

Ringgit closes out 2024 as top performer among major Asian currencies

Malaysiakini

31 December 2025

Bernama

The ringgit emerged as the best-performing currency in Asia in 2024, standing out among major regional peers amid a challenging global economic landscape.

By the end of the year, it had appreciated over 2.73 percent to RM4.47 against the US dollar, an impressive feat compared to the decline or stagnation of Asian currencies.

As of the time this report was written, the South Korean won (KRW) recorded the steepest fall against the greenback, tumbling 12.42 percent, followed by the Japanese yen (JPY) at 10.02 percent and the Taiwan dollar (TWD) at 6.75 percent.

The Indonesian rupiah (IDR) slid 4.54 percent while the Philippine peso (PHP) depreciated 4.47 percent and the offshore Chinese yuan (CNH) fell 3.26 percent.

The Singapore dollar (SGD) weakened 3.09 percent, followed by the Chinese yuan (CNY) at 2.73 percent and the Indian rupee (INR) slipped 2.81 percent.

The Thai baht (THB) experienced a marginal decline of 0.15 percent while the Hong Kong dollar (HKD) was the only major Asian currency to record a slight appreciation, up by 0.58 percent.

Volatility, challenges

The local currency faced a year of volatility and challenges against the greenback throughout 2024 but it has proven to be resilient, rebounding to a high of RM4.12 in September from a February low of RM4.80.

It stabilised at RM4.47 versus the greenback in December, a significant improvement from the RM4.60 level recorded in the final month of 2023.

The year also saw the ringgit's strength when it recorded its longest winning streak since 2010 with 10 consecutive days of gains, closing at RM4.49 against the US dollar on Aug 2.

On Sept 30, the local currency hit a 39-month high against the greenback at RM4.1210/1280, driven by expectations of further US interest rate cuts. The ringgit emerged as the region's top-performing currency in the third quarter, recording a remarkable 14.9 percent appreciation against the greenback.

Apart from the US monetary policy, the ringgit's performance in 2024 can be

attributed to a combination of factors, including coordinated efforts between the government and Bank Negara Malaysia (BNM) and Malaysia's promising economic prospects.

These factors, coupled with the ongoing structural reforms implemented by the government, have played an essential role in supporting and strengthening the ringgit throughout the year.

Domestic conditions

One of the key elements in managing Malaysia's monetary policy has been the focus on domestic conditions, particularly inflation and the country's growth trajectory.

Malaysia's approach to the overnight policy rate (OPR) has been guided by these domestic factors, ensuring that policy decisions are aligned with the country's economic realities, rather than external events.

BNM has also actively encouraged businesses to repatriate their export earnings in ringgit and incentivised investors to convert their foreign income into local currency. These targeted measures have fostered a healthy two-way flow of capital into the Malaysian market, bolstering the ringgit's value.

The Malaysian central bank also welcomed Malaysia's removal from a US currency manipulation watchlist, affirming the ringgit's market-driven status.

The removal reflects the alignment of Malaysia's economic policies with international standards and further boosts confidence among global investors.

In addition, favourable assessments from international rating agencies and analysts have contributed to renewed confidence in the country's long-term economic prospects, further boosting the ringgit.

Ringgit outlook remains positive

As Malaysia continues to build on these successes, the outlook for the ringgit remains positive, positioning it for sustained growth in the years to come.

However, potential challenges remain on the horizon.

Uncertainty in global trade and possible changes in US monetary policy, as well as US tariffs, could affect the American dollar, and in turn the ringgit. These external factors will continue to shape the global currency landscape and may impact the ringgit's performance.

Nonetheless, Malaysia's proactive policies and strong domestic foundation

position the ringgit to stay resilient despite these uncertainties.

Moderate strengthening

Analysts have forecast a moderate strengthening of the ringgit in 2025, supported by easing US monetary policy, strong domestic fundamentals, and improving trade dynamics.

CIMB Securities noted that as inflationary pressures in Malaysia remain manageable, BNM is expected to maintain the OPR at 3.00 percent throughout 2025.

However, proposed trade and tax policies under Donald Trump could heighten inflationary pressures in the United States, limiting the US Federal Reserve's ability to cut rates further.

"This scenario may lead to increased volatility among emerging market currencies, moderating the ringgit's appreciation to RM4.40 against the US dollar by the end of 2025," it said.

MIDF Research has forecast the Malaysian ringgit to average RM4.23 versus the greenback in 2025, stronger than the estimated average of RM4.56 in 2024.

"We forecast the Malaysian ringgit to strengthen next year given policy changes and the anticipation of risk-on fund flows to the local market," it said, expecting the OPR to stay at 3.00 percent next year.

The ringgit demonstrated resilience and a steady performance against major global currencies and Asean peers in 2024.

At 6pm today, the ringgit appreciated against the Japanese yen to 2.8529/8566 from 3.2356/2415 compared to the last day trading in 2023, bounced versus the euro to 4.6549/6606 from 5.0729/0817 and gained vis-a-vis the British pound to 5.6095/6164 from 5.8321/8422.

It advanced against the Singapore dollar to 3.2824/2867 from 3.4746/4812 and improved vis-à-vis the Philippine peso to 7.70/7.72 from 8.28/8.31.

The local currency gained versus the Indonesian rupiah to 276.9/277.5 from 298.1/298.6 and strengthened against the Thai baht to 13.0566/0830 from 13.3422/3760.

- Bernama

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malysiakini.com/news/730346>