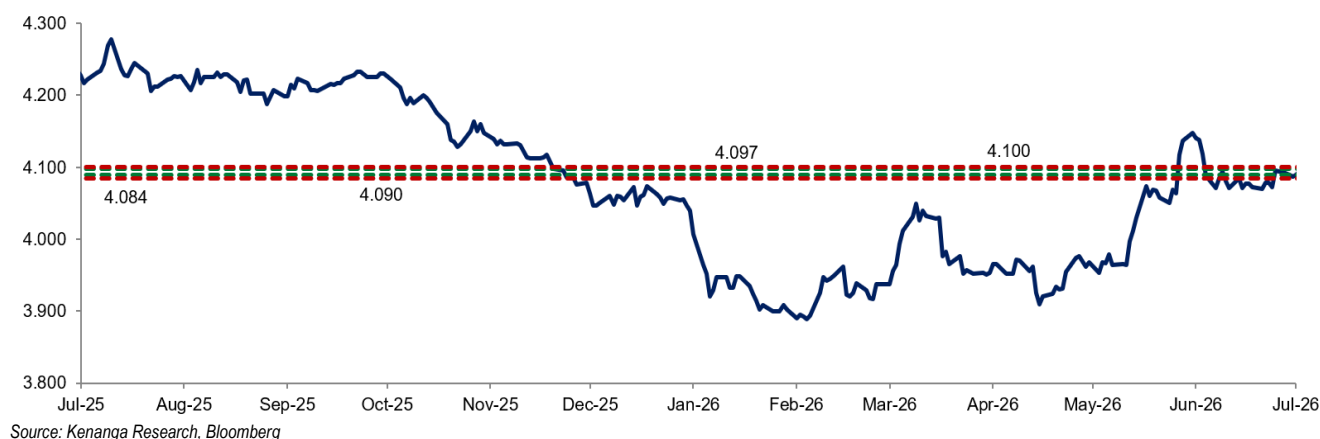
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

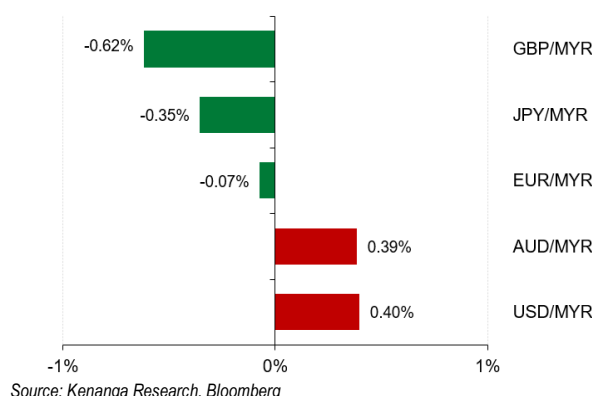
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

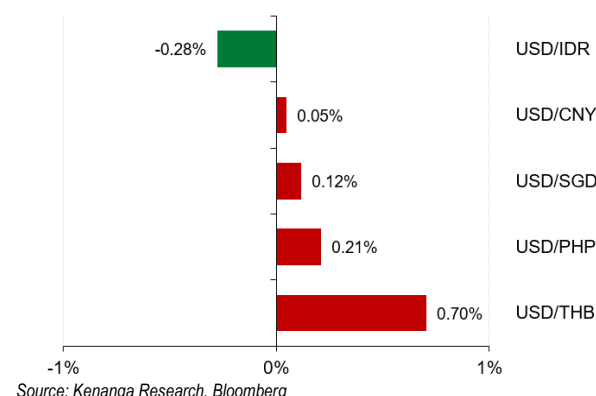
Graph 1: USDMYR Trend



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	23/07/25 Last Year	28/04/26 Last Month	16/07/26 Last Week	23/07/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.228	3.953	4.073	4.089	0.87%	-3.28%	3.45%	0.40%
AUDMYR	2.716	2.785	2.837	2.851	2.862	5.39%	2.77%	0.89%	0.39%
GBPMYR	5.455	5.727	5.334	5.502	5.468	0.25%	-4.52%	2.52%	-0.62%
EURMYR	4.752	4.962	4.622	4.670	4.667	-1.79%	-5.95%	0.97%	-0.07%
JPYMYR	2.585	2.888	2.476	2.512	2.503	-3.17%	-13.33%	1.09%	-0.35%
SGDMYR	3.152	3.309	3.096	3.160	3.168	0.51%	-4.25%	2.33%	0.27%
ASEAN 5 + CNY + JPY									
USIDR	16725	16303	17243	17986	17936	7.24%	10.02%	4.02%	-0.28%
USDTHB	31.524	32.161	32.512	33.564	33.800	7.22%	5.10%	3.96%	0.70%
USDSGD	1.286	1.278	1.277	1.289	1.291	0.36%	1.03%	1.06%	0.12%
USDPHP	58.862	56.889	61.285	61.632	61.761	4.93%	8.56%	0.78%	0.21%
USDCNY	6.989	7.154	6.837	6.773	6.776	-3.05%	-5.29%	-0.89%	0.05%
USDJPY	156.840	146.410	159.630	162.150	163.380	4.17%	11.59%	2.35%	0.76%
USD									
EURUSD	1.172	1.173	1.169	1.146	1.140	-2.69%	-2.75%	-2.47%	-0.49%
GBPUSD	1.346	1.354	1.348	1.350	1.337	-0.65%	-1.23%	-0.86%	-1.01%
AUDUSD	0.669	0.659	0.717	0.700	0.700	4.56%	6.19%	-2.33%	-0.07%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
27/7/2026	US	Durable Goods Orders (JUN)	-4.5% MoM	1.5% MoM
28/7/2026	MY	PPI (JUN)	7.8% YoY	N/A
30/7/2026	US	Fed Interest Rate Decision	3.75%	3.75% (status quo)
30/7/2026	UK	BoE Interest Rate Decision	3.75%	3.75% (status quo)
30/7/2026	US	Core PCE Price Index (JUN)	0.3% MoM	0.1% MoM
30/7/2026	US	GDP Growth Rate Advance (Q2)	2.1% QoQ	2.3% QoQ
31/7/2026	CN	NBS Manufacturing PMI (JUL)	50.3	50.1
31/7/2026	JP	BoJ Interest Rate Decision	1.00%	1.00% (status quo)

Source: Kenanga Research, Trading Economics, Bloomberg

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