

Ringgit Weekly Outlook

Bracing for volatility as market navigate shockwaves from new tariff measures

Overview

- Performance:** As expected, the ringgit traded defensively within the 4.43–4.45 range against the USD, shrugging off the impact of Trump's tariffs. A brief spike above 4.48/USD on Liberation Day proved short-lived, as the USD softened meaningfully soon after.
- Market Dynamics:** The USD initially rallied on safe-haven demand ahead of the anticipated tariff announcement. However, sentiment swiftly reversed after Trump delivered tariff blow to Southeast Asia. Renewed concerns over US economic fragility and a sharp equity sell-off USD lower. In the region, the PHP and SGD outperformed due to their relatively limited exposure to the trade measures.
- Data Impact:** Volatility in Asian currencies is likely to persist as markets digest the implications of Trump's tariff regime and anticipated potential reciprocal action by April 9 deadline. Focus tonight will shift to US labour market data and Fed Chair Powell's speech. Powell's tone could prove pivotal—any hawkish tilt may reverse recent USD weakness and weigh on risk assets. Higher-than-expected inflation readings next week may also influence direction.
- Outlook:** Markets will closely watch Malaysia's talks with Washington on possible tariff exemptions or reductions. The ringgit has firmed slightly, now near 4.42/USD. Barring surprises, the ringgit is expected to remain in a defensive 4.42–4.45 range.
- Technical:** The USDMYR remains neutral, anchored near its 5-day EMA at 4.436. The tariff backdrop should keep the pair range-bound, with initial support at (S1) 4.415 and resistance at (R1) 4.444.

Table 1: Currency Outlook

Long Term*							
	Q1-25	Q2-25F	Q3-25F	Q4-25F	Q1-26F	Q2-26F	Trend
USDMYR	4.434	4.530	4.490	4.449	4.383	4.317	▲
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	40.266	4.436	4.444	4.463	4.415	4.406	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

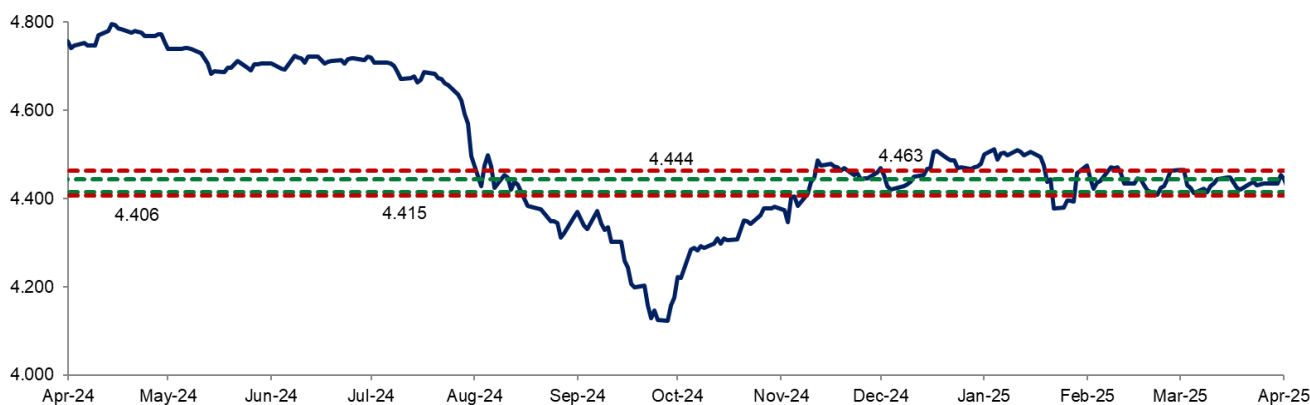
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

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.

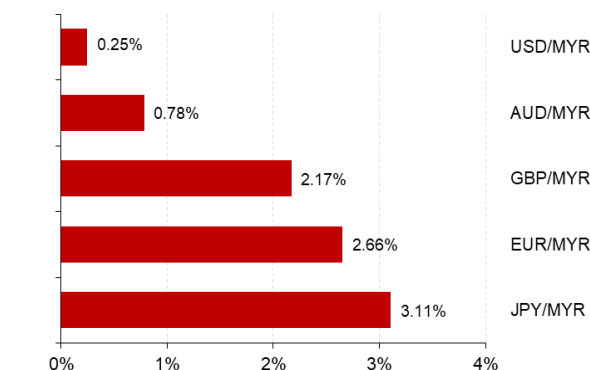
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



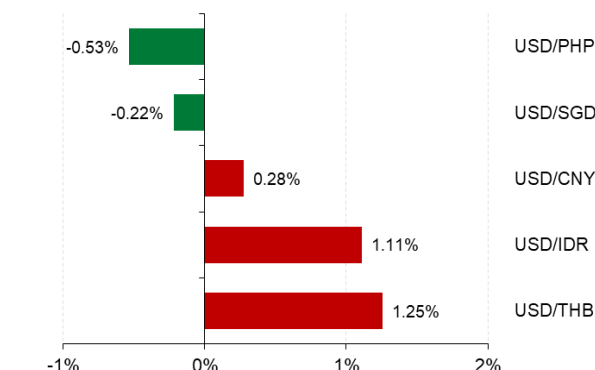
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

04 April 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	03/04/24 Last Year	03/03/25 Last Month	27/03/25 Last Week	03/04/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.756	4.466	4.432	4.443	-0.79%	-6.58%	-0.52%	0.25%
AUDMYR	2.785	3.095	2.779	2.795	2.817	1.17%	-8.96%	1.37%	0.78%
GBPMYR	5.590	5.980	5.639	5.726	5.850	4.65%	-2.17%	3.75%	2.17%
EURMYR	4.636	5.121	4.657	4.774	4.901	5.71%	-4.30%	5.24%	2.66%
JPYMYR	2.850	3.135	2.960	2.937	3.028	6.26%	-3.40%	2.30%	3.11%
SGDMYR	3.288	3.517	3.313	3.308	3.325	1.12%	-5.48%	0.36%	0.50%
ASEAN 5 + CNY + JPY									
USDIDR	16198	15920	16480	16562	16746	3.38%	5.19%	1.61%	1.11%
USDTHB	34.276	36.713	34.165	33.847	34.271	-0.01%	-6.65%	0.31%	1.25%
USDSGD	1.365	1.352	1.348	1.339	1.337	-2.07%	-1.12%	-0.88%	-0.22%
USDPHP	57.884	56.452	57.912	57.4	57.095	-1.36%	1.14%	-1.41%	-0.53%
USDCNY	7.299	7.233	7.288	7.262	7.282	-0.23%	0.68%	-0.07%	0.28%
USDJPY	157.140	151.710	150.840	150.930	146.710	-6.64%	-3.30%	-2.74%	-2.80%
USD									
EURUSD	1.032	1.078	1.044	1.078	1.105	7.12%	2.56%	5.84%	2.50%
GBPUSD	1.245	1.258	1.265	1.293	1.315	5.63%	4.54%	3.96%	1.66%
AUDUSD	0.621	0.651	0.622	0.631	0.634	2.06%	-2.69%	1.83%	0.44%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
10/4/2025	US	FOMC Minutes	N/A	N/A
10/4/2025	CN	Inflation Rate (MAR)	-0.7% YoY	0.1% YoY
10/4/2025	US	Core Inflation (MAR)	0.2% MoM	0.3% MoM
10/4/2025	US	Initial Jobless Claims (APR/05)	219.0k	N/A
11/4/2025	MY	Industrial Production (FEB)	2.1% YoY	N/A
11/4/2025	MY	Retail Sales (FEB)	8.2% YoY	N/A
11/4/2025	MY	Unemployment Rate (FEB)	3.1%	N/A
11/4/2025	US	PPI (MAR)	0.0% MoM	0.2% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

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