

16 October 2026

Ringgit Weekly Outlook

Gulf risks keep MYR boxed in at 4.08–4.09 for week of 19 Oct

Overview

- Performance:** MYR firmed to 4.082/USD on Thursday from 4.085 last Friday, trading in a tight 4.082–4.086 range.
- Market Dynamics:** A hotter-than-expected September US CPI briefly pushed the DXY to a fresh year high and revived October hike bets. The rally reversed within hours as an AI-sector debt sell-off, led by CoreWeave, dragged short-dated UST yields and the USD lower. US PPI posted its steepest rise in 4.5 years, signalling broader price pressures, yet markets still price an October pause and a December hike. Stretched USD long positioning capped USD gains, letting MYR firm modestly.
- Data Watch:** With the Fed in blackout and little top-tier US data due, US-Iran headlines will drive Brent and inflation expectations. At home, September CPI and trade data take centre stage. The BNM Governor has signalled room to adjust rates as the Iran war keeps energy prices high, in line with our 1Q27 OPR hike call. Upside surprises in China's data could also lift EM Asia currencies.
- Outlook:** We expect a 25 bps Fed hike in December and no moves in 2027, versus market pricing of two more hikes. A hawkish BNM tilt and AI-debt stress on front-end UST yields could narrow the USD's rate edge over MYR. But Gulf escalation should keep Brent elevated, and Houthi strikes on Saudi energy assets and reported US strike plans on Iran will keep investors defensive. Stretched USD positioning should cap USD upside, leaving MYR volatile but range-bound at 4.08–4.09 next week.
- Technical:** Momentum is neutral, with MYR pinned to the 5-day EMA at 4.083. Support is at 4.081 and resistance at 4.085.

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	46.805	4.083	4.085	4.087	4.081	4.079
						—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

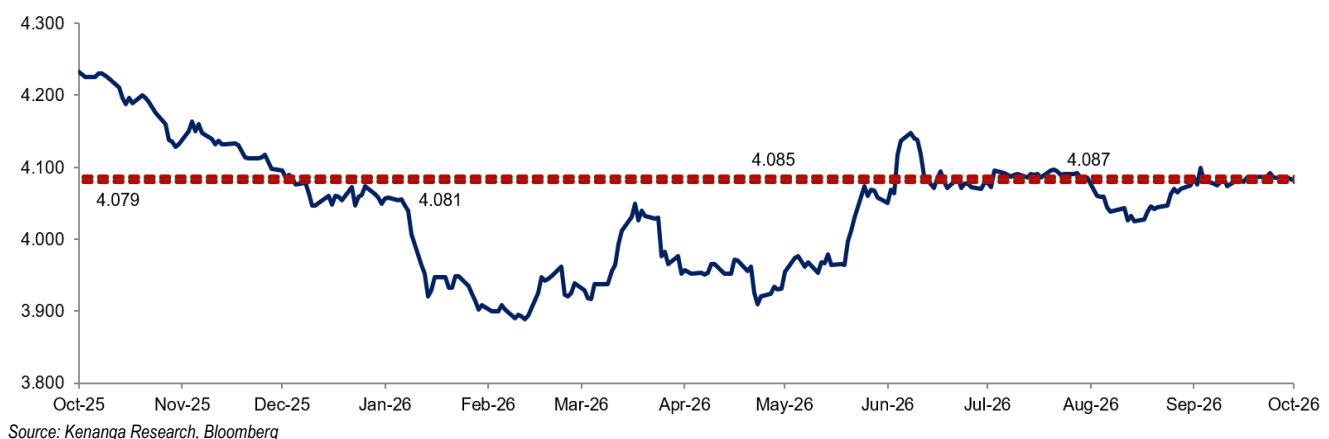
Measures the speed and size of recent price changes to judge whether a security is overbought or oversold. A reading of 80 or above signals overbought conditions, while 20 or below signals oversold conditions.

EMA (5): 5-day Exponential Moving Average

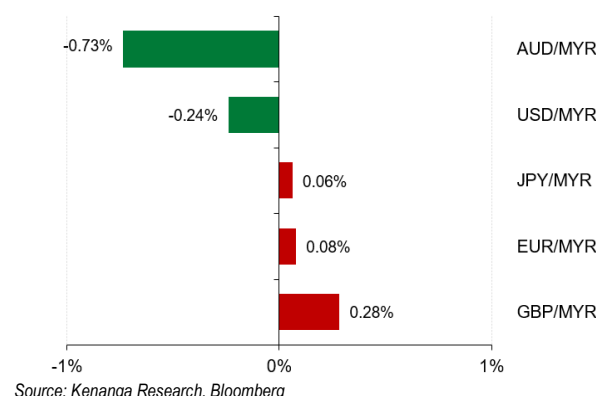
EMA gives more weight to recent periods, so it reacts faster to the latest price moves. Older data points still carry some weight, even outside the selected period.

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

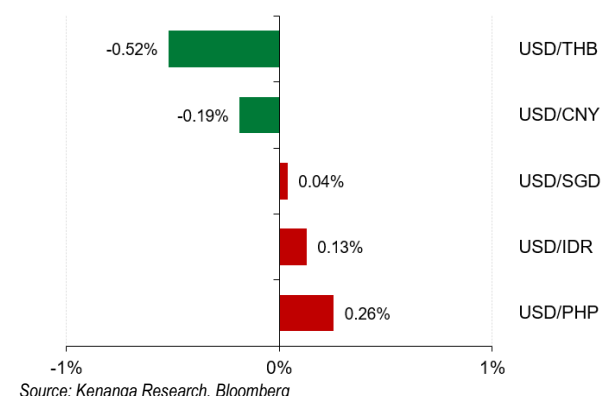
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



16 October 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	15/10/25 Last Year	28/04/26 Last Month	08/10/26 Last Week	15/10/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.233	3.953	4.092	4.082	0.69%	-3.57%	3.26%	-0.24%
AUDMYR	2.716	2.759	2.837	2.845	2.824	3.99%	2.34%	-0.45%	-0.73%
GBPMYR	5.455	5.649	5.334	5.398	5.413	-0.76%	-4.18%	1.49%	0.28%
EURMYR	4.752	4.925	4.622	4.575	4.579	-3.64%	-7.03%	-0.94%	0.08%
JPYMYR	2.585	2.797	2.476	2.586	2.587	0.10%	-7.49%	4.51%	0.06%
SGDMYR	3.152	3.267	3.096	3.191	3.184	0.99%	-2.55%	2.81%	-0.25%
ASEAN 5 + CNY + JPY									
USIDR	16725	16576	17243	17915	17938	7.25%	8.22%	4.03%	0.13%
USDTHB	31.524	32.55	32.512	33.684	33.509	6.30%	2.95%	3.07%	-0.52%
USDSGD	1.286	1.296	1.277	1.282	1.283	-0.27%	-1.05%	0.43%	0.04%
USDPHP	58.862	58.047	61.285	62.892	63.053	7.12%	8.62%	2.88%	0.26%
USDCNY	6.989	7.127	6.837	6.703	6.691	-4.27%	-6.12%	-2.14%	-0.19%
USDJPY	156.840	151.370	159.630	158.230	157.760	0.59%	4.22%	-1.17%	-0.30%
USD									
EURUSD	1.172	1.162	1.169	1.118	1.121	-4.31%	-3.53%	-4.10%	0.27%
GBPUSD	1.346	1.337	1.348	1.320	1.325	-1.53%	-0.86%	-1.74%	0.35%
AUDUSD	0.669	0.652	0.717	0.695	0.692	3.41%	6.12%	-3.41%	-0.36%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
19/10/2026	CN	GDP Growth Rate (Q3)	4.3% YoY	4.4% YoY
19/10/2026	MY	Inflation Rate (SEP)	1.9% YoY	1.9% YoY*
19/10/2026	MY	Exports (SEP)	45.5% YoY	40.8% YoY*
20/10/2026	CN	Loan Prime Rate 1Y	3.00%	3.00% (status quo)
20/10/2026	US	ADP Employment Change Weekly	24.75k	N/A
20/10/2026	US	Building Permits Preliminary (SEP)	1.403m	1.388m
21/10/2026	JP	Exports (SEP)	19.3% YoY	22.1% YoY
23/10/2026	JP	Inflation Rate (SEP)	1.9% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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