midf RESEARCH

MIDF AMANAH
INVESTMENT BANK BERHAD

WEEKLY MONEY REVIEW

MIDF Strategy 28 April 2025

Week Ended 25 April 2025

- The UST market rebounded further with the benchmark 10-year yield closed the review week lower at 4.24% (prior week: 4.32%) as investors reacted to remarks by President Trump which signaled a softer stance on U.S.-China trade. The 10y-3y yield spread narrowed (yield curve flattened) to +50bp (prior week: +53bp) as the long-end outperformed. At week close, the interest rate futures market implied 4 rate cuts totaling -100bp (prior week: 4 cuts totaling -100bp) in 2025.
- Medium-term inflation expectation (MTIE) ended the review week higher at 2.34% (prior week: 2.26%). The MTIE has remained above the US Fed target level of 2.00% since the initial interest rate cut in September 2024. We nonetheless believe the market is still convinced that the underlying inflation trend is easing despite the elevated MTIE.
- The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields shed -8.3bp and -2.3bp to close at 3.26% and 3.66% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +40bp (prior week: +34bp) as the short-end outperformed.
- MGS foreign holdings increased month-on-month to RM278b in March 2025 from RM275b in February 2025. Moreover, it increased year-on-year from RM266b in March 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM13.6b. It improved week-on-week from -RM13.8b registered a week ago. However, it declined year-on-year from -RM3.2b a year ago.

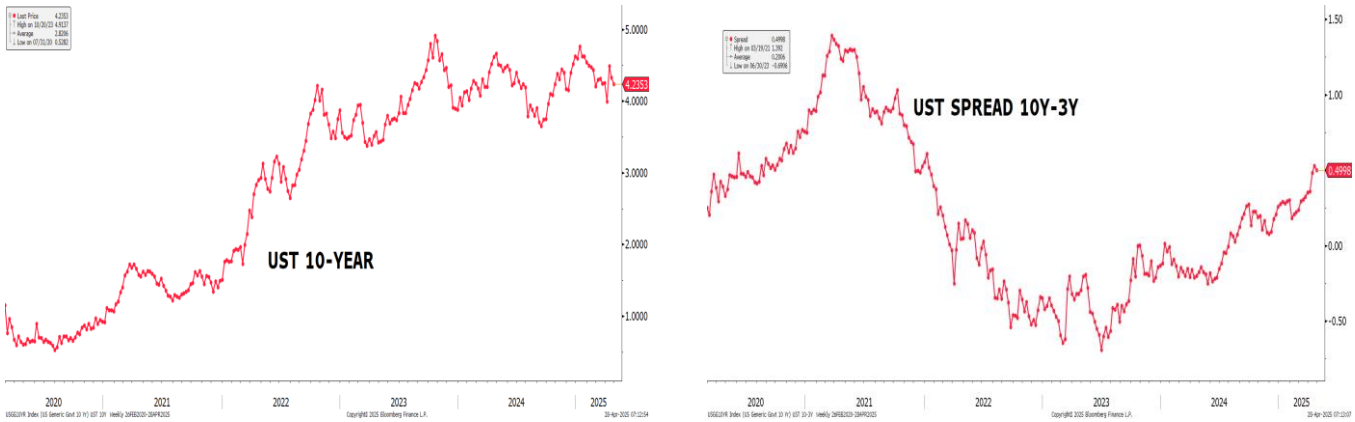
28 April 2025 | Strategy

Strategy Team | research@midf.com.my

Weekly Money Review

A. FIXED INCOME

- The UST market rebounded further with the benchmark 10-year yield closed the review week lower at 4.24% (prior week: 4.32%) as investors reacted to remarks by President Trump which signaled a softer stance on U.S.-China trade. The 10y-3y yield spread narrowed (yield curve flattened) to +50bp (prior week: +53bp) as the long-end outperformed. At week close, the interest rate futures market implied 4 rate cuts totaling -100bp (prior week: 4 cuts totaling -100bp) in 2025.



Source: Bloomberg, MIDFR (G628, G629)

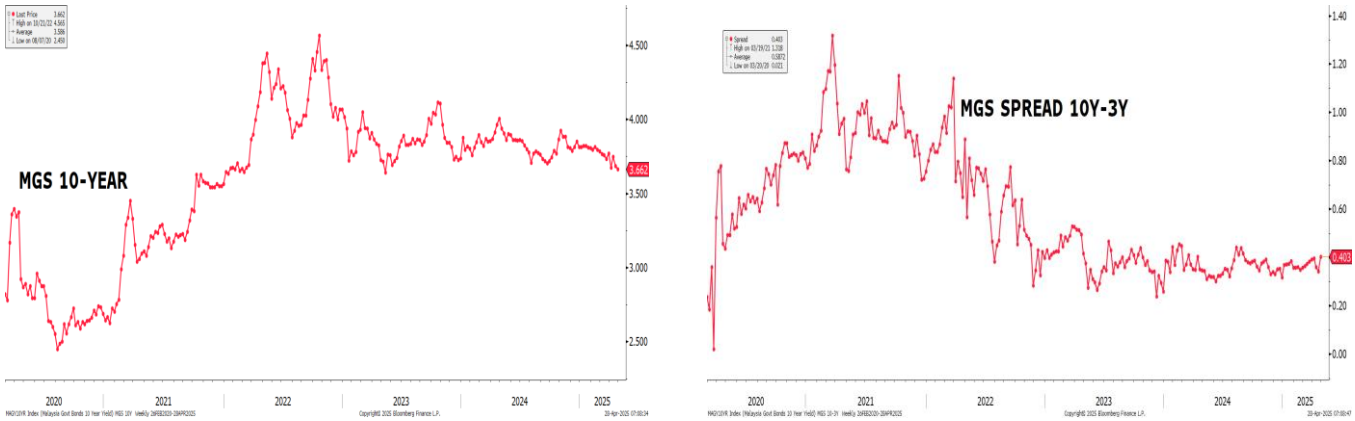
- Medium-term inflation expectation (MTIE) ended the review week higher at 2.34% (prior week: 2.26%). The MTIE has remained above the US Fed target level of 2.00% since the initial interest rate cut in September 2024. We nonetheless believe the market is still convinced that the underlying inflation trend is easing despite the elevated MTIE.

MEDIUM-TERM INFLATION EXPECTATION (MTIE): 5Y UST-TIPS SPREAD



Source: Bloomberg, MIDFR (G653)

The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields shed -8.3bp and -2.3bp to close at 3.26% and 3.66% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +40bp (prior week: +34bp) as the short-end outperformed.

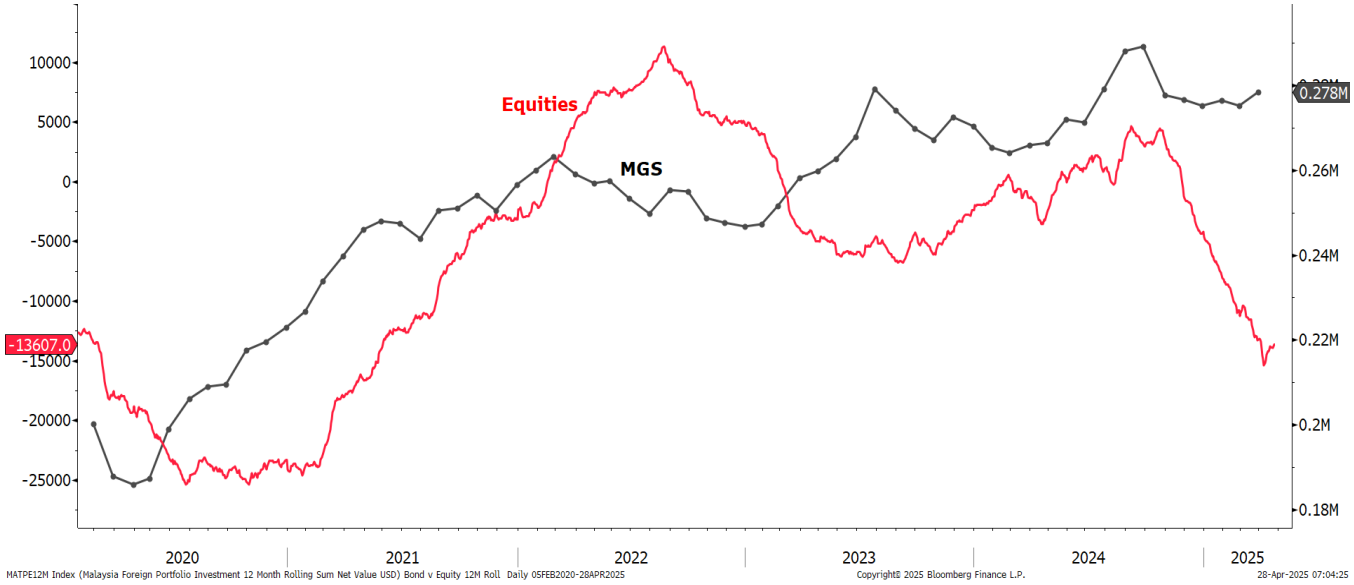


Source: Bloomberg, MIDFR (G630, G631)

- Total trading value for Government Bonds (MGS/MII) increased to RM48.2b in the review week compared to RM37.2b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 53% from 49% of the overall Government Bonds trades. Moreover, 9 out of the 10 most actively traded bonds saw a lower yield, hence higher prices during the review week.

- The top 3 actively traded Government Bonds were dominated by issues of short and mid residual tenor. The top 3 most actively traded were MGS 3.955% 9/15/25 at RM6.8b, MII 3.804% 10/8/31 at RM2.7b and MGS 3.828% 7/5/34 at RM2.6b.

FOREIGN: MGS HOLDINGS & 12-M ROLLING SUM NET EQUITIES TRADE



Source: Bloomberg, MIDFR (G659)

- MGS foreign holdings increased month-on-month to RM278b in March 2025 from RM275b in February 2025. Moreover, it increased year-on-year from RM266b in March 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM13.6b. It improved week-on-week from -RM13.8b registered a week ago. However, it declined year-on-year from -RM3.2b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) increased to RM5.2b in the review week compared to RM4.2b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 30% from 37% of the overall Corporate Bonds trades.

- The top 3 actively traded Corporate Bonds were dominated by issues of short residual tenor. The top 3 most actively traded were Cagamas 4.08% 12/29/25 at RM280m, Malaysia Rail Link 0% 9/11/25 at RM200m, and Genting Capital 4.86% 6/8/27 at RM160m.

B. FOREIGN EXCHANGE

- USD appreciated slightly amid de-escalating trade tensions. The US dollar strengthened last week as the DXY index increased modestly by +0.2%wow to 99.47. US President Donald Trump mentioned in an interview that negotiations with China are underway, but Beijing denied the claim. On top of that, China granted some exemptions on US imports from the 125% tariffs. Meanwhile, sentiments in the market improved slightly after President Donald Trump said he has *"no intention of firing"* Fed Chair Jerome Powell in contrast to his remarks earlier in the week. The dollar movement was more influenced by developments related to the trade tension as data releases pointed to softer economic activities. Several data releases, including the advanced 1QCY25 GDP, PCE, and Apr-25 labour market update could affect sentiment and market developments this week. In the short term, we anticipate that growth concerns will continue to result in flight-to-safety flows, potentially directing investments towards alternative safe-haven assets such as the euro, yen, and gold.

- GBP gained despite a stronger dollar. The pound sterling appreciated last week by +0.1%wow to USD1.332, and even touched the USD1.334 level midweek, which was the strongest level since Sep-24. The GBP performed better on the back of better-than-expected retail sales data. On the other hand, the euro weakened against the US dollar by -0.2%wow to USD1.137, it reached the highest level since Sep-21 at USD1.151 mid-week, while PMI data for April 2025 indicated slower expansion.

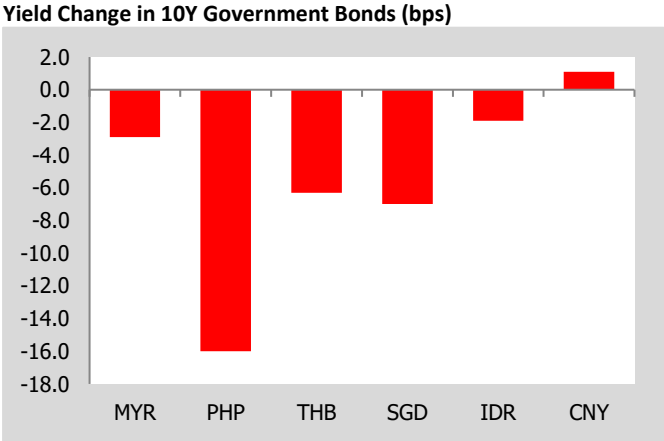
- Ringgit outperformed. Despite the strengthening of the US dollar, the ringgit ended the week stronger by +0.9%wow to RM4.374, the strongest weekly closing since Oct-24. The ringgit performance was stable last week, but continued to strengthen throughout the week as Mar-25 inflation data came in weaker than expected. The ringgit also appreciated against the currencies of Malaysia's trading partners as our MIDF Trade-Weighted Ringgit Index increased by +1.0%wow to 91.87 (previous: 90.92), appreciating mainly against the Korean won (+2.4%wow), Japanese yen (+1.8%wow), and Thai baht (+1.3%wow).

Currencies Changes (Week Ended 25 April 2025) and Quarterly Forecasts

	Close 25/04	Prev. Close 18/04	Weekly Change	Weekly Change (%)	1QCY25f	2QCY25f	3QCY25f	4QCY25f
DXY Index	99.47	99.23	+0.241	+0.2	104.0	102.00	100.00	98.00
EURUSD	1.137	1.139	-0.003	-0.2	1.04	1.05	1.07	1.09
GBPUSD	1.332	1.330	+0.002	+0.1	1.26	1.28	1.30	1.32
USDJPY	143.7	142.2	-1.490	-1.0	150.00	147.80	146.70	143.94
USDMYR	4.374	4.414	+0.040	+0.9	4.40	4.38	4.29	4.25
GBPMYR	5.817	5.858	+0.041	+0.7	5.54	5.52	5.44	5.28
JPYMYR	3.044	3.105	+0.061	+2.0	2.93	2.93	2.88	2.83
MIDF TWRI	91.87	90.92	+0.950	+1.0	92.00	93.50	94.10	95.00

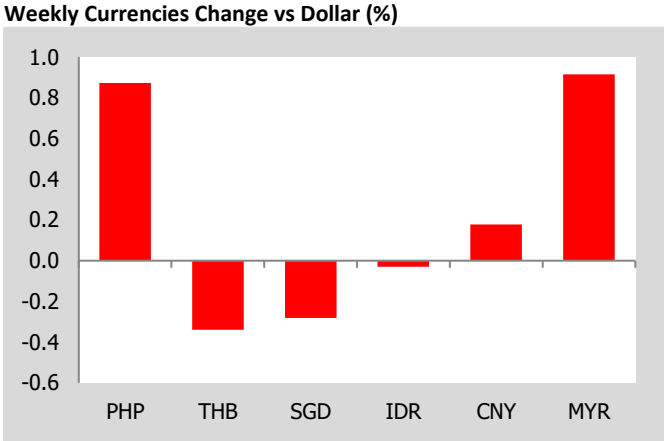
Note: "+" indicates appreciation, while "-"indicates depreciation. Quarterly figures are forecast by MIDFR
Source: Bloomberg, MIDFR

Yield Change in 10Y Government Bonds (bps)



Source: Bloomberg; Macrobond; MIDFR

Weekly Currencies Change vs Dollar (%)



Source: Bloomberg; MIDFR

Central Bank Policy Rate by Selected Economies (%)

	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Malaysia	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Indonesia	6.25	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75
Philippines	6.25	6.25	6.00	6.00	5.75	5.75	5.75	5.75	5.50
Thailand	2.50	2.50	2.25	2.25	2.25	2.25	2.00	2.00	2.00
Vietnam	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
South Korea	3.50	3.50	3.25	3.00	3.00	3.00	2.75	2.75	2.75
India	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00
Japan	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
UK	5.00	5.00	5.00	4.75	4.75	4.75	4.50	4.50	4.50
Euro area	4.25	3.65	3.40	3.40	3.15	2.90	2.90	2.90	2.40
USA	5.25-5.50	4.75-5.00	4.75-5.00	4.50-4.75	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50

Source: Bloomberg, MIDFR

- US economic data released last week:
  - US activities growth slowed in Apr-25. The flash S&P Global composite PMI fell to 51.2 in Apr-25 (Mar-25: 53.5), marking the slowest expansion in 16 months. The drop was mainly driven by the decline in the services sector activity in response to slower order book growth, registering the second weakest expansion recorded over the past year, resulting in the Services PMI declining to 51.4 in Apr-25 (Mar-25: 54.4), marking a 2-month low. Meanwhile, the Manufacturing PMI increased slightly to 50.7 in Apr-25 (Apr-25: 50.2), as the new orders placed at factories rose due to the higher domestic orders, while orders for exports fell.
  - The job market softened. Initial jobless claims increased to 222k in the third week of Apr-25 (previous: 216k), in line with market expectations. The increase pointed to softening conditions but not a sharp deterioration, thus indicating that the US labour market remained stable.

- On monetary policy decisions last week:
  - The People's Bank of China (PBoC) left the one-year loan prime rate (LPR) unchanged at 3.1%, and the five-year LPR was maintained at 3.6%. The decision was in line with market expectations given the stronger economic momentum in Mar-25.
  - Bank Indonesia kept the benchmark interest rate unchanged at 5.75%. According to Governor Perry Wijoyo, the rate decision was in line with efforts to safeguard the rupiah stability while they continue to assess future room for a cut, considering the country's inflation and growth prospects.

- Malaysia's economic update last week:
  - Headline inflation moderated to +1.4%yoy in Mar-25. Malaysia's headline CPI inflation moderated to +1.4%yoy in Mar-25, below the market consensus of +1.6%yoy and the lowest point since Feb-21. Meanwhile, core CPI remained unchanged at +1.9%yoy in Mar-25, which signals still mild underlying price pressures. For 1QCY25, overall inflation was slower at +1.5%, compared to the same period last year (1QCY24: +1.8%).

- Malaysia's Leading Index (LI) was unchanged from a year ago in Feb-25 (Jan-25: +0.4%yoy), but several LI components declined such the number of housing units approved (-34.5%yoy) and real imports of other basic precious & other non-ferrous metals (-21.5%yoy). Meanwhile, the Coincident index (CI) rose by +2.0%yoy in Feb-25 (Jan-25: +0.1%yoy), backed by broad-based increases across all components.

C. BNM INTERNATIONAL RESERVES

- As of 15 April 2025, compared to previous fortnight, Bank Negara Malaysia's international reserves were higher at USD118.4b (28 March 2025: USD117.5b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MIDFR (G662)

- The number of reserves is sufficient to finance 4.9 months of imports of goods & services and is 0.9 times total short-term external debt.

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	18-Apr Fri	21-Apr Mon	22-Apr Tue	23-Apr Wed	24-Apr Thu	25-Apr Fri	Change (WoW bp)
MGS							
3-Y	3.342	3.314	3.341	3.285	3.267	3.259	-8.3
5-Y	3.42	3.368	3.411	3.389	3.372	3.353	-6.7
7-Y	3.589	3.542	3.573	3.556	3.558	3.547	-4.2
10-Y	3.685	3.782	3.667	3.666	3.676	3.662	-2.3
20-Y	3.932	3.929	3.934	3.917	3.913	3.899	-3.3
RINGGIT IRS							
1-Y	3.3795	3.35	3.385	3.395	3.42	3.42	4.05
3-Y	3.21	3.17	3.2	3.2	3.227	3.234	2.4
5-Y	3.265	3.23	3.25	3.25	3.275	3.2835	1.85
7-Y	3.355	3.31	3.333	3.355	3.381	3.3915	3.65
10-Y	3.475	3.435	3.45	3.49	3.505	3.505	3
KLIBOR							
1-M	3.28	3.28	3.28	3.28	3.28	3.28	0
3-M	3.65	3.65	3.65	3.65	3.65	3.65	0
UST							
3-Y	3.7973	3.7861	3.831	3.8844	3.7973	3.7355	-6.18
5-Y	3.9381	3.9749	3.9925	4.0224	3.9358	3.8594	-7.87
7-Y	4.1194	4.1848	4.1927	4.198	4.1167	4.0388	-8.06
10-Y	4.3249	4.4106	4.4008	4.3812	4.3149	4.2353	-8.96
30-Y	4.798	4.9023	4.8775	4.8223	4.7758	4.701	-9.7

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	18-Apr Yield	25-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.955	09/15/25	2.986	3.083	9.7	6,807.7
MALAYSIA INVESTMNT ISSUE	3.804	10/08/31	3.577	3.520	-5.7	2,734.7
MALAYSIA GOVERNMENT	3.828	07/05/34	3.685	3.662	-2.3	2,568.1
MALAYSIA INVESTMNT ISSUE	3.99	10/15/25	3.190	3.107	-8.3	2,034.5
MALAYSIA INVESTMNT ISSUE	4.119	11/30/34	3.697	3.663	-3.4	1,990.8
MALAYSIA GOVERNMENT	3.885	08/15/29	3.420	3.353	-6.7	1,934.3
MALAYSIA GOVERNMENT	3.582	07/15/32	3.589	3.547	-4.2	1,923.8
MALAYSIA GOVERNMENT	3.502	05/31/27	3.416	3.182	-23.4	1,905.0
MALAYSIA INVESTMNT ISSUE	4.128	08/15/25	3.188	3.087	-10.1	1,859.1
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	3.238	3.133	-10.5	1,703.0
TOTAL VOLUME (TOP 10)						25,460.9
TOTAL VOLUME (Overall)						48,149.9

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	18-Apr Yield	25-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
CAGAMAS BERHAD	4.08	12/29/25	N/A	3.481	N/A	280.0
MALAYSIA RAIL LINK	ZERO	09/11/25	N/A	3.423	N/A	200.0
GENTING CAPITAL BHD	4.86	06/08/27	4.356	4.268	-8.8	160.0
PRASARANA MALAYSIA BHD	4.64	03/22/30	N/A	3.500	N/A	150.0
DANAINFRA NASIONAL	4.32	11/26/25	3.369	3.277	-9.2	150.0
JOHOR CORPORATION	4.72	06/11/27	3.741	3.689	-5.2	150.0
PERBADANAN TABUNG PENDI	2.77	10/27/28	N/A	3.449	N/A	130.0
PRASARANA MALAYSIA BHD	4.32	09/07/28	N/A	3.500	N/A	120.0
KUALA LUMPUR KEPONG	3.75	09/27/29	3.705	3.653	-5.2	120.0
RHB BANK	4.38	11/17/28	3.828	3.802	-2.6	120.0
TOTAL VOLUME (TOP 10)						1,580.0
TOTAL VOLUME (Overall)						5,207.5

Source: Bloomberg

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad (197501002077 (23878-X)).
(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MIDF AMANAH INVESTMENT BANK BERHAD (197501002077 (23878-X)). It is for distribution only under such circumstances as may be permitted by applicable law.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MIDF AMANAH INVESTMENT BANK BERHAD makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such.

This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MIDF AMANAH INVESTMENT BANK BERHAD.

The directors, employees and representatives of MIDF AMANAH INVESTMENT BANK BERHAD may have an interest in any of the securities mentioned and may benefit from the information herein. Members of the MIDF Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein. This document may not be reproduced, distributed or published in any form or for any purpose.

MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS	
STOCK RECOMMENDATIONS	
BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock prices are expected to *rise* by >10% within 3 months after a Trading Buy rating has been assigned due to positive newsflow.
HOLD	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock prices are expected to *fall* by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.
SECTOR RECOMMENDATIONS	
POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.
ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell	
☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell