

09 October 2026

Ringgit Weekly Outlook

Budget 2027, Fed hawkishness and US Sep CPI put ringgit's 4.10 line to the test

Overview

- Performance:** MYR eased to 4.092/USD on Thursday from 4.085 last Friday, holding a tight 4.085-4.092 range all week.
- Market Dynamics:** French fiscal turmoil sank the EUR and lifted DXY to fresh year highs. Hawkish September FOMC minutes and Waller's remarks locked in bets on a December hike. Brent held above USD100/barrel because reports of US strike plans on Iran outweighed Trump's pledge not to attack before the midterms. Sticky oil and an AI-driven inflation impulse keep Fed tightening expectations firmer than those for the ECB. Elevated UST yields and rising volatility drained carry flows, leaving investors light on ringgit ahead of Budget 2027.
- Data Watch:** September US core CPI is next week's key signal. Consensus is converging on 0.2% MoM, which should keep markets comfortable with an October hold. December remains our base case for a hike. A hotter print would revive October hike bets and extend the USD rally. At home, the Prime Minister tables Budget 2027 today, after labour, IPI and retail sales data at noon. Markets will scrutinise the deficit target for signs of fiscal slippage.
- Outlook:** We expect a 25 bps Fed hike in December, with US-Iran de-escalation in 4Q26 limits tightening at one more move, even with Brent above USD100/barrel. If Budget 2027 shows minimal fiscal slippage, it should cushion the ringgit alongside Malaysia's solid fundamentals. Still, investors will likely stay cautious until French fiscal risk and Hormuz headlines ease. Spikes toward 4.10 should draw selective ringgit buying. We see MYR trading at 4.08-4.10 range next week, with risk skewed toward the weaker end.
- Technical:** Momentum is neutral, with price pinned to the 5-day EMA at 4.089. Support is at 4.088 and resistance at 4.093.

Table 1: Currency Outlook

Long Term*							
	Q3-26	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Q4-27F	Trend
USDMYR	4.08	4.00	4.05	4.02	3.95	3.90	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	66.632	4.089	4.093	4.095	4.088	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

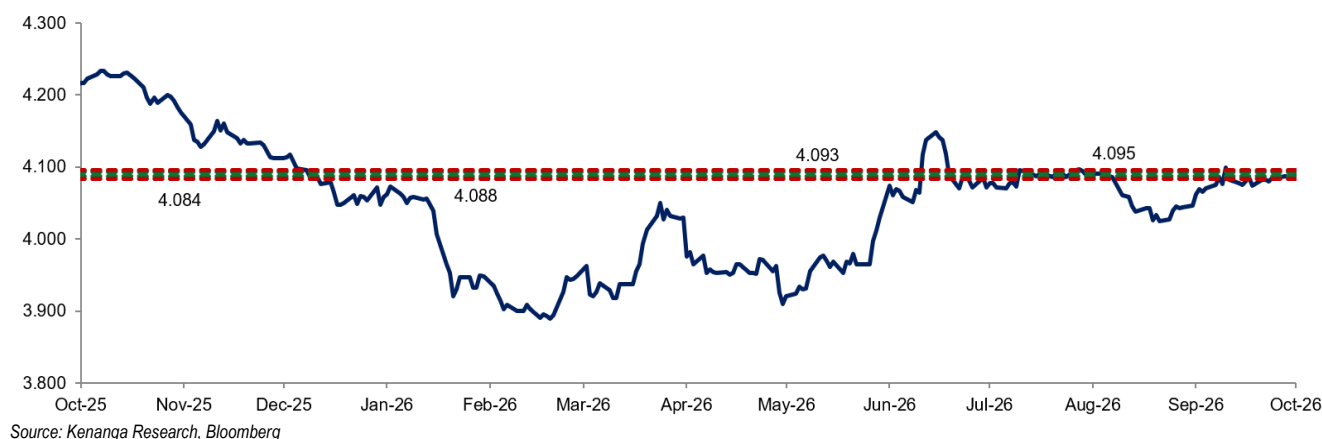
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

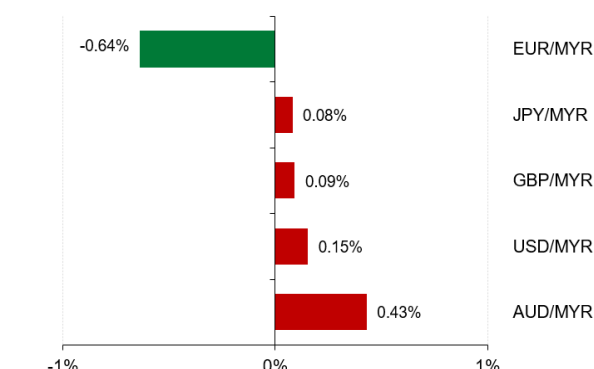
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

Graph 1: USDMYR Trend

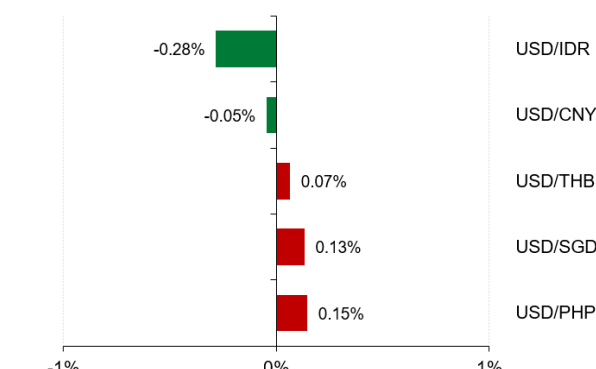


Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

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Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	08/10/25 Last Year	28/04/26 Last Month	01/10/26 Last Week	08/10/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.217	3.953	4.085	4.092	0.93%	-2.97%	3.51%	0.15%
AUDMYR	2.716	2.766	2.837	2.833	2.845	4.76%	2.86%	0.29%	0.43%
GBPMYR	5.455	5.650	5.334	5.393	5.398	-1.04%	-4.47%	1.20%	0.09%
EURMYR	4.752	4.896	4.622	4.604	4.575	-3.72%	-6.56%	-1.01%	-0.64%
JPYMYR	2.585	2.761	2.476	2.584	2.586	0.03%	-6.34%	4.44%	0.08%
SGDMYR	3.152	3.252	3.096	3.188	3.191	1.24%	-1.86%	3.07%	0.12%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16573	17243	17966	17915	7.12%	8.10%	3.90%	-0.28%
USDTHB	31.524	32.521	32.512	33.662	33.684	6.85%	3.58%	3.60%	0.07%
USDSGD	1.286	1.295	1.277	1.280	1.282	-0.31%	-1.03%	0.39%	0.13%
USDPHP	58.862	57.95	61.285	62.8	62.892	6.85%	8.53%	2.62%	0.15%
USDCNY	6.989	7.121	6.837	6.706	6.703	-4.09%	-5.87%	-1.96%	-0.05%
USDJPY	156.840	152.730	159.630	158.130	158.230	0.89%	3.60%	-0.88%	0.06%
USD									
EURUSD	1.172	1.163	1.169	1.129	1.118	-4.57%	-3.87%	-4.35%	-0.97%
GBPUSD	1.346	1.341	1.348	1.323	1.320	-1.87%	-1.55%	-2.08%	-0.16%
AUDUSD	0.669	0.658	0.717	0.695	0.695	3.78%	5.63%	-3.06%	-0.01%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
13/10/2026	US	ADP Employment Change Weekly	23.75k	N/A
13/10/2026	US	Existing Home Sales (SEP)	3.98m	N/A
14/10/2026	CN	Inflation Rate (SEP)	0.8% YoY	N/A
14/10/2026	CN	Balance of Trade (SEP)	USD119.1b	N/A
14/10/2026	US	Core Inflation (SEP)	0.3% MoM	N/A
15/10/2026	US	PPI (SEP)	0.4% MoM	N/A
15/10/2026	US	Retail Sales (SEP)	1.2% MoM	N/A
16/10/2026	MY	GDP Growth Rate Preliminary (Q3)	6.0% YoY	5.1% YoY

Source: Kenanga Research, Trading Economics, Bloomberg

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