

# Ringgit Weekly Outlook

To rangebound at 4.40-4.45/USD with downside bias as trade war risks weigh on markets

### Overview

- Performance:** The ringgit swung between gains and losses, briefly weakening beyond 4.50/USD on Monday after the Trump administration imposed tariffs. However, it later stabilised near 4.42-4.44/USD following a last-minute 30-day deal to delay tariffs on Mexico and Canada.
- Market Dynamics:** Risk aversion persisted as China, now the sole tariff target, responded with measured retaliation. Recession fears pushed the 10-year UST yield below 4.50% (first time since Dec 2024), while Trump's speculative remarks on Gaza added uncertainty, dampening sentiment.
- Data Impact:** Signs of a cooling US labour market emerged, with JOLTS data showing declining job openings. Investors now await nonfarm payroll data; benchmark revisions may weigh on the USD. A weak reading could signal slowing US growth, but an expected sticky inflation data next week keeps Fed policy uncertainty alive.
- Outlook:** Moving forward, the USD may not react immediately to tariff announcements, as seen on Monday, but could strengthen once duties take effect and appear more permanent. Focus remains on US-China talks and EU tariff risk. The ringgit is expected to trade within the 4.40-4.45/USD range, driven by trade developments and broader risk sentiment.
- Technical:** USDMYR outlook remains neutral, likely to test its five-day EMA at 4.434 as RSI hovers in mid-range. Immediate resistance at (R1) 4.463; a break higher could target (R2) 4.496, especially if US-China tensions escalate.

**Table 1: Currency Outlook**

Long Term*							
	Q4-24	Q1-25F	Q2-25F	Q3-25F	Q4-25F	Q1-26F	Trend
USDMYR	4.472	4.571	4.530	4.490	4.449	4.383	▲
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	47.204	4.434	4.463	4.496	4.411	4.391	—

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

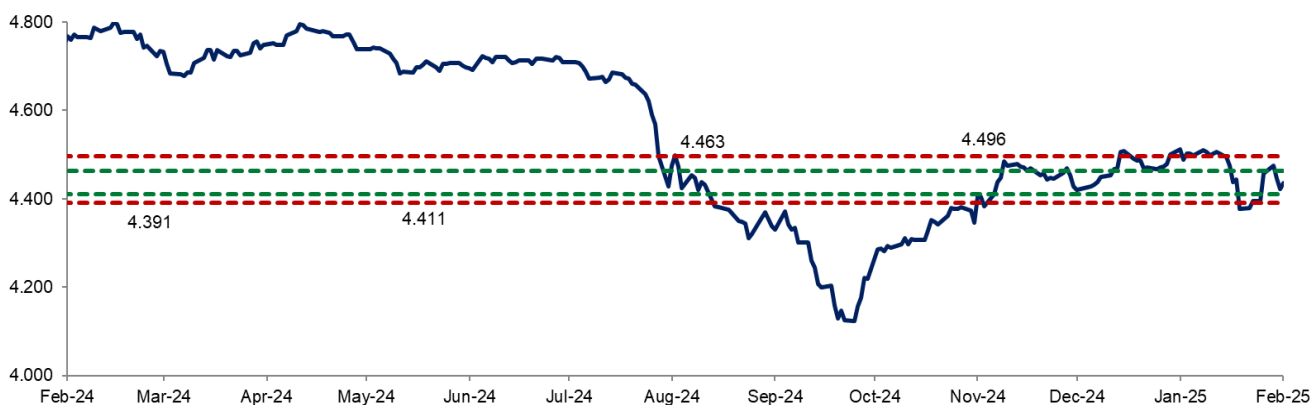
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

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.

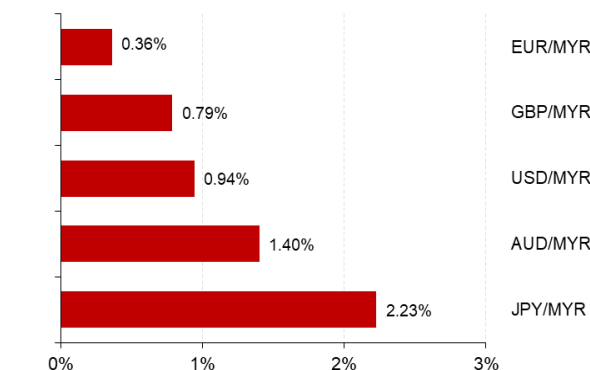
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

**Graph 1: USDMYR Trend**



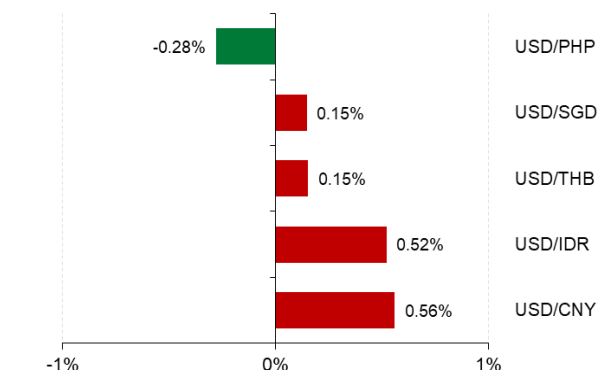
Source: Kenanga Research, Bloomberg

**Graph 2: Weekly Core Pairs' Performance**



Source: Kenanga Research, Bloomberg

**Graph 3: Weekly Regional Peers' Performance**



Source: Kenanga Research, Bloomberg

07 February 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	06/02/24 Last Year	06/01/25 Last Month	30/01/25 Last Week	06/02/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
<b>MYR</b>									
USDMYR	4.479	4.768	4.511	4.394	4.435	-0.96%	-6.97%	-1.68%	0.94%
AUDMYR	2.785	3.096	2.817	2.739	2.777	-0.26%	-10.31%	-1.42%	1.40%
GBPMYR	5.590	5.980	5.627	5.468	5.511	-1.41%	-7.83%	-2.06%	0.79%
EURMYR	4.636	5.116	4.672	4.578	4.595	-0.90%	-10.18%	-1.65%	0.36%
JPYMYR	2.850	3.205	2.857	2.845	2.908	2.03%	-9.27%	1.78%	2.23%
SGDMYR	3.288	3.542	3.301	3.255	3.276	-0.34%	-7.49%	-0.73%	0.66%
<b>ASEAN 5 + CNY + JPY</b>									
USDIDR	16198	15730	16198	16256	16341	0.88%	3.88%	0.88%	0.52%
USDTHB	34.276	35.671	34.67	33.726	33.778	-1.45%	-5.31%	-2.57%	0.15%
USDSGD	1.365	1.346	1.368	1.351	1.353	-0.84%	0.51%	-1.07%	0.15%
USDPHP	57.884	56.197	58.277	58.322	58.160	0.48%	3.49%	-0.20%	-0.28%
USDCNY	7.299	7.190	7.328	7.245	7.285	-0.19%	1.32%	-0.59%	0.56%
USDJPY	157.140	148.770	157.900	154.500	152.530	-2.93%	2.53%	-3.40%	-1.28%
<b>USD</b>									
EURUSD	1.032	1.073	1.034	1.040	1.036	0.45%	-3.41%	0.27%	-0.37%
GBPUSD	1.245	1.254	1.246	1.243	1.242	-0.23%	-0.96%	-0.37%	-0.10%
AUDUSD	0.621	0.649	0.624	0.623	0.626	0.89%	-3.53%	0.38%	0.61%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
10/2/2025	MY	Unemployment Rate (DEC)	3.2%	N/A
10/2/2025	CN	New Yuan Loans (JAN)	CNY990.0b	N/A
12/2/2025	MY	Retail Sales (DEC)	5.8% YoY	N/A
12/2/2025	US	Core Inflation Rate (JAN)	0.2% MoM	0.3% MoM
12/2/2025	US	Fed Chair Powell Testimony	N/A	N/A
13/2/2025	US	Core PPI (JAN)	0.0% MoM	0.3% MoM
14/2/2025	MY	GDP Growth Rate (Q4)	5.3% YoY	4.6% YoY*
14/2/2025	US	Retail Sales (JAN)	0.4% MoM	0.0% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

\*KIBB

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