Leading Index Continued to Signal Softer Growth Momentum

Monthly Economic Review
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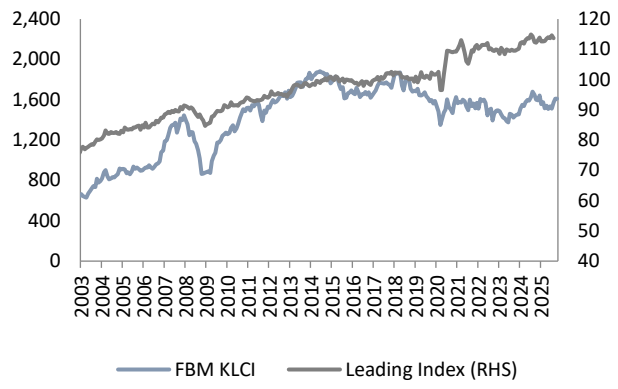
Economic Review

- Malaysia's leading index (LI) continued to decline by -0.5%yoy in Aug-25 (Jul-25: -0.3%yoy), dragged down mainly by the plunge in real Imports of other basic precious & non-ferrous metals (-26.9%yoy). On the month-on-month basis, the LI fell by -0.8%mom (Jul-25: +0.5%mom).
- Based on the advance estimate, Malaysia's GDP growth accelerated to +5.2%yoy in the 3QCY25 (2QCY25: +4.4%yoy), supported by the sustained growth in services sector (+5.1%yoy; 2QCY25: +5.1%yoy), stronger manufacturing output (+4.0%yoy; 2QCY25: +3.7%yoy) and recovery in the mining & quarrying sector (+10.9%yoy; 2QCY25: -5.2%yoy).
- Malaysia's total trade expanded by +9.8%yoy in Sep-25 (Aug-25: -2.0%yoy), rebounding from the decline in the previous month and marking the fastest growth since Apr-25. The stronger trade stemmed from higher exports (+12.2%yoy; Aug-25: +1.7%yoy), and the rebound in imports (+7.3%yoy; Aug-25: -5.9%yoy).
- Malaysia's IPI growth strengthened further to +4.9%yoy in Aug-25 (Jul-25: +4.2%yoy), above our estimate (+3.0%yoy) and market expectations (+3.6%yoy). We anticipated IPI growth to moderate taking into account the slower expansion in exports during the month.
- Malaysia's labour market remained healthy and resilient in Aug-25, with the unemployment rate holding steady at 3.0%, the lowest in 10 years. This stable and low unemployment was underpinned by sustained employment growth (+3.1%yoy).
- Malaysia's distributive trade continued to grow albeit moderated slightly to +4.9%yoy in Aug-25 (Jul-25: +5.0%yoy), supported by the stronger expansion in the motor vehicles by +4.0%yoy (Jul-25: +1.6%yoy).
- We maintain our 2025 GDP growth forecast for Malaysia at +4.3%, moderating from +5.1% in 2024. While there is potential upside revision taking into account the stronger-than-expected GDP growth in 3Q, recent developments also eased concerns about the external slowdown.

LI continued to signal moderate growth momentum in the short run

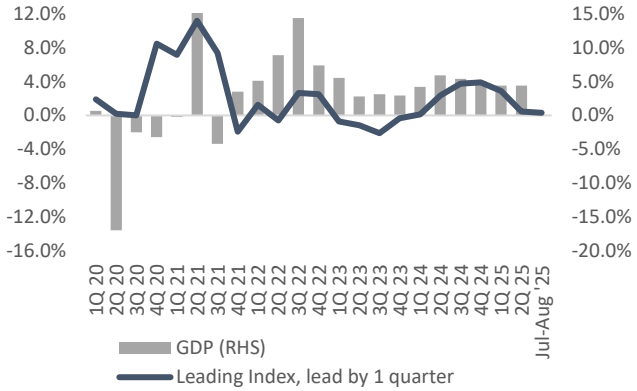
Malaysia's leading index (LI) continued to decline by -0.5%yoy in Aug-25 (Jul-25: -0.3%yoy), dragged down mainly by the plunge in real Imports of other basic precious & non-ferrous metals (-26.9%yoy). On the month-on-month basis, the LI fell by -0.8%mom (Jul-25: +0.5%mom), underpinned by contraction in real imports of semiconductors (-0.7%mom), number of new companies registered (-0.5%mom) and real money supply M1 (-0.1%mom). Meanwhile, the coincident index (CI) recorded a sustained growth of +2.1%yoy (Jul-25: +2.2%yoy), with encouraging rise in real contributions to the EPF (+9.65yoy), on the back of rising income and positive employment growth. Compared to the previous month, the CI contracted by -0.6%mom in Aug-25 (Jul-25: +1.2%mom), due to lower readings for components such as capacity utilization in the manufacturing secter (-0.3%mom), real salaries & wages in the manufacturing sector (-0.2%mom) and real contributions to the EPF (-0.1%mom). We are optimistic that resilient domestic consumption will remain a key anchor for Malaysia's economy to grow sustainably, supported by low and stable inflation, rising wages, increased tourist arrivals, and the pre-emptive monetary policy easing back in Jul-25. However, the weaker LI continued to suggest growth momentum will be moderate in the short run, particularly due to uncertainties on the external front.

Chart 1: Leading Index vs KLCI (Points)



Source: Macrobond, MBSBR

Chart 2: Leading Index vs GDP (YoY%)

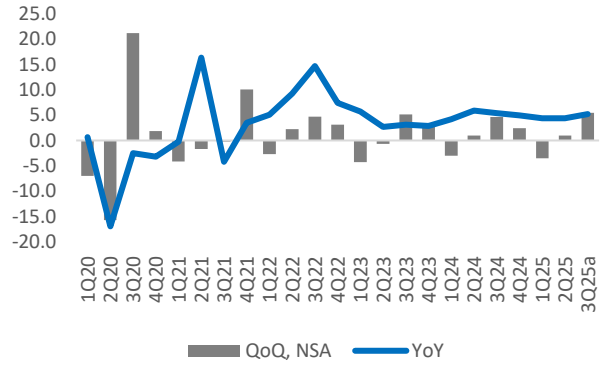


Source: Macrobond, MBSBR

GDP expanded more than expected in 3Q

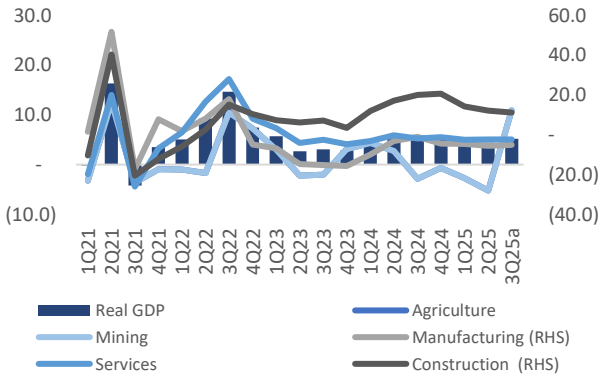
Based on the advance estimate, Malaysia's GDP growth accelerated to +5.2%yoy in the 3QCY25 (2QCY25: +4.4%yoy). The stronger-than-expected expansion was largely supported by the sustained growth in services sector (+5.1%yoy; 2QCY25: +5.1%yoy), stronger manufacturing output (+4.0%yoy; 2QCY25: +3.7%yoy) and the encouraging recovery in the mining & quarrying sector (+10.9%yoy; 2QCY25: -5.2%yoy). The construction industry also maintained double-digit growth, albeit moderating to +11.2%yoy (2QCY25: +12.1%yoy). Meanwhile, the agriculture sector recorded a slight rise of +0.4%yoy, moderating from +2.1%yoy in the previous quarter. Moreover, retail trade also expanded relatively faster (average Jul-Aug-25: +5.3%yoy; 2QCY25: +5.0%yoy) on the back of healthy labour market and still mild inflation. Looking at the still resilient external trade performance, we estimate net exports contributing positively to Malaysia's GDP growth in 3QCY25. With exports of goods growing faster at +6.7%yoy (2QCY25: +3.3%yoy), trade of goods recorded a larger surplus of +RM50.3b (2QCY25: +RM14.3b) which was +93.6%yoy higher than 3Q last year. This suggests limited impact of higher US tariffs so far. Overall, we expect the sustained growth in domestic demand will remain the main driver of Malaysia's economic growth in 2025 and 2026. Nevertheless, we remain concerned about downside risks on the external front, including tighter trade rules —with US planning to impose higher tariffs on the semiconductor industry— as well as weaker demand from major trading partners.

Chart 3: Real GDP: Year-on-Year vs. Quarter-on-Quarter (%)



a Advance estimate
Source: Macrobond, MBSBR

Chart 4: Real GDP Growth by Major Sector (YoY%)



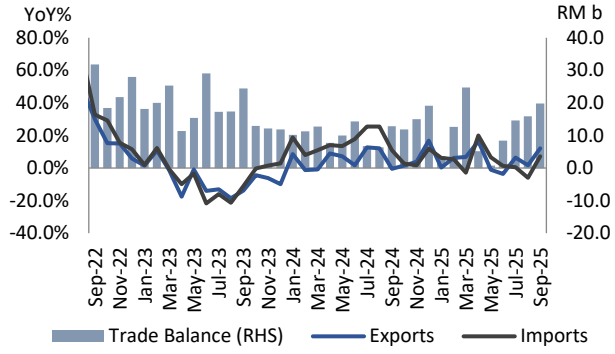
a Advance estimate
Source: Macrobond, MBSBR

Trade expanded in Sep-25 with exports surging by double-digit

Malaysia's total trade expanded by +9.8%yoy in Sep-25 (Aug-25: -2.0%yoy), rebounding from the decline in the previous month and marking the fastest growth since Apr-25. The stronger trade stemmed from higher exports (+12.2%yoy; Aug-25: +1.7%yoy), and the rebound in imports (+7.3%yoy; Aug-25: -5.9%yoy). The surge in exports was attributable to

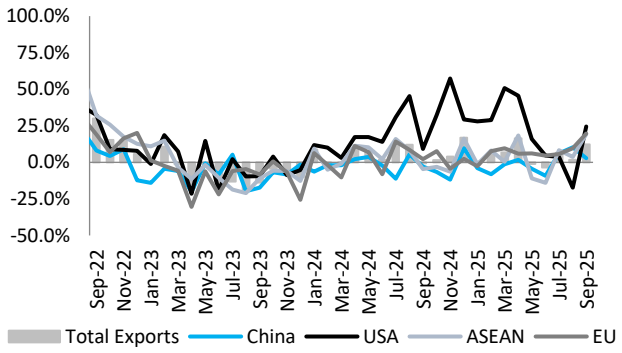
the acceleration in re-exports (+46.1%yoy; Aug-25: +22.6%yoy), marking three consecutive months of double-digit growth. Meanwhile domestic exports rose by +4.2%yoy (Aug-25: -2.8%yoy), recovering from three straight months of decline. Sector-wise, there was higher growth in shipments of E&E, machinery, optical and scientific products, which offset the moderation in palm oil exports and the declines in exports of LNG and crude petroleum. In 3QCY25, total trade expanded slower by +3.7%yoy (2QCY25: +6.1%yoy), with the overall value reaching nearly RM769.8 billion. During this period, export growth strengthened to +6.7%yoy (2QCY25: +3.3%yoy) reaching RM410.0b, outpacing the steeper moderation in imports which only grew by +0.4%yoy (2QCY25: +9.0%yoy) to nearly RM359.8b. Consequently, the trade surplus widened to +RM50.3b (2QCY25: +RM14.3b; 3QCY24: +RM26.0b), signaling positive contribution to GDP growth from higher trade of goods.

Chart 5: Exports & Imports (YoY%) vs Trade Balance (RM b)



Source: MATRADE, Macrobond, MBSBR

Chart 6: Exports Growth by Major Destination (YoY%)

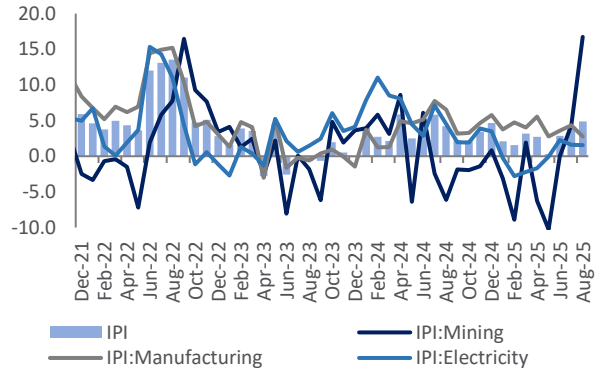


Source: MATRADE, Macrobond, MBSBR

IPI growth strengthened further to +4.9%yoy

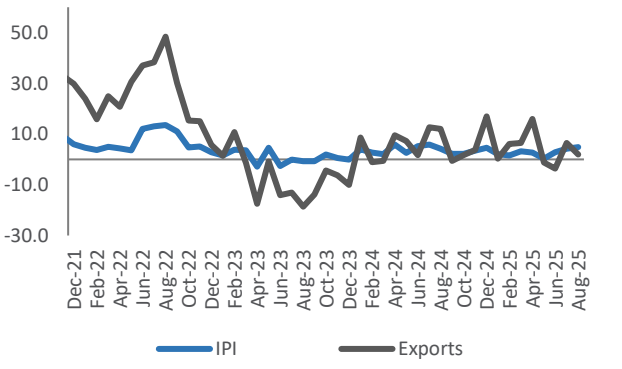
Malaysia's IPI growth strengthened further to +4.9%yoy in Aug-25 (Jul-25: +4.2%yoy). By major sectors, the stronger growth was underpinned by a stronger mining output, which jumped +16.8%yoy (Jul-25: +4.3%yoy) due to robust output of both crude petroleum and natural gas and also due to lower base a year ago. Manufacturing output, on the other hand, rose softer at +2.8%yoy (Jul-25: +4.4%yoy), with modest growth in computer & peripheral equipment, motor vehicles and food products. The sustained growth in electricity generation, growing at the same pace of +1.6%yoy, reflects continued rise in energy consumption. In 8MCY25, IPI grew by 2.7%yoy, relatively more moderate compared to +4.0%yoy in the same period last year.

Chart 7: IPI Performances by Sector (YoY%)



Source: Macrobond, MBSBR

Chart 8: IPI vs Exports (YoY%)



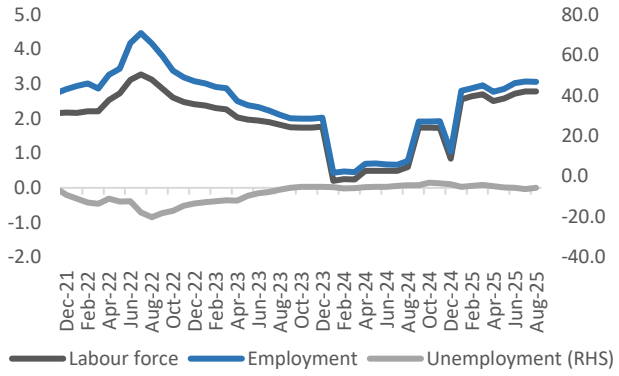
Source: Macrobond, MBSBR

Malaysia labour market remains stable

Malaysia's labour market remained healthy and resilient in Aug-25, with the unemployment rate holding steady at 3.0%, the lowest in 10 years. This stable and low unemployment was underpinned by sustained employment growth (+3.1%yoy), which continued to outpace labour force expansion (+2.8%yoy) for the 49th consecutive month since Aug-21. Both readings were growing at the same pace as in the previous month. The number of unemployed people edged down slightly to 520K (Jul-25: 522K); while on a yearly basis, the

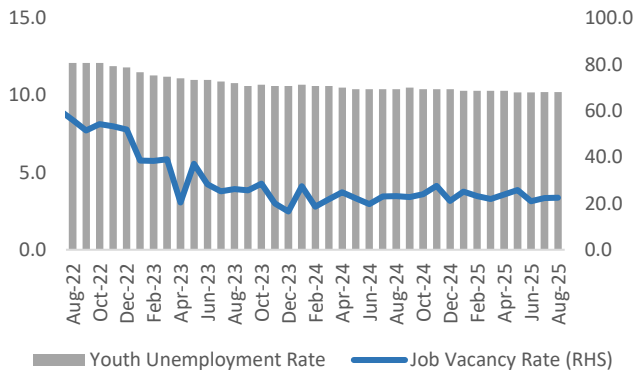
unemployment count fell by -5.7%yoy, also the same pace as in Jul-25. Meanwhile, the youth unemployment rate (aged 15–24) was unchanged at 10.2% for the fourth consecutive month, remaining elevated and reflecting ongoing challenges among graduates and young job seekers in securing employment and transitioning into the labour market. Looking ahead, labour market resilience is expected to continue supporting domestic consumption, a key buffer against external trade uncertainties. However, export-oriented sectors face challenging outlook, as higher US tariffs could dampen hiring and wage growth.

Chart 9: Labour Market Performances (YoY%)



Source: Macrobond, MBSBR

Chart 10: Youth Jobless Rate vs. Job Vacancies Rate (%)

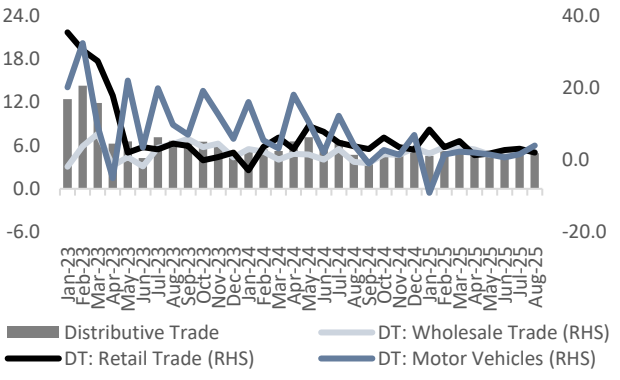


Source: Macrobond, MBSBR

Slight moderation in distributive trade growth due to softer growth in retail and wholesale trade

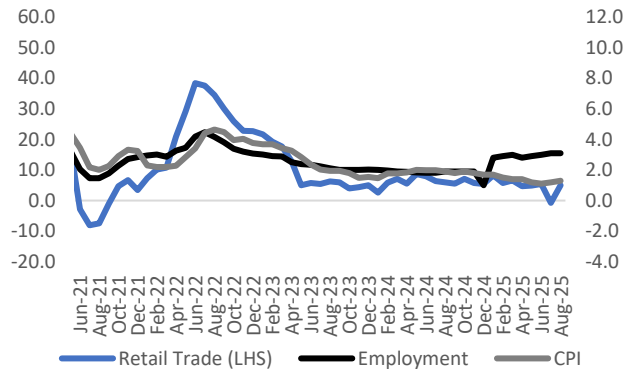
Malaysia's distributive trade continued to grow albeit moderated slightly to +4.9%yoy in Aug-25 (Jul-25: +5.0%yoy), supported by the stronger expansion in the motor vehicles by +4.0%yoy (Jul-25: +1.6%yoy); but relatively slower growth in wholesale (+5.1%yoy; Jul-25: +5.4%yoy) and retail trade (+5.0%yoy; Jul-25: +5.6%yoy). The volume change in distributive trade also rose marginally slower by +4.3%yoy (Jul-25: +4.5%yoy), again due to more moderate volume growth for retail trade (+3.7%yoy) and wholesale trade (+5.3%yoy). Meanwhile, for motor vehicles, the volume change increased faster by +2.4%yoy (Jul-25: +0.2%yoy), signaling a continued recovery from declines back in Apr-25 and May-25. In 8MCY25, Malaysia's distributive trade rose softer by +4.9%yoy (8MCY24: +5.8%yoy), despite the faster expansion in the wholesale trade (+5.3%yoy; 8MCY24: +4.7%yoy). In contrast, growth in retail trade and motor vehicles sales in the same period moderated to +5.7%yoy and +0.6%yoy, respectively. Looking ahead, private consumption is expected to expand further, supported by a healthy labour market, characterised by higher employment and positive wage growth, particularly in domestic-oriented service sectors. In addition, low and stable inflationary pressures, together with the OPR cut in Jul-25, will provide further support to household purchasing power. The ongoing recovery in Malaysia's tourism sector, bolstered by Visit Malaysia Year 2026 (VMY2026) initiatives.

Chart 11: Distributive Trade (DT) Growth (YoY%)



Source: Macrobond, MBSBR

Chart 12: DT vs. CPI Inflation vs. Employment (YoY%)

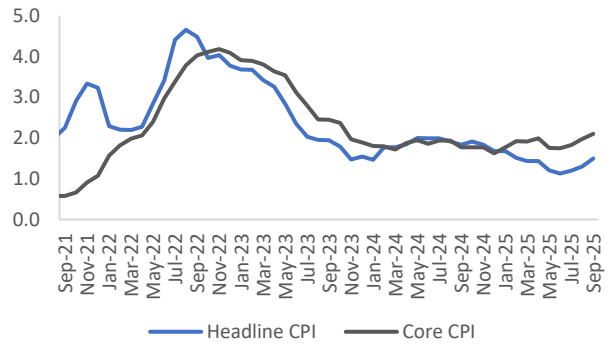


Source: Macrobond, MBSBR

Headline inflation continued to edge higher

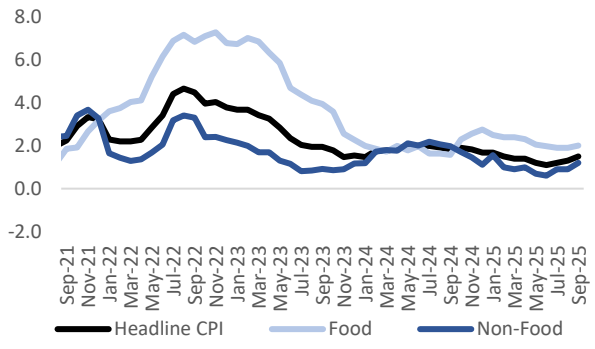
Malaysia's headline CPI inflation edged higher to +1.5%yoy in Sep-25 (Aug-25: +1.3%yoy), within our estimate and slightly above market consensus of +1.4%yoy. The faster reading indicates that inflation continued its gradual uptrend from +1.1%yoy in Jun-25, which was the lowest print since Feb-21. The inflation for food away from home remained elevated at +4.4%yoy (Aug-25: 4.3%yoy). In contrast, food at home turned flat, from the -0.1%yoy contraction in Aug-25, attributable to the still positive inflation in prices of fish & other seafood (+1.5%yoy; Aug-25: +2.3%yoy), oils & fats (+1.3%yoy; Aug-25: +1.4%yoy), and sugar, confectionary & dessert (+0.7%yoy; Aug-25: +0.6%yoy). Non-food inflation also picked up slightly to +1.2%yoy (Aug-25: +0.9%yoy) driven by stronger inflation in personal care, social protection & miscellaneous goods & services (+4.8%yoy; Aug-25: +4.0%yoy), health (+1.3%yoy; Aug-25: +1.1%yoy), and transport (+0.7%yoy; Aug-25: +0.2%yoy). Meanwhile, core CPI inflation accelerated marginally to +2.1%yoy (Aug-25: +2.0%yoy), marking the fastest reading since Nov-23. Despite the higher reading, the rate still signals mild underlying price pressures. On monthly basis, the core inflation moderates to +0.3%mom (Aug-25: +0.4%mom), still above +0.1-0.2%mom recorded in Mar-25 to Jul-25. The combined inflationary pressures from last year's key government policy shifts, including the move to targeted subsidies, the increase in utility tariffs, and the Sales and Service Tax (SST) rate hike—have been more muted than initially anticipated. This is evident in the modest price movements observed across the food, non-food, and core inflation categories. While we still expect inflation to accelerate in 4QCY25, we project the pace of increase will remain gradual. The recent expansion of the SST has contributed only marginally to price pressures, suggesting its overall inflationary effect will be contained. This subdued acceleration is also supported by the current trend of crude oil prices remaining below the highs in the previous year, effectively limiting overall upward price pressures.

Chart 13: Headline vs. Core CPI (YoY%)



Source: Macrobond, MBSBR

Chart 14: Key CPI Data (YoY%)



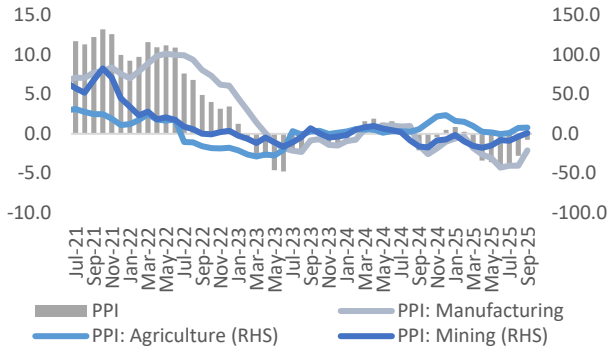
Source: Macrobond, MBSBR

PPI deflated for the seventh consecutive month at softer pace

Malaysia's producer price index (PPI) continued to fall by -0.8%yoy in Sep-25 (Aug-25: -2.8%yoy), marking the mildest decline in the current 7-month streak of PPI deflation. This was attributable to a smaller PPI deflation in the manufacturing sector (-2.1%yoy; Aug-25: -4.0%yoy), as the sharp fall in coke and refined petroleum products (-8.9%yoy) was partially offset by firmer reading across other manufacturing clusters. Meanwhile, mining PPI rebounded to inflation, rising by +1.1%yoy (Aug-25: -3.4%yoy), supported by higher prices in natural gas extraction (+8.9%yoy). The agriculture, forestry & fishing sector also recorded faster price increases (+7.8%yoy; Aug-25: +7.3%yoy), led by perennial crops (+11.7%yoy). Utilities continued to provide upward support, contributed by inflation in the electricity & gas supply (+4.6%yoy; Aug-25: +4.1%yoy) and water supply (+9.1%yoy; Aug-25: +3.4%yoy). On a monthly basis, producer prices increased faster by +0.5%mom (Aug-25: +0.1%mom), marking the second straight month of sequential gains, underpinned by higher prices in agriculture (+2.1%mom) and manufacturing (+0.3%mom) industries. By stage of processing, both intermediate materials (-1.2%yoy; Aug-25: -3.1%yoy) and finished goods (-1.8%yoy; Aug-25: -3.4%yoy) registered slower inflation. Conversely, PPI for crude materials rebounded to +2.4%yoy (Aug-25: -0.8%yoy), supported by higher prices of non-food materials (+2.3%yoy; Aug-25: -1.1%yoy) and foodstuffs & feedstuffs (+3.0%yoy; Aug-25:

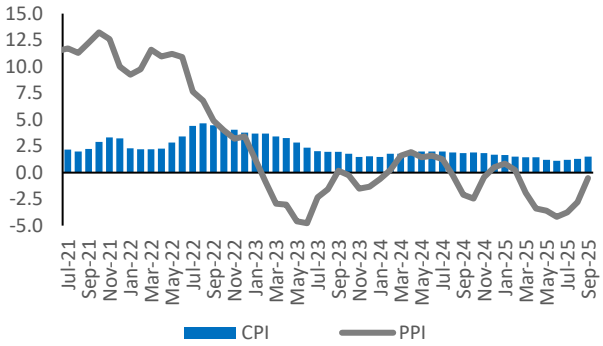
+1.1%yoy). For 3QCY25, the PPI deflated further but slower at -2.4%yoy (2QCY25: -3.7%yoy), as sustained softness in manufacturing and mining was partly offset by stronger gains in agriculture and utilities. The latest data suggests that upstream price pressures are gradually stabilising, in line with firmer commodity prices and energy demand recovery. While overall inflationary pressures are limited by falling prices of intermediate and capital goods, renewed pressures on consumer prices could come from increased production costs due to increased prices of crude and raw materials.

Chart 15: PPI for Selected Sectors (YoY%)



Source: Macrobond, MBSBR

Chart 16: PPI vs CPI (YoY%)

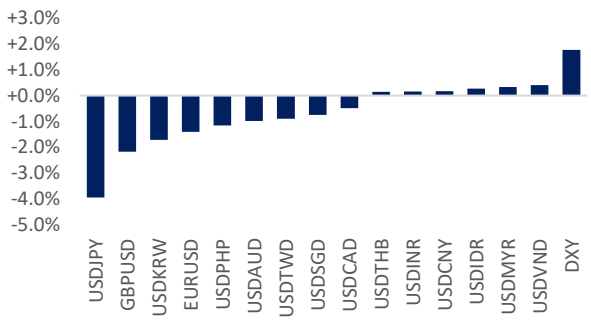


Source: Macrobond, MBSBR

Ringgit strengthened in Oct-25 for the third consecutive month

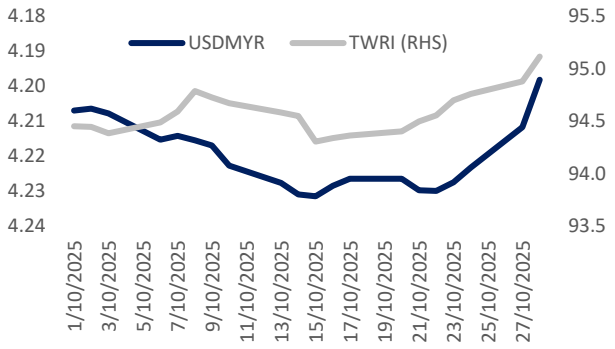
The ringgit appreciated by +0.4%mom in Oct-25, closing the month at RM4.189 (end-Sep-25: RM4.207), the strongest monthly closing in 13 months. In the first 10 months of this year, the ringgit gained by +6.8%ytd against the US dollar. The exchange rate performance last month was influenced by the expectations for the US Fed to resume its rate cuts at the FOMC meeting at the end of Oct-25 vis-a-vis the positive sentiment from the still encouraging domestic economic performance. The ringgit was traded last month within a range of RM4.189 – RM4.231. Despite this tight range, the currency faced sustained downward pressure through the third week of Oct-25, briefly testing resistance above the RM4.23 threshold on two occasions. This softness peaked on 14th October, when the USDMYR closed at RM4.231, its lowest point since late Aug-25. Critically, the final days of the month saw a significant momentum shift, resulting in the ringgit reversing its trajectory and closing the month strengthening against the US Dollar. Domestically, recent data continued to indicate a robust economic activity, consistent with the release of the robust 3QCY25 GDP data and the stronger-than-expected Sep-25 external trade figures. Ringgit also gained against other currencies, particularly currencies of Malaysia's major trading partners as our MBSB Trade-Weighted Ringgit Index (TWRI) increased by +1.0%mom to 95.43 (Sep-25: 94.51). The appreciation was mainly against the Japanese yen (+4.9%mom), Korean won (+2.1%mom), and the euro (+1.7%mom). We opine the nominal appreciation of the ringgit against a basket of currencies signals Malaysia's improved growth fundamentals vis-à-vis its major trading partners.

Chart 17: Monthly Changes for Selected Currencies Against US Dollar (%) in Oct-25



Source: Bloomberg, Macrobond, MBSBR

Chart 18: USDMYR vs. US Dollar Index vs. MBSB Trade-Weighted Index Monthly Average in Oct-25

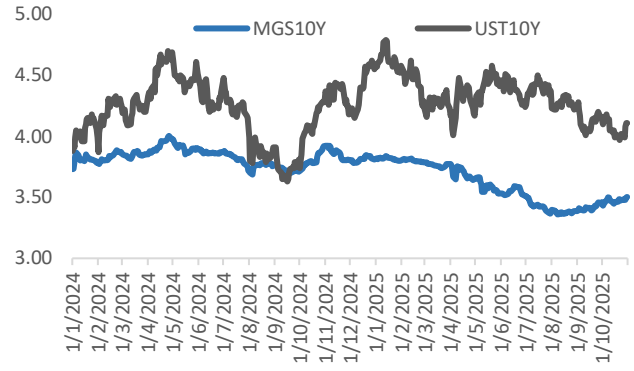


Source: Bloomberg, MBSBR

MGS10Y picked up higher towards the end of last month

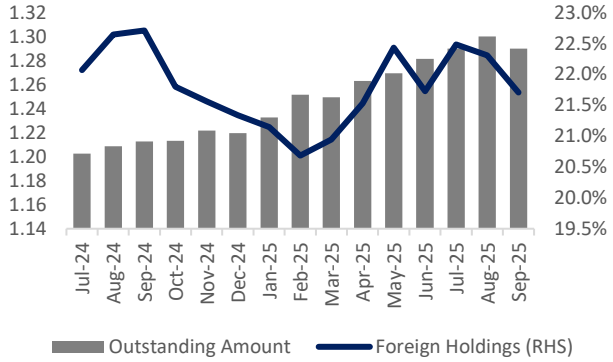
The MGS yield curve moved slightly higher last month, continuing another month of decoupling from the UST yield movement in the early part of the month. The 10-year MGS yield increased gradually, especially towards the end of the month, partly driven by the FOMC forward guidance that diminished market expectations for another rate cut in Dec-25 due to concerns on the upside risk to the inflation outlook. The 10-year MGS yield increased by +6bps to 3.50% (Sep-25: 3.44%), which it traded sideways within a tight range of 3.43% to 3.48% for the majority part of the month. However, in the final days of the period, following the FOMC meeting, the yield experienced a notable breakout, surpassing the 3.50% level. This movement, which pushed the yield to its highest level since Jul-25, primarily tracked the broader directional shift seen in the 10-year UST yield. Improving market sentiment is the result of BNM's positive commentary on the economic outlook, which has helped temper speculation regarding further OPR cuts. This stability is strongly supported by recent resilient domestic activity across the board, as highlighted by the stronger-than-expected 3QCY25 GDP growth, continued healthy labour market conditions, and robust external trade performance. Meanwhile, the government's latest budget is seen to be supportive of economic performance for next year. Based on the latest available data, foreign holdings of Malaysian bonds declined by -RM6.8b to RM287.3 (Aug-25: RM294.1b). The ratio of foreign holdings moved lower to 21.7% in Sep-25 (Aug-25: 22.3%) of total outstanding government bonds. We expect foreign funds to have returned to the domestic debt market given the slight appreciation of the ringgit, and the narrowing of the interest rate differentials between the OPR and the FFR, amid the continued foreign net selling in the equity market last month.

Chart 19: 10y MGS vs 10y UST Yields (%)



Source: Macrobond, MBSBR

Chart 20: Share of Foreign Holding (%) vs Outstanding MGS/MGII (RM t)



Source: Macrobond, MBSBR

GDP growth to moderate to +4.3% in 2025, with potential upside

For now, we maintain our 2025 GDP growth forecast for Malaysia at +4.3%, moderating from +5.1% in 2024. While there is potential upside revision taking into account the stronger-than-expected GDP growth in 3Q, recent developments also eased some concerns about the external slowdown. The trade truce between the US and China could de-escalate tensions in the international trade over the next one year. In addition, the Malaysia-US trade deal signed last month also minimizes some concerns about trade slowdown, with the US reaffirming that the tariff rate imposed on goods from Malaysia will be kept at 19%. At the moment, the key concern is whether the US will proceed to impose higher tariffs on the semiconductor industry, which is one of Malaysia's key export products. Overall, we believe that the government will continue to support Malaysia's economic growth next year, as outlined in the Budget 2026 tabled last month. In addition, we expect Malaysia's economic growth will be sustained, backed by growing domestic spending and business activities, on the back of healthy labour market, mild inflation and increased arrivals of foreign tourists.

Table 1: Selected Macroeconomic Data: Past Performance and Latest Projection (%)

(YoY %) Unless Stated Otherwise	2021	2022	2023	2024	2025F
Real GDP	3.3	8.9	3.6	5.1	4.3
Govt. Consumption	5.8	5.1	3.3	4.7	5.1
Private Consumption	1.8	11.3	4.7	5.1	4.8
Gross Fixed Capital Formation	(0.7)	6.8	5.5	12.0	6.1
Govt. Investment	(11.0)	5.3	8.6	11.1	6.6
Private Investment	2.8	7.2	4.6	12.3	9.6
Exports of goods & services;	18.5	14.5	(7.9)	8.3	3.7
Goods Exports	21.4	11.0	(12.5)	5.3	1.9
Services Exports	(8.2)	58.3	32.9	25.5	12.4
Imports of goods & services;	21.2	16.0	(6.8)	8.2	4.3
Goods Imports	23.8	14.4	(10.9)	8.9	2.1
Services Imports	7.7	25.7	16.1	5.7	4.5
Net Exports	(4.0)	(1.5)	(22.2)	9.2	(4.7)
Agriculture etc.	(0.3)	1.3	0.7	3.1	1.2
Mining & Quarrying	0.9	3.5	0.5	0.9	(3.5)
Manufacturing	9.5	8.2	0.7	4.2	3.5
Construction	(5.2)	5.1	6.1	17.5	12.2
Services	2.2	11.3	5.1	5.3	4.9
Exports of Goods (f.o.b)	26.1	24.9	(8.0)	5.7	2.0
Imports of Goods (c.i.f)	23.3	31.0	(6.4)	13.2	1.6
Headline CPI Inflation (%)	2.5	3.4	2.5	1.8	1.8
Current Account, % of GDP	3.9	3.2	1.1	1.4	1.4
Fiscal Balance, % of GDP	(6.4)	(5.6)	(5.0)	(4.1)	(3.8)
Federal Government Debt, % of GDP	63.2	60.3	64.3	64.6	64.0
Unemployment Rate (%)	4.6	3.8	3.4	3.3	3.0
Brent Crude Oil (Avg), USD per barrel	71.5	102.0	82.2	79.9	63.0 - 70.0
Crude Palm Oil (Avg), MYR per tonne	4,486	5,262	3,813	4,194	4,100
USD/MYR (Avg)	4.14	4.40	4.56	4.56	4.30
USD/MYR (End-period)	4.17	4.35	4.59	4.47	4.25
MGS 10-Yr Yield (Avg)	3.23	4.07	3.86	3.83	3.68
MGS 10-Yr Yield (End-period)	3.59	4.04	3.73	3.84	3.60
Overnight Policy Rate (%)	1.75	2.75	3.00	3.00	2.75

Source: Macrobond, Bloomberg, National Sources, MBSBR

OCTOBER 2025 KEY ECONOMIC EVENTS

1 Oct: EPF: Non-Malaysian employees to start mandatory contributions from October 2025 wages. Non-Malaysians working in Malaysia will start contributing to the Employees Provident Fund (EPF) from their October wages, just like Malaysian workers. Both the worker and employer will each contribute 2% of the monthly salary to retirement savings.

2 Oct: Sarawak embarks on state-owned enterprise, financial reforms under three-year World Bank deal — Abang Johari. Sarawak is set to embark on sweeping reforms in state-owned enterprise (SOE) governance and public financial management under a new three-year partnership with the World Bank and the federal government.

6 Oct: Article 6 carbon market expected to be operational by 2026, says deputy minister. Malaysia expects the compliance carbon market mechanism under Article 6 of the Paris Agreement to become operational as early as next year, in support of the country's commitment to reducing greenhouse gas (GHG) emissions.

7 Oct: World Bank: Malaysia's maturing debt not a worry but falling development spending is. The World Bank says Malaysia's large maturing debts are normal and not a major concern, as long as the government can roll over its debt — or issue new bonds to replace old ones.

8 Oct: Govt Saves RM20 Bln in Two Years Through Fiscal Consolidation -- Lim. The government's efforts to implement fiscal consolidation to reduce the deficit have succeeded in saving RM20 billion in borrowings over two years, said Deputy Finance Minister Lim Hui Ying.

9 Oct: MoF: Federal Govt Approves RM24.15 Bln in Loans to State Govts as of Aug 31. The federal government has approved loans totalling RM24.15 billion to state governments as of Aug 31, 2025, according to the Ministry of Finance (MOF).

10 Oct: Govt To Galvanise RM470 Bln Resources in Budget 2026 To Fortify Economy Against Global Shocks - PM Anwar. Prime Minister Datuk Seri Anwar Ibrahim has galvanised RM470 billion resources in Budget 2026, prioritising economic resilience and expanded support for small businesses to future-proof the economy amid persistent global uncertainties and regional headwinds and also goes hard on enforcement to prevent economic leakages.

10 Oct: Federal Govt Revenue Seen Rising 2.7 Pct to Rm343.1 Bln In 2026 -- MOF. The federal government's revenue is projected to rise 2.7 per cent to RM343.1 billion in 2026 from RM334.1 billion expected in 2025, mainly driven by tax collections, the Finance Ministry (MoF) said. Tax revenue, forecast at RM270.4 billion in 2026, will account for 78.8 per cent of total revenue, equivalent to 12.7 per cent of gross domestic product (GDP).

13 Oct: BUDI95 Expanded to Sarawak Boat Users, e-Hailing Fuel Cap Raised To 600 Litres - MoF. Eligibility for the BUDI MADANI targeted subsidy for RON95 petrol (BUDI95) has now been expanded to include registered boat users in Sarawak, while the monthly fuel allocation for full-time e-hailing drivers has been raised to 600 litres.

13 Oct: Young Malaysians take the lead: Nearly 90pc of housing loans under Housing Credit Guarantee Scheme go to those aged 40 and below. Over 80,000 out of 90,779 housing loan approvals under the Housing Credit Guarantee Scheme (SJKP) have gone to Malaysians aged 40 and below since 2008, according to Deputy Housing and Local Government Minister Datuk Aiman Athirah Sabu.

15 Oct: IMF keeps real GDP growth forecasts for Malaysia at 4.5% in 2025, 4% in 2026. The International Monetary Fund (IMF) has maintained its projections for Malaysia's real gross domestic product (GDP) growth at 4.5% in 2025 and 4.0% in 2026. According to the October 2025 World Economic Outlook (WEO) update released on Tuesday titled "Global Economy in Flux, Prospects Remain Dim", the IMF had previously set Malaysia's 2024 GDP growth at 5.1%.

16 Oct: Bank Negara says it will transition to transaction-based benchmark market rates. Budi95 targeted petrol subsidy is expected to help the government save between RM2.5b and RM4b annually, depending on global crude oil prices. The estimate is based on crude oil trading at around USD75 (RM315.74) per barrel.

23 Oct: Malaysia's foreign reserves steady at US$123.4b as at mid-October. Bank Negara Malaysia's (BNM) international reserves stood at US$123.4 billion as of Oct 15, 2025, holding steady from the level recorded at end-September. The reserves position is sufficient to finance 4.8 months of imports of goods and services.

27 Oct: Malaysia's rare earth policy applies to all, including both US and China, Zafrul tells CNBC. Malaysia will maintain its ban on the export of raw rare earth elements, while inviting foreign investors to participate in downstream processing and value-added activities.

28 Oct: Anwar, Li Qiang discuss regional stability, cooperation in sectors including rare earth elements and chips. Strengthening trade and investment cooperation, while addressing key regional issues, was at the forefront of discussions between Prime Minister Datuk Seri Anwar Ibrahim and Chinese Premier Li Qiang during their bilateral meeting here on Tuesday morning.

29 Oct: Zafrul says US trade pact upgrades Malaysia to strategic partner, boosts semiconductor sector standing. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said the US trade pact announced over the weekend has helped upgrade Malaysia to a Comprehensive Strategic Partnership, boosting the semiconductor sector's role from a regular supplier to a key supply chain partner.

30 Oct: US to give special consideration to Malaysia's semiconductor sector in tariff negotiations — deputy minister. The US will give special consideration to Malaysia's semiconductor sector in tariff negotiations under Section 232 of the US Trade Expansion Act of 1962, said Deputy Investment, Trade and Industry Minister Liew Chin Tong.

31 Oct: Malaysia completes first Nvidia-powered data centre in Johor. Malaysia has completed its first Nvidia-powered data centre in Kulai, Johor, under the RM10 billion project signed between YTL Power International and the US technology firm last July.

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