

18 September 2026

Ringgit Weekly Outlook

Ueda's cadence signal meets a stretched Fed hike premium

Overview

- Performance:** MYR closed Thursday at 4.099/USD from 4.071 last Friday, after the Fed's hawkish hike lifted the USD broadly.
- Market Dynamics:** The Fed delivered a unanimous 25 bps hike to 3.75%-4.00% and signalled one more this year, while the Saudi East-West pipeline shutdown lifted Brent above USD105.0/barrel (bbl). Two-year USD swap rates jumped and DXY break above 100.0, sending MYR to 4.099. The Fed dropped its supply-shock framing, and markets now price roughly three further hikes, well above the median dot. A firmer USD floor and fragile risk sentiment kept investors from adding ringgit longs.
- Data Watch:** The BoJ delivered the 25 bps hike we called, lifting the policy rate to around 1.25%. The statement pledged further increases and flagged upside risk to underlying inflation above 2.0%. Ueda's press conference later today now carries the signal. A quarterly cadence commitment would validate December pricing and steady the yen. A non-committal tone would push USDJPY above 157. Next week's US calendar carries mostly secondary data, shifting attention to Fed speakers and US-Iran developments.
- Outlook:** We expect the Fed hike to prove one-and-done, with an extended hold through end-2027. Elevated oil and market pricing of roughly three more hikes sustain the USD's front-end rate advantage, and our 3.95 year-end USDMYR forecast now looks difficult, though the direction of travel remains toward MYR strength. Investors will likely stay defensive until the Fed hike pricing fades or Gulf talks resume. We expect MYR to hold around 4.08 next week, with 4.10 as the topside risk.
- Technical:** Momentum has turned lower after the post-FOMC spike faded. Support 4.071; resistance 4.094.

Table 1: Currency Outlook

Long Term*							
	Q2-26	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Trend
USDMYR	4.08	4.05	3.95	4.00	4.02	3.95	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	73.665	4.082	4.094	4.108	4.071	4.061	▼

Signal for USD Trend = ▲ Bullish ● Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

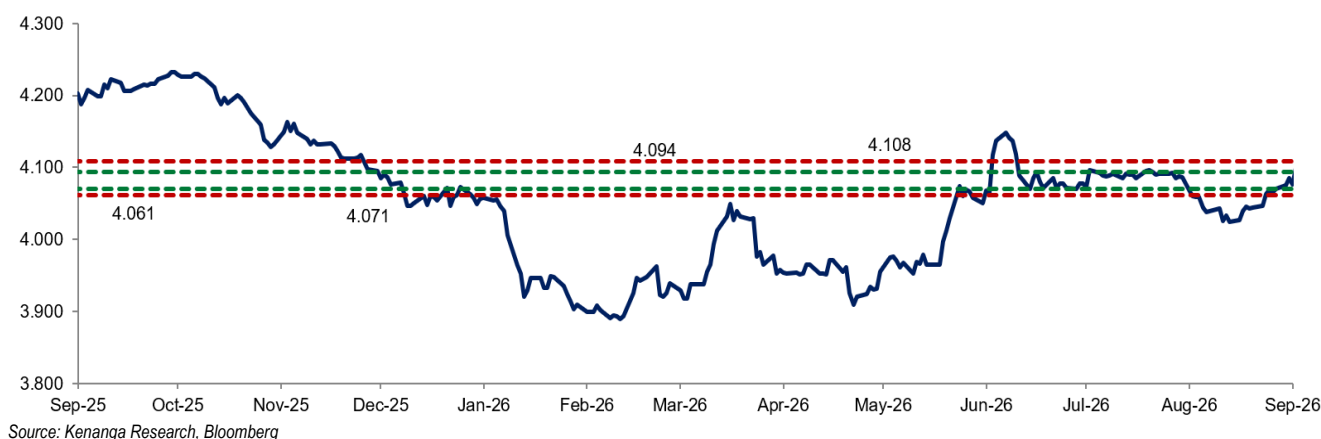
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

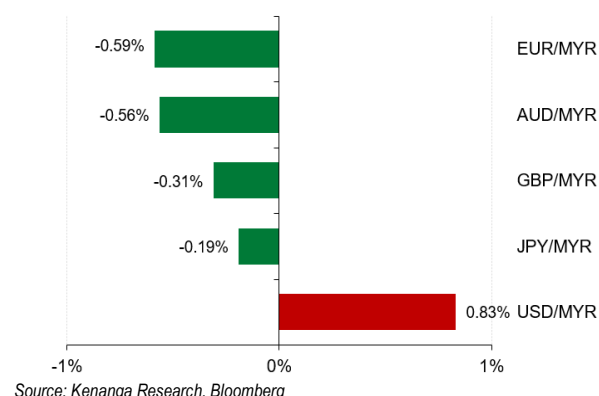
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

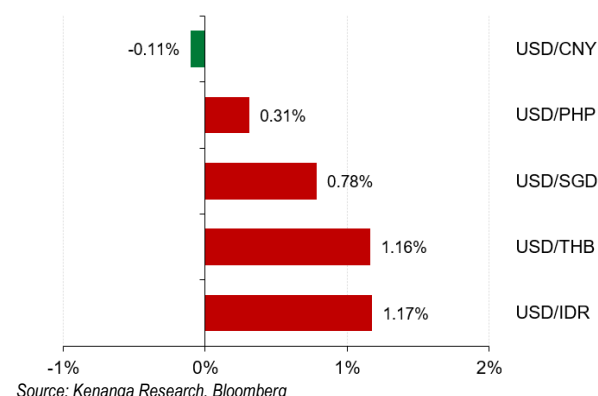
Graph 1: USDMYR Trend



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	17/09/25 Last Year	28/04/26 Last Month	10/09/26 Last Week	17/09/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.188	3.953	4.065	4.099	1.11%	-2.13%	3.70%	0.83%
AUDMYR	2.716	2.795	2.837	2.931	2.915	7.34%	4.29%	2.76%	-0.56%
GBPMYR	5.455	5.717	5.334	5.508	5.491	0.67%	-3.95%	2.95%	-0.31%
EURMYR	4.752	4.961	4.622	4.730	4.702	-1.04%	-5.22%	1.74%	-0.59%
JPYMYR	2.585	2.863	2.476	2.638	2.633	1.87%	-8.03%	6.36%	-0.19%
SGDMYR	3.152	3.281	3.096	3.213	3.212	1.88%	-2.12%	3.72%	-0.05%
ASEAN 5 + CNY + JPY									
USIDR	16725	16437	17243	17547	17753	6.15%	8.01%	2.96%	1.17%
USDTHB	31.524	31.744	32.512	32.968	33.351	5.80%	5.06%	2.58%	1.16%
USDSGD	1.286	1.277	1.277	1.266	1.276	-0.79%	-0.07%	-0.09%	0.78%
USDPHP	58.862	56.888	61.285	62.547	62.740	6.59%	10.29%	2.37%	0.31%
USDCNY	6.989	7.104	6.837	6.712	6.705	-4.06%	-5.62%	-1.93%	-0.11%
USDJPY	156.840	146.270	159.630	154.080	155.650	-0.76%	6.41%	-2.49%	1.02%
USD									
EURUSD	1.172	1.184	1.169	1.163	1.148	-2.06%	-3.02%	-1.84%	-1.29%
GBPUSD	1.346	1.364	1.348	1.354	1.341	-0.38%	-1.75%	-0.59%	-0.99%
AUDUSD	0.669	0.667	0.717	0.720	0.711	6.23%	6.60%	-0.77%	-1.25%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
21/9/2026	CN	Loan Prime Rate 1Y	3.00%	3.00% (status quo)
22/9/2026	US	ADP Employment Change Weekly	16.25k	N/A
23/9/2026	UK	S&P Global Manufacturing PMI Flash (SEP)	51.7	N/A
23/9/2026	US	S&P Global Manufacturing PMI Flash (SEP)	53.9	53.6
24/9/2026	US	Current Account (Q2)	-USD226.8b	N/A
24/9/2026	US	Initial Jobless Claims (SEP/19)	196.0k	N/A
24/9/2026	US	New Home Sales (AUG)	0.607m	0.615m
25/9/2026	US	Durable Goods Orders (AUG)	1.1% MoM	-0.3% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

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