

28 August 2026

Ringgit Weekly Outlook

Payrolls hold the key to the 4.02/USD handle

Overview

- Performance:** Ringgit ended Thursday at 4.033/USD from 4.039 last Friday, after touching 4.026 on lower US yields and softer oil.
- Market Dynamics:** Lower UST yields after Bessent's intervention lifted MYR to 4.026/USD on Wednesday. The ringgit retraced to 4.033 as headline inflation firmed marginally and investors trimmed USD shorts ahead of Warsh's speech. Falling long-end yields and softer household spending reinforce our view that fiscal and growth concerns are limiting USD upside. Tighter Fed and BoJ repricing, however, has kept investors cautious on extending MYR gains.
- Data Watch:** US labour data takes centre stage, with JOLTS expected at 7.30m and payrolls at 60.0k after -23.0k in July. Warsh's Jackson Hole speech Friday (ET) is the immediate catalyst, while payrolls will shape pricing into the September FOMC. Markets will also monitor US-Iran developments, particularly Tehran's reported preparations to reopen the Strait of Hormuz, which would ease oil-supply risk. BNM should hold the OPR at 2.75%, leaving MYR driven by global rates and USD positioning.
- Outlook:** We expect the Fed to hold in September, with our first cut in 2Q27 against 34% pricing for a September hike and December fully priced. Warsh's framework matters: greater Fed credibility could compress term premia, while an unclear framework risks higher long-end yields and a stronger USD. Investors should retain EMFX carry exposure; BoJ tightening aids JPY, but the USD leg still dominates MYR. A soft payrolls print favours a retest of 4.020, while strong payrolls or an unclear Warsh could push USDMYR toward 4.050, with an early bounce possible from oversold conditions.
- Technical:** USDMYR remains bearish below EMA-5 at 4.035; RSI-7 at 22.3 signals exhaustion, with 4.039 as the immediate resistance.

Table 1: Currency Outlook

Long Term*							
	Q2-26	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Trend
USDMYR	4.08	4.03	3.95	4.00	4.02	3.95	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	22.264	4.035	4.039	4.049	4.022	4.016	▲

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

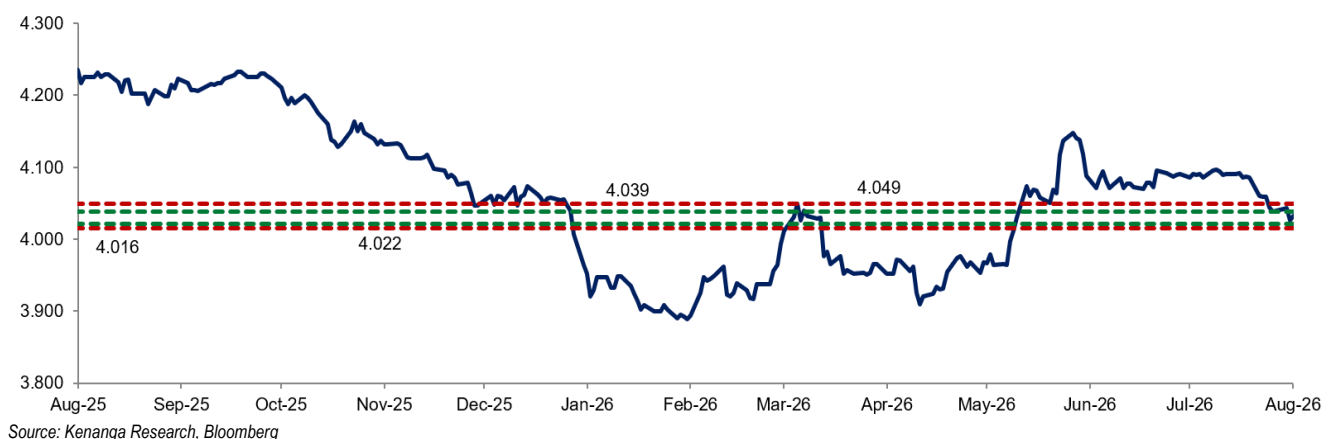
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

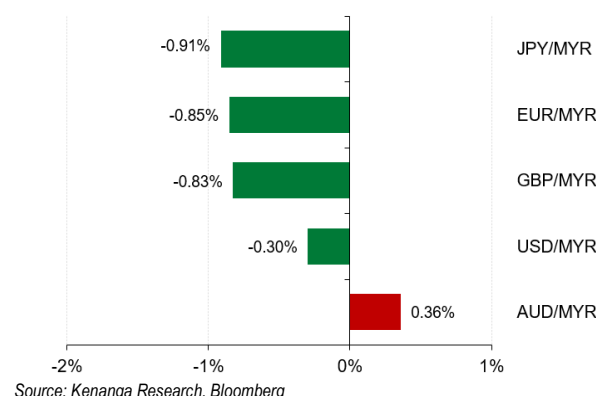
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

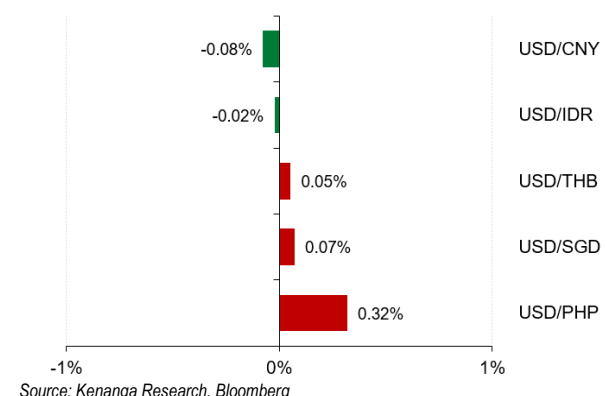
Graph 1: USDMYR Trend



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	27/08/25 Last Year	28/04/26 Last Month	20/08/26 Last Week	27/08/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.235	3.953	4.045	4.033	-0.52%	-4.77%	2.03%	-0.30%
AUDMYR	2.716	2.741	2.837	2.884	2.894	6.56%	5.59%	2.02%	0.36%
GBPMYR	5.455	5.693	5.334	5.520	5.475	0.37%	-3.82%	2.65%	-0.83%
EURMYR	4.752	4.909	4.622	4.735	4.695	-1.20%	-4.36%	1.58%	-0.85%
JPYMYR	2.585	2.859	2.476	2.552	2.529	-2.16%	-11.55%	2.15%	-0.91%
SGDMYR	3.152	3.286	3.096	3.184	3.171	0.58%	-3.52%	2.40%	-0.40%
ASEAN 5 + CNY + JPY									
USIDR	16725	16368	17243	17748	17744	6.09%	8.41%	2.91%	-0.02%
USDTHB	31.524	32.5	32.512	32.857	32.874	4.28%	1.15%	1.11%	0.05%
USDSGD	1.286	1.290	1.277	1.271	1.272	-1.10%	-1.37%	-0.40%	0.07%
USDPHP	58.862	57.177	61.285	61.658	61.854	5.08%	8.18%	0.93%	0.32%
USDCNY	6.989	7.152	6.837	6.725	6.720	-3.85%	-6.04%	-1.71%	-0.08%
USDJPY	156.840	148.120	159.630	158.470	159.480	1.68%	7.67%	-0.09%	0.64%
USD									
EURUSD	1.172	1.158	1.169	1.170	1.164	-0.67%	0.53%	-0.45%	-0.49%
GBPUSD	1.346	1.342	1.348	1.364	1.358	0.89%	1.15%	0.68%	-0.50%
AUDUSD	0.669	0.647	0.717	0.712	0.718	7.26%	11.03%	0.20%	0.79%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
31/8/2026	CN	NBS Manufacturing PMI (AUG)	49.2	49.5
1/9/2026	MY	S&P Global Manufacturing PMI (AUG)	50.7	N/A
1/9/2026	US	ISM Manufacturing PMI (AUG)	55.6	55.4
1/9/2026	US	JOLTs Job Openings (JUL)	7.359m	7.300m
2/9/2026	US	ADP Employment Change (AUG)	44.0k	39.0k
3/9/2026	MY	BNM Interest Rate Decision	2.75%	2.75%* (status quo)
3/9/2026	US	ISM Services PMI (AUG)	54.1	54.3
4/9/2026	US	Non Farm Payrolls (AUG)	-23.0k	60.0k

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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