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MOUNTING UNCERTAINTIES KEPT CURRENCY MARKETS UNDER PRESSURE

Energy supply shock reverberated through global markets. The U.S.-Iran conflict has surpassed the one-month mark, with the path towards a potential resolution clouded by conflicting signals from both sides. As the situation unfolded, the focal concern weighing on investor sentiments emerged from energy supply disruptions, accompanied by rising energy prices. Energy shortages began to materialize with Philippines being the first country to announce an energy emergency and Slovenia became the first European country to introduce energy rationing, limiting fuel purchases to 50 litres per day for private motorists and 200 litres for businesses and farmers. Additionally, news reports indicated widespread fuel outages in Australia with over 500 service stations ringing the alarm. Airlines are also expecting to scale down operations, including Vietnam where flight volumes could fall by up to 20%. In Thailand, the government would raise the electricity tariff for the May-August billing cycle amid rising costs.

The significant contraction in supply in turn led to skyrocketing oil prices, with broader spillovers into the global economy. In response, governments have introduced measures to get ahead of growing price pressures and alleviate cost pressure on consumers. In Germany, lawmakers have approved initial measures to limit price rises across petrol stations to once a day while the Italian government announced plans to cut excise duties on fuel until 7 April. Additionally, Poland will reduce the value-added tax (VAT) on fuel from 23% to 8% while Vietnam's finance ministry has suspended environmental protection and special consumption taxes on fuels until 15 April. Meanwhile, the South Korean government announced plans to ease limits on coal-fired energy production and instead boost utilisation of nuclear power plants while

Markets navigating through the fog of war. The unfolding conflict is characterized by key flaws; namely, the lack of clarity and inconsistencies in incoming reports. The war is not only fought across military lines but through shaping perceptions and managing expectations, leading to contradictory statements from U.S. and Iran. Earlier last week, tentative signs of potential de-escalation of U.S.-Iran tensions led to a modest rebound in market sentiments. Nevertheless, the optimism was short-lived as conflicting statements highlighted that a resolution remained out of bounds. Last Monday, Trump claimed that negotiations for a "complete and total resolution" of hostilities were underway, concurrently announcing a five-day pause on military strikes on Iranian energy plants through 27 March Eastern Time (ET). However, Iranian foreign minister Abbas Araghchi denied that formal talks were taking place, instead the U.S. only tried to communicate through mediators. The U.S. had reportedly proposed a 15-point peace framework, which Iran firmly rejected with a counterproposal underlining war reparations, control over the Strait of Hormuz and concrete mechanisms against future attacks, according to Iran's Press TV.

More recently, U.S. President Donald Trump extended the pause in strikes on Iranian energy plants for another ten days to 6 April ET. The decision was made following Iran's request for a 7-day extension, according to Trump, where he

added that Iran was very appreciative of his decision. This instance followed another development where Trump announced that Iran had let eight oil tankers, which was later expanded to ten, pass through the Strait of Hormuz as a “present” to him during talks. The optimistic signals contradicted with Iran’s rigidity, as well as the U.S.’ own mixed messages, stoking further confusion over the latter’s gameplay. The Pentagon had deployed ground troops to the region with around 5,000 Marines en route to join the estimated 50,000 personnel in the area. Latest reports also indicated that the Pentagon is considering the deployment of an additional 10,000 ground troops. Additionally, Trump also warned of worse attacks if a deal is not reached, heightening jitters of a protracted conflict and broader spillovers into the global economy. Following growing uncertainties surrounding the situation, investors maintained their risk-off modes and global financial markets remained subdued.

Upcoming Events: Key Economic Data Release

Monday	Bank of Japan Summary of Opinions, Euro Area Economic Sentiment (March)
Tuesday	Reserve Bank of Australia Meeting Minutes, Japan Unemployment Rate, Industrial Production & Retail Sales (February), Euro Area Consumer Inflation (March), U.S. JOLTS Job Openings (February)
Wednesday	Euro Area Unemployment Rate (February), U.S. Retail Sales (February), S&P Global Manufacturing PMI (March)
Thursday	Australia Trade Performance (February), U.S. Challenger Job Cuts (March)
Friday	U.S. Nonfarm Payrolls, Unemployment Rate & Average Hourly Earnings (March)

Table 1: Selected Currencies Overview

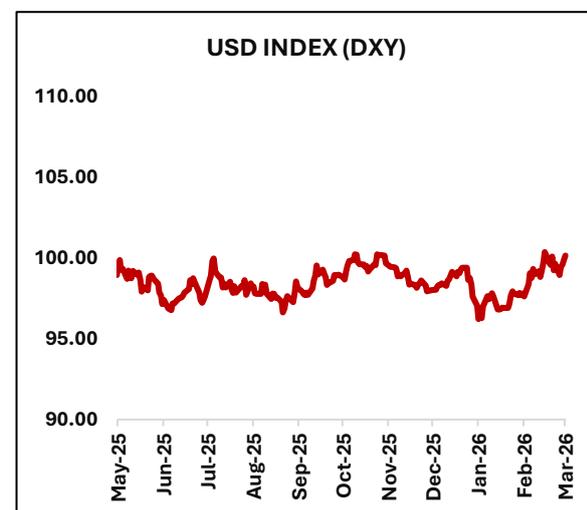
	13-Mar	20-Mar	27-Mar	WoW	YTD
DXY Index	100.36	99.65	100.15	0.5%	1.9%
USDMYR	3.94	3.94	4.01	1.9%	-1.2%
XAUUSD	5,019.49	4,492.42	4,494.09	0.0%	4.0%
EURUSD	1.14	1.16	1.15	-0.5%	-2.0%
GBPUSD	1.32	1.33	1.33	-0.6%	-1.6%
AUDUSD	0.70	0.70	0.69	-2.1%	3.0%
USDSGD	1.28	1.28	1.29	0.5%	0.2%
USDJPY	159.73	159.23	160.31	0.7%	2.3%
USDCNY	6.90	6.90	6.91	0.1%	-1.1%

Sources: Bloomberg, Bank Islam

Commentaries

DXY: USD appreciated as markets bet on a hawkish Fed

The USD index climbed by 0.5% w-o-w last week, supported by sustained safe-haven demand and heightened expectations of a “higher for longer” Federal Reserve (Fed). On the former, conflicting signals from the U.S. whereby Trump spoke positively of negotiations with Iran while at the same time, ground troops are being deployed into the region kept investors on risk-off modes, staying vigilant on a potentially worsening conflict. Furthermore, global energy prices remain elevated following supply delays from key oil-producing Gulf countries and the closure of the Strait of Hormuz—barring limited, conditional passages granted to selected vessels. Brent crude traded above USD100 bbl for much of the period since the onset of the conflict, surging almost double on a year-to-date basis (27 Mar 26: USD115 bbl, 31 Dec 25: USD61 bbl), which fuelled concerns of a resurgence in inflation. As such, markets have recalibrated their Fed policy



expectations more hawkishly, eyeing potential rate hikes over the horizon. At the time of writing, the likelihood of the Fed staying pat through December had climbed over 70.0%, further supporting the USD. From a technical standpoint, the USD attempted the key resistance level around 100.00 during the week before topping the level on 27 March, closing at 100.15.

Short-term outlook: Key economic releases this week will be the job market reports, including the JOLTS Job Openings, March Nonfarm Payrolls, and Challenger Job Cuts. While the job market holds significant bearing on the Fed's policy expectations, the U.S.-Iran conflict and growing inflationary risks are expected to dominate investor sentiments this time around. Furthermore, the latest Federal Open Market Committee (FOMC) meeting indicated that policymakers are increasingly concerned of sticky price pressures and assigned lesser weight on the fragile job growth momentum, deeming it less severe than previously expected. Thus, the current backdrop has reinforced the case for a hawkish Fed, likely to remain steady in 2026 while investors began to juggle the possibility of a tightening cycle. In the near term, we expect the USD to trade bullishly within the 99.80-100.75 range.

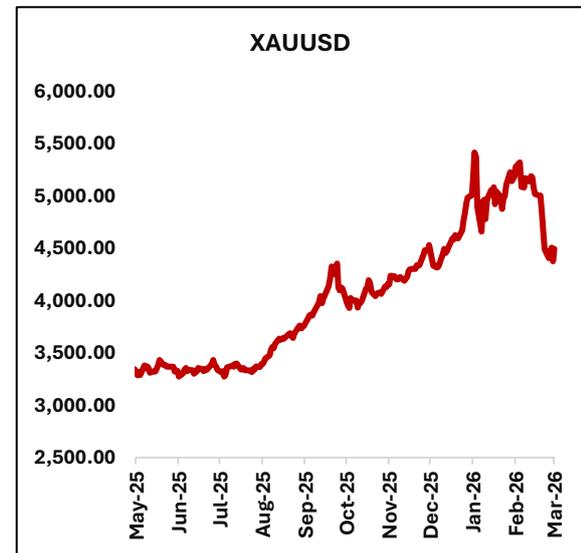
XAUUSD: Gold price under pressure against the USD

Gold price traded within a limited range between USD4,300-4,500 last week and closed at USD4,494.09 as its safe-haven glow remained dim against the USD's appeal. While both currencies stood to benefit from the flight to safety, the USD gained an advantage as investors adopted a more hawkish outlook on the Fed's policy trajectory. Expectations of rising inflation reinforced the case for the central bank to maintain the FFR at 3.50-3.75% through December while triggering bets of potential rate hikes. On the geopolitical front, trading remained subdued as conflicting signals from U.S. and Iran pointed towards a protracted war. Either side appear reluctant to resolve hostilities with the U.S. preparing its troops for a ground invasion while Iran firmly maintained its stance, underlining key conditions for a ceasefire and rejecting the peace framework not adhering to them.

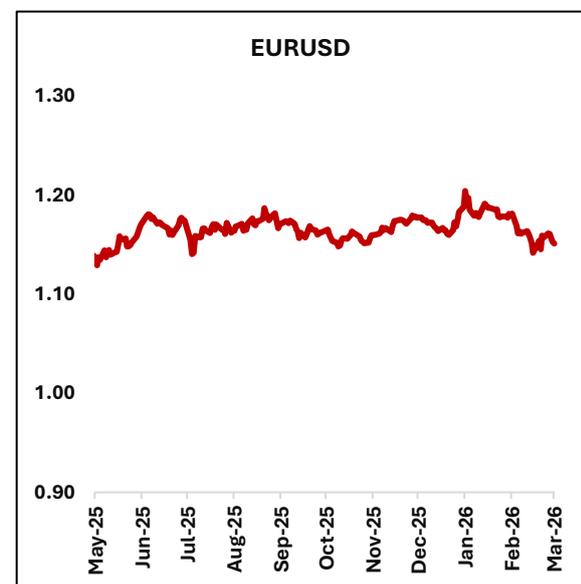
Short-term Outlook: Looking ahead, further developments toward a potential resolution are likely to shape gold (XAU) momentum. Greater clarity on negotiations or a credible path to de-escalation could modestly improve investor sentiment, limiting near-term upside for the XAU. Conversely, a prolonged stalemate or renewed escalation would continue to underpin safe-haven demand, providing support to prices. The immediate resistance is seen around USD4,500 while support emerged around USD4,350.

EURUSD: EUR depreciated amid warnings of a stagflationary shock

The euro (EUR) depreciated by 0.5% w-o-w for the week ending 27 March, as a relatively light calendar week provided little catalyst to support the EUR against the USD. The EUR/USD currency pair traded with a bearish bias and multiple attempts to break above the next resistance level around 1.16 failed, closing at 1.1509. Furthermore, warnings of a stagflationary shock by the European Union (EU)'s Economy Commissioner Valdis Dombrovskis weighed on investor confidence. Dombrovskis indicated that a short-lived energy disruption could reduce the region's 2026 growth by around 0.4% while pushing inflation higher by up to 1%. In contrast, a more prolonged and severe shock could shave approximately 0.6% off growth across both this year and next, pointing to more persistent economic headwinds stemming from the conflict. This assessment aligns with the ECB's more cautious outlook, with the central bank lowering its 2026 growth forecast to 0.9% while projecting inflation to average 2.6%. Stagflationary impulses would complicate the European Central Bank (ECB)'s policy trajectory, presenting a thinly balanced trade-off between growth and inflation. At the current juncture, the economy has shown early signs of losing momentum (4Q25: 1.2% y-o-y vs. 3Q25: 1.4%) as it grew at a five-quarter low. Trade policy shifts and broader uncertainties had dampened business and consumer confidence, both of which could deteriorate further amid the U.S.-Iran



Source: Bloomberg



Source: Bloomberg

clash and higher energy prices. Nevertheless, additional rate cuts to spur the economy could not be delivered comfortably as growing price pressures translated into inflationary risks, compounding the impact of persistent services inflation (Feb: 3.4% vs. Jan: 3.2%) and opening the door to potential rate hikes. Thus, investors are likely to trade cautiously as they await further guidance, keeping the EUR under pressure.

Short-term Outlook: Central to investor attention this week will be the preliminary March inflation figures, which will offer an early indication of how the recent surge in energy prices has filtered through to consumer prices. Market consensus expects headline inflation to increase to 2.8%, which would be the highest since January 2024. Should the data validate a stronger inflation outturn, the ECB may come under increased pressure to tighten its monetary policy stance. In such a scenario, EUR/USD could trend higher, particularly if the conflict becomes more protracted. That said, risks remain two-sided, as the EUR is also highly sensitive to broad-based movements in the USD. This week, we expect the EUR/USD pair to trade with a mildly bearish bias within the 1.1505–1.1620 range.

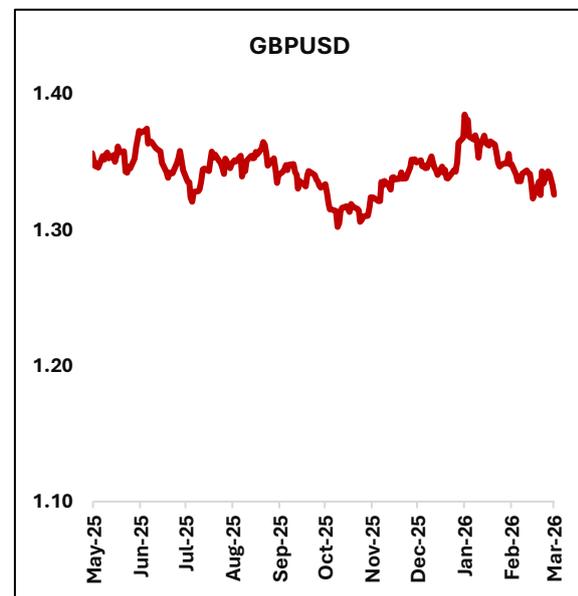
GBPUSD: British Pound weakened amid slowing consumer spending

The British pound (GBP) slipped by 0.6% w-o-w last week as concerns of stagflationary impulses topped investor sentiments. Recent figures showed that headline inflation steadied at 3.0% y-o-y in February, extending the streak above 3.0% to eleven months. Against this backdrop of sticky price pressures, the rise in energy prices amid Middle East tensions is likely to feed more materially into inflation dynamics. Additionally, core inflation edged up to 3.2% (Jan: 3.1%), pointing towards a pickup in underlying price pressures. As such, concerns of higher inflation in the coming months, potentially tipping into the upper 3.0% range, weighed on investor confidence. On the other hand, consumer spending remained sluggish with retail sales declining by 0.4% m-o-m (Jan: 2.0%). On an annual basis, retail sales eased to 2.5% (Jan: 4.0%), albeit surpassing consensus estimates of a 2.1% growth. The mix of elevated inflation and subdued growth prospects has been the hallmark of the Bank of England (BoE)'s easing cycle, dividing policymakers as seen in earlier decisions. While the central bank previously placed more emphasis on supporting the economy, recent geopolitical developments would adjust the narrative moving forward.

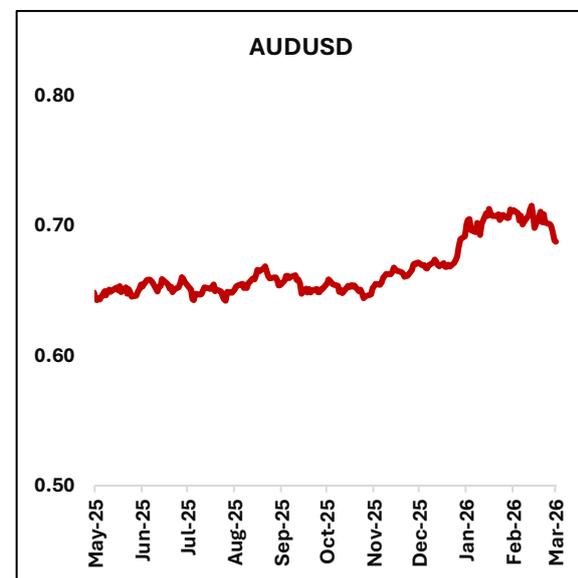
Short-term Outlook: Significant upside risks to inflation will likely delay the BoE's easing cycle, evidenced by the unanimous March policy decision to maintain the Bank Rate at 3.75%. Nevertheless, second-round effects on wages, prices and spending may yet lead to another recalibration in policy expectations down the line. As investors seek greater clarity on the path forward, they may remain reserved on the GBP. This week, we expect the GBP/USD pair to trade with a mildly bearish bias, moving within the 1.3230–1.3420 range.

AUDUSD: Australian Dollar fell despite persistently elevated inflation

The Australian dollar (AUD) depreciated by 1.6% w-o-w despite consumer inflation remaining above the Reserve Bank of Australia (RBA)'s target band of 2-3%. Headline inflation eased marginally to 3.7% in February (Jan: 3.8%) amid a steeper decline in transport costs (Feb: -7.2% vs. Jan: -2.7%) and slower increases across several categories, including alcohol and tobacco (Feb: 4.3% vs Jan: 5.0%), clothing (Feb: 4.9% vs Jan: 5.3%), furnishings (Feb: 1.3% vs Jan: 1.4%), communication (Feb: 0.8% vs Jan: 1.4%), and education (Feb: 4.8% vs Jan: 5.4%). Notably, services inflation stayed persistently high around 3.9% for the second month. Meanwhile, the trimmed mean inflation eased to 3.3% compared to 3.4% in January. Despite inflation risks remaining tilted to the upside, the modest moderation has fuelled expectations of a pause at the upcoming RBA meeting. This is further reinforced by the two consecutive 25-bps rate hikes that have lifted the cash rate to 4.1%. As a result, investors have pared



Source: Bloomberg



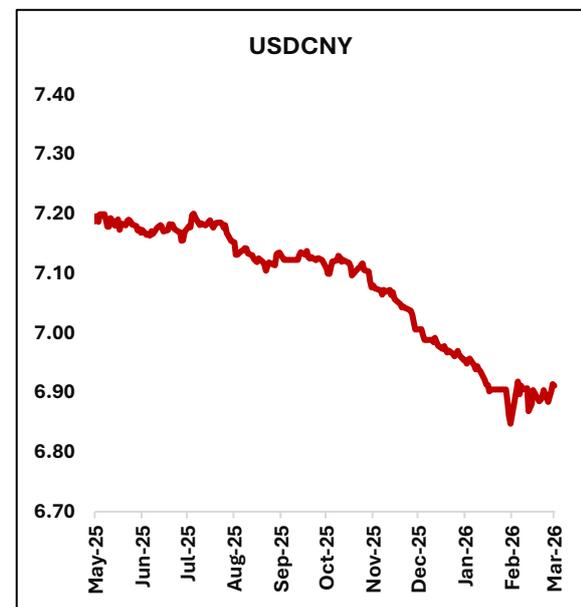
back expectations for further tightening, weighing on the AUD. From a technical standpoint, the AUD broke decisively below the immediate resistance level of 0.70 on 23 March and traded within the 0.6910-0.6990 range for the remainder of the week. Nevertheless, the central bank noted that inflation may remain above target for some time, accounting for higher global energy prices, which reinforced the broader tightening trajectory.

Short-term Outlook: Looking ahead, investors will be on high alert for the RBA meeting minutes this week, eager for further hints on the policy path ahead. The release will grant a closer look at how the geopolitical developments affect the central bank's inflation outlook and policy deliberations, guiding investors in shaping expectations. In the near term, we expect the AUD/USD pair to trade with a slightly bearish bias within a 0.6790–0.7010 range.

USDCNY: Chinese Yuan fell on the back of a stronger USD

The Chinese yuan (CNY) dipped by 0.1% w-o-w last week amid a relatively light calendar week on the data front, with the currency largely dominated by the USD performance. The USD/CNY was trading on a mildly bullish bias, moving within the 6.8830-6.8950 range in the first half of the week. On 26 March, the currency pair broke decisively above the key resistance level around 6.90 before proceeding to the next resistance around 6.91. The USD/CNY successfully topped this level and closed the week at 6.9112. Despite the People's Bank of China (PBoC) setting the yuan fixing stronger, there was little catalyst to further support the CNY.

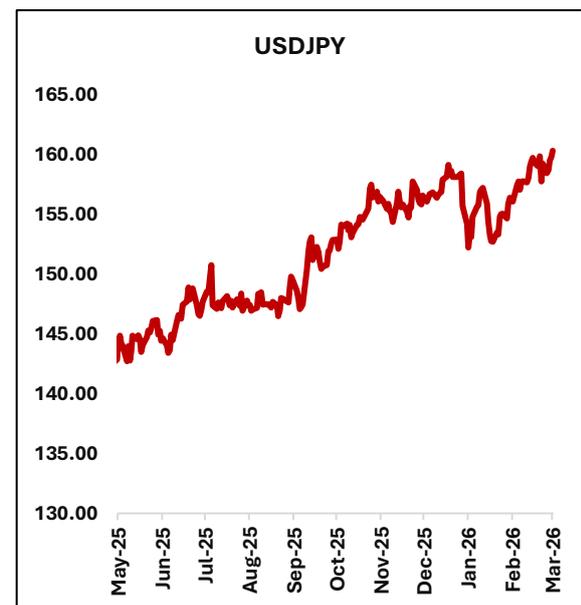
Short-term Outlook: Notably, recent manufacturing PMI readings have presented a mixed picture of sectoral conditions. China's official NBS manufacturing PMI slipped to 49.0 (January: 49.3), signalling a continued contraction in factory activity amid weaker new orders and softer input demand. In contrast, the RatingDog PMI rose to 52.1 in February (January: 50.3), marking its highest level since December 2020, supported by improvements in external demand, new orders, and output. This divergence in indicators has weighed on investor sentiment, adding to uncertainty around the potential drag from Trump's trade agenda, evolving policy shifts, and broader global trade headwinds. Thus, the upcoming releases is anticipated to provide greater clarity on the manufacturing sector. Looking ahead, we maintain a bullish view on the USD/CNY pair, expecting the pair to trade within a 6.8830–6.9240 range.



Source: Bloomberg

USDJPY: Japanese Yen weakened despite hawkish BoJ expectations

The Japanese yen (JPY) depreciated by 0.7% w-o-w despite heightened bets of a rate hike in the Bank of Japan (BoJ)'s April meeting. Bullish momentum drove the USD/JPY currency pair to break above the key resistance level around 160.00, the highest level in almost three decades. On 30 March, the currency pair edged slightly lower; however, with the key psychological threshold now breached, the yen could weaken further, paving the way for a move back above the 160.00 level. On the bright side, the persistent weakness further solidified expectations of additional BoJ hikes, taking cues from the latest meeting minutes where several policymakers called for increased vigilance on the weak Yen and its impact on inflation. One member also stressed that timely rate hikes are crucial to curb the persistent JPY weakness, enabling the central bank to also tackle price pressures through addressing the rising import costs. The meeting minutes as a whole reinforced the central bank's hawkish bias. Many officials highlighted the steadily embedded mechanism in which wages and prices rise moderately in tandem, suggesting that anticipated pay increases from the spring wage negotiations are likely to materialize substantially into consumer prices. Additionally, BoJ policymakers remained concerned of falling behind the curve on inflation, a risk that is increasingly amplified by rising global oil prices which would reinforce upside pressure and extend the timeline of the BoJ's tightening cycle. Urgent signals from the central bank overshadowed key inflation figures last week in which headline inflation eased to 1.3% in February (Jan: 1.5%), the



Source: Bloomberg

lowest since March 2022. Similarly, core inflation also moderated to a 47-month low at 1.6% (Jan: 2.0%) while inflation excluding fresh food and energy slipped to 2.5% (Jan: 2.6%).

Short-term Outlook: This week's calendar is filled with heavy hitters including BoJ's Summary of Opinions, February unemployment rate, industrial production and retail sales figures, and Tokyo's March inflation rate. The data set will grant a more detailed look into the dynamics of the economy, guiding markets in shaping their policy expectations, especially with Middle East tensions triggering risks on both sides of the BoJ's path. Beyond inflationary risks, the conflict posed a downside risk to growth given Japan's reliance on oil imports, the effects of which could materialize in the near term amid supply shortages. Thus, we expect the USD/JPY to trade with a cautious bias around the 158.50-160.90.

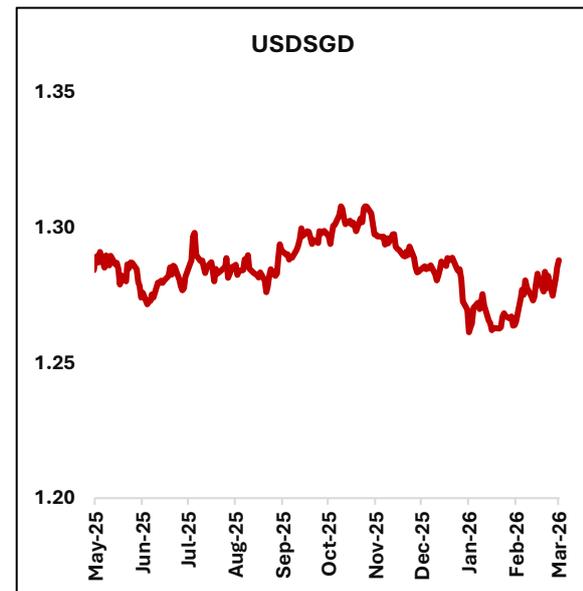
USDSGD: Singaporean Dollar dipped as headline inflation eased

The Singapore dollar fell by 0.5% w-o-w last week as headline inflation eased to 1.2% in February from a 13-month high in January (1.4%). The moderation was mainly driven by the slowdown in housing and utilities (Feb: 0.3% vs. Jan: 1.7%) while other indicators recorded increases, namely food (Feb: 1.6% vs. Jan: 1.2%), transport (Feb: 2.7% vs. Jan: 2.4%), clothing (Feb: 0.9% vs. Jan: -0.4%), information and communication (Feb: 1.4% vs. Jan: -1.9%) and recreation, sport and culture (Feb: 1.9% vs. Jan: 0.6%). Furthermore, core inflation marked the highest level since December 2024 as it rose 1.4% (Jan: 1.0%). The acceleration across underlying prices indicated that consumer demand is gradually gaining momentum, providing modest support to the SGD. On the other hand, prices on the producer front remained in the negative category (Feb: -2.9% vs. Jan: 6.1%). Meanwhile, manufacturing production fell sharply to a six-month low of 0.1% in the same month compared to a 12.9% growth in January, dragged by weaker output across all subsectors except electronics. On a monthly basis, it declined by 7.2% (Jan: 2.0%). U.S. tariffs and broader trade uncertainties weighed on external demand as businesses shifted to more reliable alternatives. Nevertheless, rapid AI adoption and the growing technology landscape had propped up demand for E&E goods, lifting the electronics cluster (Feb: 13.7% vs. Jan: 34.0%).

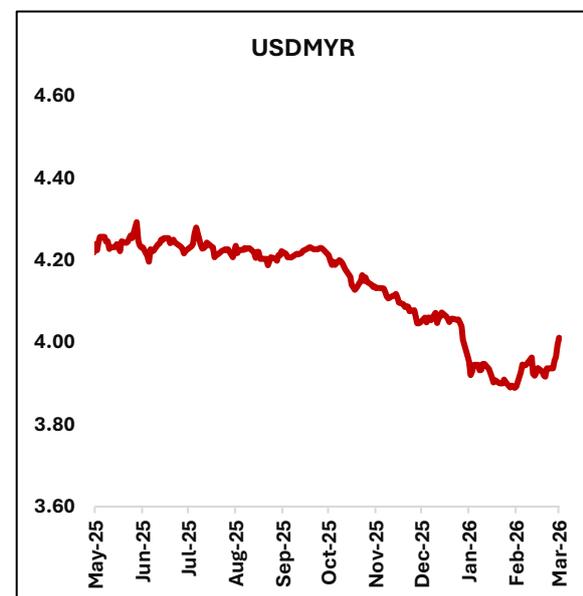
Short-term Outlook: Looking ahead, it will be a relatively light calendar week on the data front. Thus, the SGD trajectory will likely be steered by the USD, giving way to the latter's dominance in recent weeks. In light of this, we maintain a bullish view on USD/SGD, expecting the pair to trade within the 1.2820–1.2910 range.

USDMYR: The Ringgit returned above RM4.00

The ringgit (MYR) depreciated by 1.9% w-o-w, returning above the RM4.00 level on Friday while the USD index climbed above 100.00. The USD/MYR currency pair traded within the 3.93-3.95 range in the first half of the week. At market open on 26 March, the currency pair broke decisively above the immediate resistance around 3.96 before proceeding past the subsequent zones, closing the day at 3.9935. The USD/MYR finally breached the 4.00-level for the first time since January on 27 March, sustaining above this level to close at 4.012. Meanwhile, with limited data releases, the Producer Price Index (PPI) release took centre stage. Producer prices recorded a steeper contraction of 3.4% in February (Jan: -2.9%) amid declines across agriculture, forestry and fishing (Feb: -8.7% vs. Jan: -8.3%), mining (Feb: -8.5% vs. Jan: -11.7%) and manufacturing (Feb: -2.7% vs. Jan: -1.7%) while electricity and gas supply PPI eased slightly (Feb: 4.7% vs. Jan: 4.9%). On the other hand, water supply PPI marked a sharper increase (Feb: 11.2% vs. Jan: 10.2%), driven by the water tariff adjustments in 2025. Looking ahead, the spike in global oil prices is expected to significantly translate into local producer prices. On the consumers front, the government has announced a reduction in the BUDI95 subsidy quota to 200 litres per person per month from 300 litres earlier, citing that the latest quota remains in line with the average



Source: Bloomberg



Source: Bloomberg

consumption observed thus far. As such, the effects of rising global energy prices may materialize more gradually on consumers. However, the passthrough may be more evident through indirect channels, including prices of goods and higher electricity costs.

Short-term Outlook: Moving forward, the MYR will likely remain under pressure against the USD as geopolitical concerns fuelled demand for the safety and liquidity of the dollar. Nevertheless, Malaysian consumers are expected to remain relatively shielded, provided that the conflict remains episodic and short-lived and oil prices gradually eased. However, the current state of affairs suggested that hostilities are far from over with fresh tensions sparking up over the weekend while a path towards resolution remains unclear. As such, the USD/MYR currency pair is anticipated to trade with a mildly bullish bias, moving within the 3.9850-4.1500 range this week.

Table 2: Selected Currencies Overview (MYR Crosses)

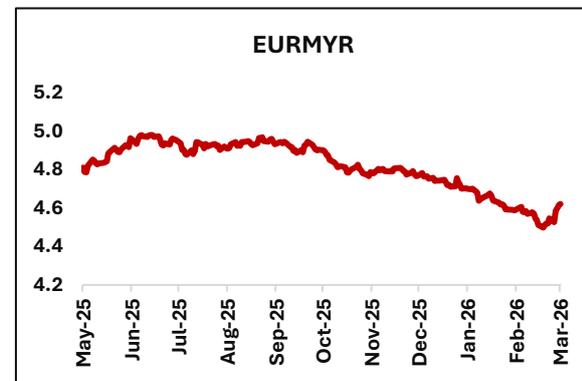
	13-Mar	20-Mar	27-Mar	WoW	YTD
USDMYR	3.9375	3.9362	4.0110	1.9%	-1.2%
EURMYR	4.5113	4.5472	4.6217	1.6%	-3.0%
GBPMYR	5.2221	5.2694	5.3373	1.3%	-2.2%
SGDMYR	3.0749	3.0756	3.1179	1.4%	-1.2%
JPYMYR	2.4660	2.4730	2.5028	1.2%	-3.4%
AUDMYR	2.7703	2.7811	2.7650	-0.6%	1.9%
CNYMYR	0.5711	0.5714	0.5807	1.6%	0.0%

Sources: Bloomberg, Bank Islam

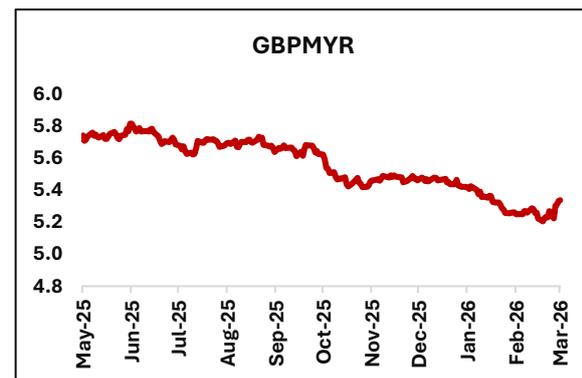
Short Term Outlook for Ringgit Pairs

The outlook for EUR/MYR is bullish as higher inflation expectations in the Euro Area will bolster ECB rate hike bets, making the EUR more appealing against the MYR. The Euro Area's March preliminary inflation figures will be released this week with crucial insights on how the oil price spike has passthrough into consumer prices. Consensus estimates expect headline inflation to jump to 2.8%, which will be enough catalyst to support the case of a more hawkish ECB. Meanwhile, Malaysia's inflation remained low (Feb: 1.4% vs. Jan: 1.6%) and government support measures, including maintaining the BUDI95 subsidy program through a quota cut, is anticipated to cushion the direct impact on consumers.

The outlook for GBP/MYR is mildly bullish as higher energy prices will compound the environment of sticky price pressures, causing delays to the BoE's easing cycle. In March, the central bank unanimously voted to keep the bank rate steady at 3.75%, suggesting that policymakers may adopt a wait and see stance as they reassess the evolving balance of risks amid the unfolding geopolitical conflict. This will maintain the rate differentials with Bank Negara Malaysia (BNM)'s Overnight Policy Rate (OPR) at current levels, exerting pressure on the MYR.

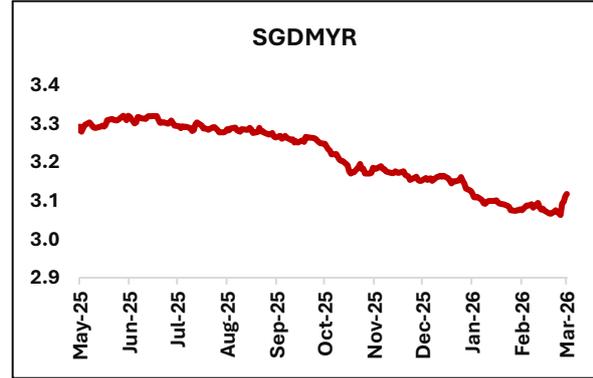


Source: Bloomberg



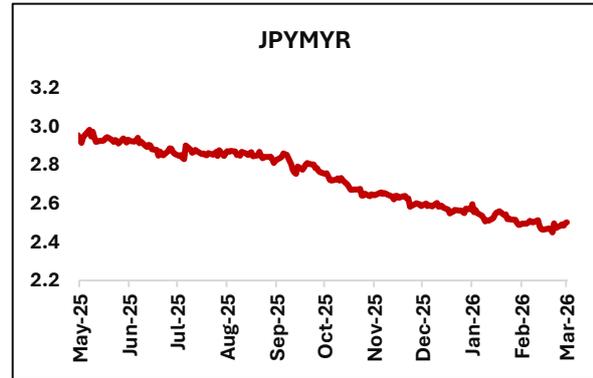
Source: Bloomberg

The outlook for SGD/MYR is neutral to mildly bearish this week amid a relatively sparse calendar week for both countries. As such, both currencies are likely to remain subdued as investors shift their attention firmly on the U.S.-Iran tensions. In light of this, the SGD/MYR currency pair has little catalyst for a firm trajectory in either direction, thus it will likely trade within a limited range.



Source: Bloomberg

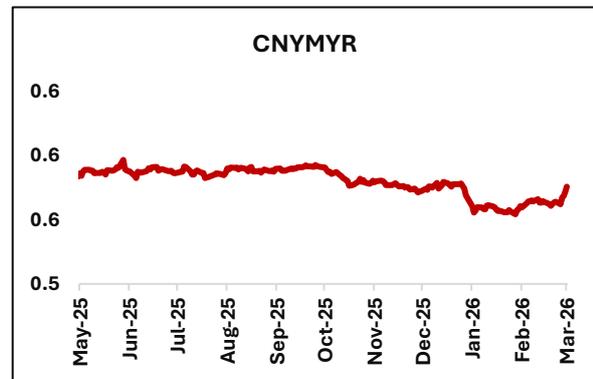
The outlook for JPY/MYR remains slightly bullish amid heightened bets of additional BoJ rate hikes based on the central bank's more hawkish tone. Additionally, earlier meetings underscored the BoJ's concern about falling behind the curve on inflation, a risk that has become more pronounced in the current environment. Key economic data, particularly Tokyo's March inflation report, is expected to provide further direction this week. Thus, the JPY could gain the edge over the MYR, although the MYR may see room for near-term upside given the Yen's persistent weakness.



Source: Bloomberg

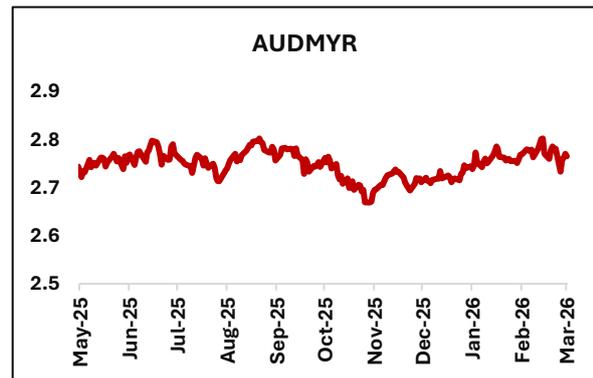
PUBLIC

The outlook for CNY/MYR is neutral to mildly bullish as investors remain on alert for China's manufacturing PMI reports this week. The reports will offer a more comprehensive look into the manufacturing sector, granting insights into how the economy has fared through the year of persistent global headwinds and trade turmoil. Should the sector remain resilient, the next question will be how factory activities will respond to the U.S.-Iran tensions, subsequent shipping disruptions and oil supply volatility. Meanwhile, the incoming S&P Global manufacturing PMI for Malaysia will likely echo the same steadiness seen in the manufacturing sector thus far, placing the CNY on a higher advantage.



Source: Bloomberg

The outlook for AUD/MYR is neutral to slightly bullish as investors eye a potential pause in the next RBA meeting following the consecutive 25-bps hikes in February and March. Nevertheless, inflation remained persistently elevated above the RBA's 2-3% target band against a backdrop of rising inflation expectations, keeping the broader tightening trajectory intact and providing structural support to the AUD against the MYR.



Source: Bloomberg