

02 October 2026

Ringgit Weekly Outlook

September payrolls to set the Fed's last hike; ringgit stuck in a 4.07 to 4.09 box

Overview

- Performance:** MYR weakened Thursday at 4.085/USD from 4.074 last Friday, as a firm USD tested its year high.
- Market Dynamics:** US-Iran talks stalled after Washington rejected Iran's Hormuz proposal. Brent jumped to near USD109/barrel intraday and the global bond sell-off deepened. Soft consumer confidence, JOLTS and August PCE briefly pared October hike bets. But firm ADP and activity data lifted DXY back above 102. Strong US activity, not inflation, now anchors Fed tightening expectations. Rising back-end yields weighed on high-beta Asian FX and kept investors wary of adding ringgit exposure.
- Data Watch:** September payrolls tonight are the key near signal. Consensus expects 90k, with unemployment steady at 4.1%. We expect an in-line print but see risk of downward revisions to August's 162k gain. Softer PCE and Williams' call for patience pared October hike odds to around 25%, though he still sees one more hike this year. A weak report should pull US yields lower and let Malaysia's stronger fundamentals show through in ringgit. A beat would revive October hike pricing and extend the USD rally.
- Outlook:** We now expect one more 25 bps Fed hike in 4Q26, with September payrolls and CPI shaping the timing, alongside US-Iran talks. Malaysia's current account surplus, steady bond inflows and BNM's hawkish tilt toward a potential 1Q27 hike should cushion the ringgit. Investors are likely to hold off on fresh MYR longs until Fed pricing peaks. Still any USDMYR spike toward 4.09 should draw selective ringgit buying. We see MYR ranging between 4.07-4.09 next week and trim our end-2026 target to 4.00 from 3.95.
- Technical:** Neutral momentum, with price pinned to EMA-5 at 4.084. Support 4.083; resistance 4.090.

Table 1: Currency Outlook

Long Term*						
	Q3-26	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Q4-27F
USDMYR	4.08	4.00	4.05	4.02	3.95	3.90
						▼
Short Term (Technical)						
	RSI (7)	EMA (5)	R1	R2	S1	S2
USDMYR	61.006	4.084	4.090	4.092	4.083	4.078
						▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

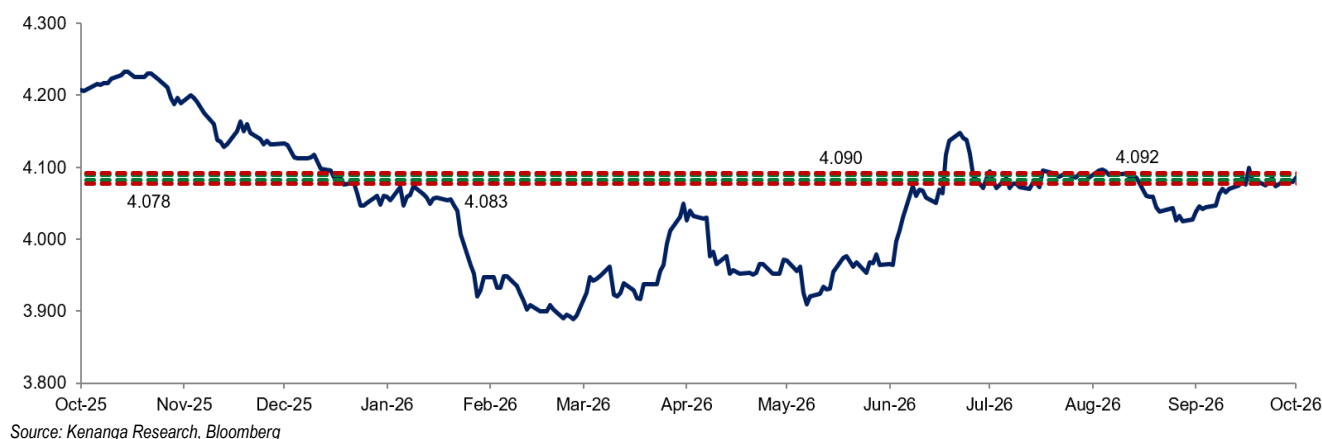
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

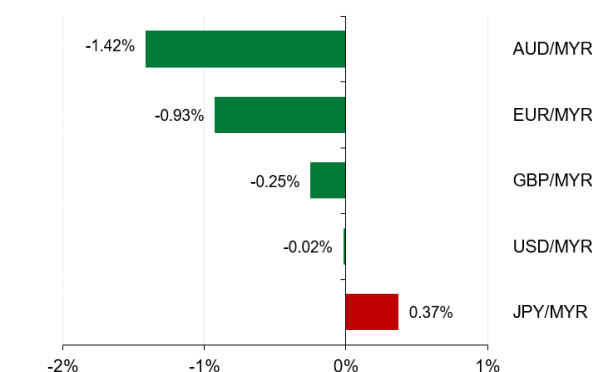
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

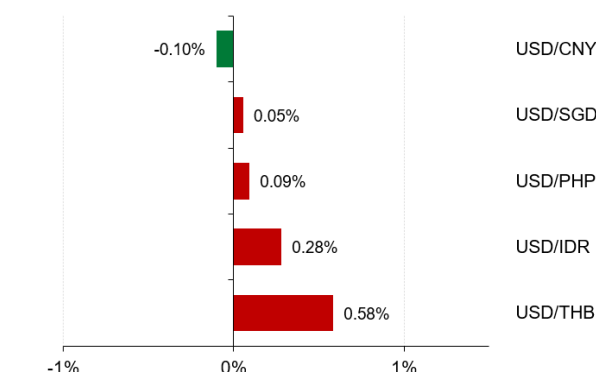
Graph 1: USDMYR Trend



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	01/10/25 Last Year	28/04/26 Last Month	24/09/26 Last Week	01/10/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.207	3.953	4.086	4.085	0.77%	-2.90%	3.35%	-0.02%
AUDMYR	2.716	2.782	2.837	2.873	2.833	4.31%	1.82%	-0.14%	-1.42%
GBPMYR	5.455	5.665	5.334	5.406	5.393	-1.13%	-4.80%	1.11%	-0.25%
EURMYR	4.752	4.936	4.622	4.647	4.604	-3.10%	-6.72%	-0.38%	-0.93%
JPYMYR	2.585	2.860	2.476	2.574	2.584	-0.05%	-9.68%	4.36%	0.37%
SGDMYR	3.152	3.264	3.096	3.192	3.188	1.11%	-2.36%	2.94%	-0.15%
ASEAN 5 + CNY + JPY									
USIDR	16725	16635	17243	17916	17966	7.42%	8.00%	4.19%	0.28%
USDTHB	31.524	32.377	32.512	33.467	33.662	6.78%	3.97%	3.54%	0.58%
USDSGD	1.286	1.289	1.277	1.280	1.280	-0.44%	-0.69%	0.26%	0.05%
USDPHP	58.862	58.151	61.285	62.743	62.800	6.69%	7.99%	2.47%	0.09%
USDCNY	6.989	7.121	6.837	6.713	6.706	-4.04%	-5.83%	-1.91%	-0.10%
USDJPY	156.840	147.080	159.630	158.740	158.130	0.82%	7.51%	-0.94%	-0.38%
USD									
EURUSD	1.172	1.173	1.169	1.137	1.129	-3.63%	-3.68%	-3.41%	-0.70%
GBPUSD	1.346	1.347	1.348	1.323	1.323	-1.72%	-1.83%	-1.92%	-0.03%
AUDUSD	0.669	0.661	0.717	0.703	0.695	3.80%	5.10%	-3.04%	-1.17%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
5/10/2026	US	ISM Services PMI (Sep)	55.4	55.2
6/10/2026	US	ADP Employment Change Weekly	20.0k	N/A
6/10/2026	US	Balance of Trade (AUG)	-USD88.6b	-USD88.9b
8/10/2026	US	FOMC Minutes	N/A	N/A
8/10/2026	US	Initial Jobless Claims (OCT/03)	197.0k	N/A
9/10/2026	MY	Industrial Production (AUG)	4.7% YoY	N/A
9/10/2026	MY	Retail Sales (AUG)	6.4% YoY	N/A
9/10/2026	MY	Unemployment Rate (AUG)	3.0%	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

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