WEEKLY MONEY REVIEW

MIDF Strategy 10 November 2025

Week Ended 7 November 2025

- The UST benchmark 10-year yield rose further last week to close at 4.10% (prior week: 4.08%) as investors reacted to better-than-expected economic data (i.e. ADP payrolls and ISM Services). The 10y-3y yield spread expanded (yield curve steepened) to +53bp (prior week: +50bp) as the long-end underperformed. At week close, the interest rate futures market expects (probability: 67%) another -25bp rate cut in December this year.

- Medium-term inflation expectation (MTIE) ended the review week lower at 2.38% (prior week: 2.41%). While the MTIE has remained above the US Fed target level of 2.00% since September last year, we nonetheless believe the market is sanguine that the underlying price pressure is easing as attested by the ongoing series (after a 9-month hiatus) of Fed rate cuts.

- The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields added -2.2bp and -3.9bp to close at 3.11% and 3.45% respectively. The 10y-3y yield spread narrowed (yield curve flattened) to +35bp (prior week: +36bp) as the long-end outperformed.

- MGS foreign holdings declined month-on-month to RM287b in September 2025 from RM294b in August 2025. Moreover, it declined year-on-year from RM289b in September 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM23.9b. It declined week-on-week from -RM23.8b registered a week ago. Moreover, it declined year-on-year from +RM2.9b a year ago.

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10 November 2025 | Strategy

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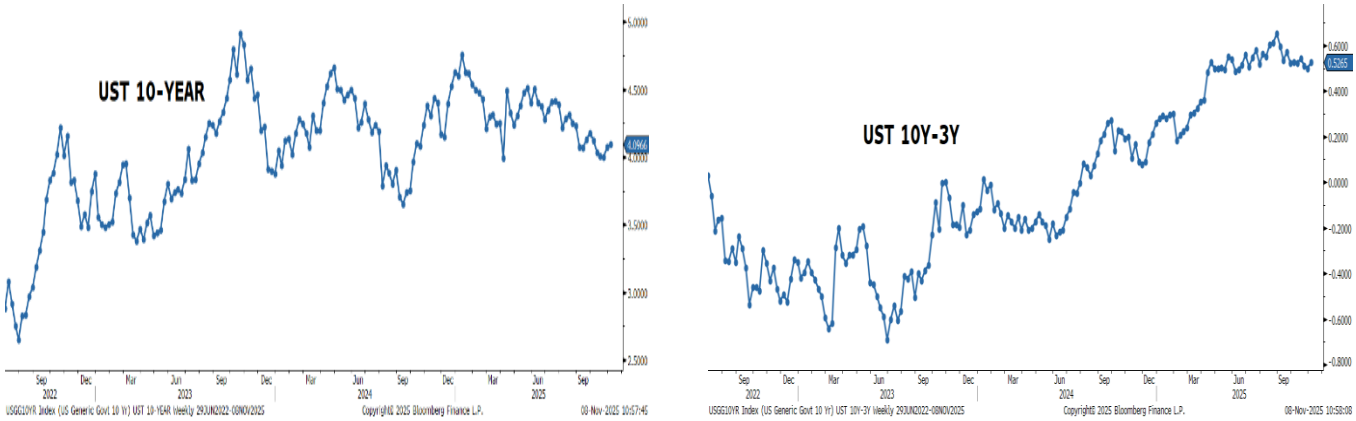
WEEKLY MONEY REVIEW

A. FIXED INCOME

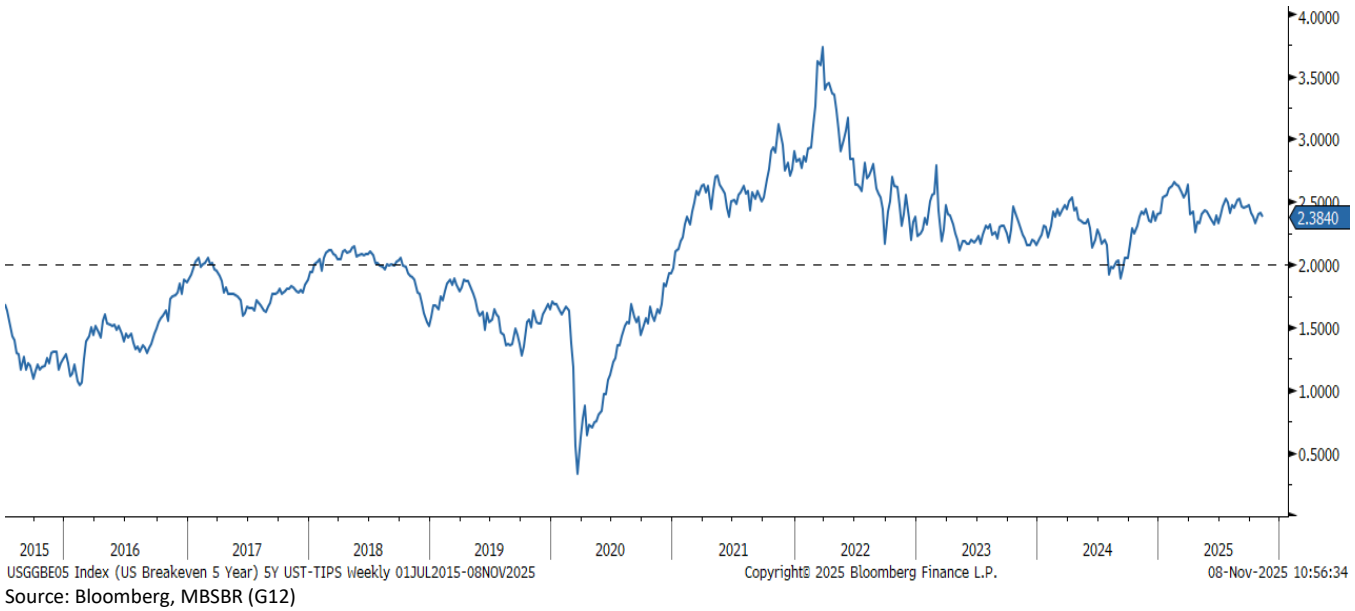
- The UST benchmark 10-year yield rose further last week to close at 4.10% (prior week: 4.08%) as investors reacted to better-than-expected economic data (i.e. ADP payrolls and ISM Services). The 10y-3y yield spread expanded (yield curve steepened) to +53bp (prior week: +50bp) as the long-end underperformed. At week close, the interest rate futures market expects (probability: 67%) another -25bp rate cut in December this year.



Source: Bloomberg, MBSBR (G8, G9)

- Medium-term inflation expectation (MTIE) ended the review week lower at 2.38% (prior week: 2.41%). While the MTIE has remained above the US Fed target level of 2.00% since September last year, we nonetheless believe the market is sanguine that the underlying price pressure is easing as attested by the ongoing series (after a 9-month hiatus) of Fed rate cuts.

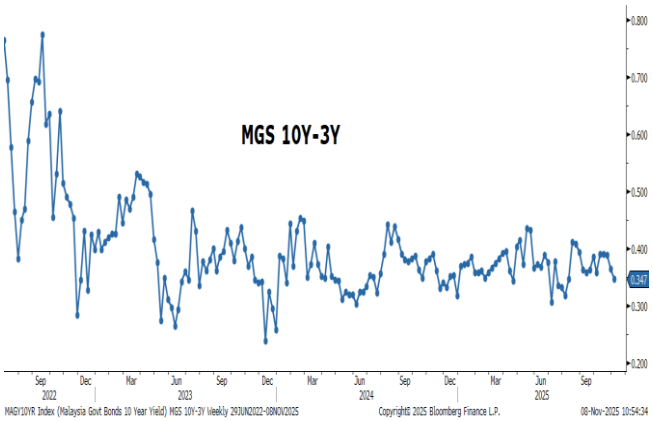
MEDIUM-TERM INFLATION EXPECTATION (MTIE): 5Y UST-TIPS SPREAD



Source: Bloomberg, MBSBR (G12)

- The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields added -2.2bp and -3.9bp to close at 3.11% and 3.45% respectively. The 10y-3y yield spread narrowed (yield curve flattened) to +35bp (prior week: +36bp) as the long-end outperformed.



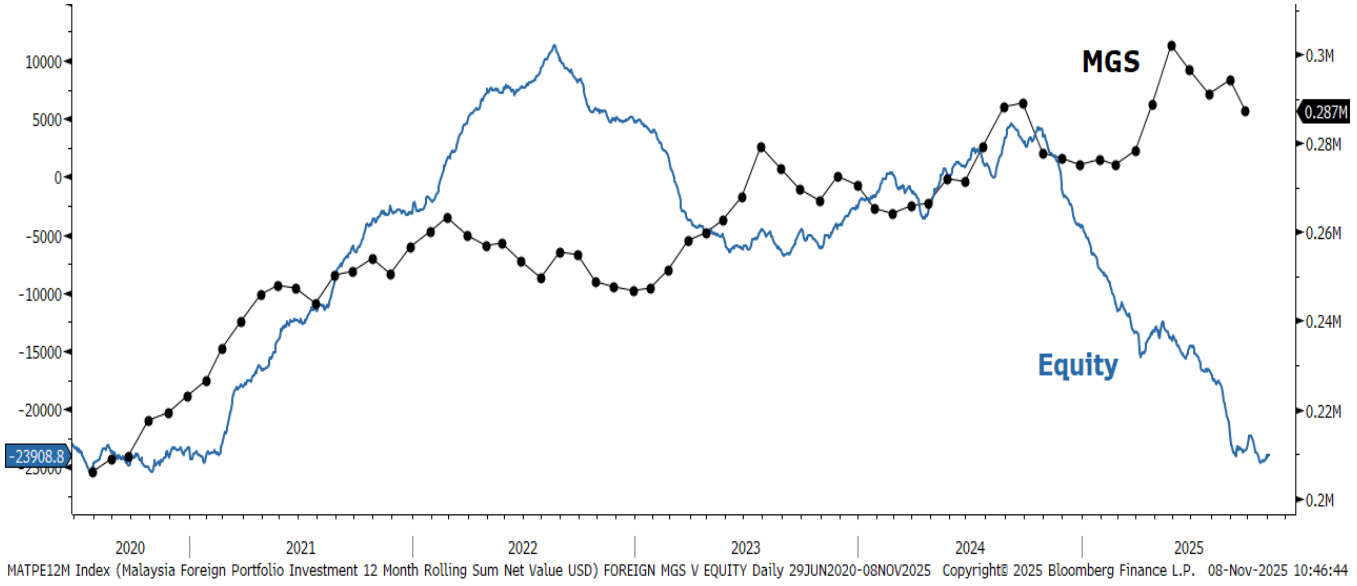


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) declined to RM26.2b in the review week compared to RM29.8b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 64% (prior week: 57%) of the overall Government Bonds trade. Moreover, 7 out of the 10 most actively traded bonds saw lower yields, 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 3.906% 7/15/26 at RM2.8b, MII 3.726% 3/31/26 at RM2.7b, and MII 3.599% 7/31/28 at RM2.3b.

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



MATPE12M Index (Malaysia Foreign Portfolio Investment 12 Month Rolling Sum Net Value USD) FOREIGN MGS V EQUITY Daily 29JUN2020-08NOV2025 Copyright© 2025 Bloomberg Finance L.P. 08-Nov-2025 10:46:44
Source: Bloomberg, MBSBR (G13)

- MGS foreign holdings declined month-on-month to RM287b in September 2025 from RM294b in August 2025. Moreover, it declined year-on-year from RM289b in September 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM23.9b. It declined week-on-week from -RM23.8b registered a week ago. Moreover, it declined year-on-year from +RM2.9b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) declined to RM3.0b in the review week compared to RM4.9b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 28% (prior week: 32%) of the overall Corporate Bonds trade.

- The top 3 actively traded Corporate Bonds were dominated by issues of varied residual tenor. The top 3 most actively traded were PLUS 5% 12/31/38 at RM130m, TM Technology 4.58% 9/3/27 at RM100m, and Danainfra Nasional 4.8% 11/25/33 at RM100m.

B. FOREIGN EXCHANGE

- USD weakened last week. The US dollar weakened against major currencies last week as the DXY dollar index declined by -0.2%wow to 99.60. The US dollar initially strengthened and breached the critical 100 mark early of the week, driven by the stronger-than-anticipated ADP private employment data for Oct-25, which signaled robust labour demand. However, the DXY upward momentum reversed with the dollar trending lower toward the end of the week after the release of conflicting private employment figures; a report from Challenger, Gray & Christmas indicated that corporate job cuts escalated to their highest level in 22 years, significantly increasing market concern regarding the underlying stability and forward trajectory of the US labour market. Nevertheless, we continue to see that the positive outcome from the US-China trade negotiations also provided additional support for the US dollar. Given the still uncertain medium-term view that may cause market volatility, we think this environment will likely trigger a flight to safety, weakening the appeal of US assets. We anticipate a resulting shift of capital flows toward traditional safe-haven alternatives such as the euro, Japanese yen, and gold.

- EUR and GBP appreciated. On the back of weaker dollar, the euro ended higher last week, appreciating by +0.3%wow to USD1.157, on the back of encouraging data update such as stronger-than-expected Composite PMI. Meanwhile, the pound sterling strengthened by +0.1%wow to RM1.316, with the PMI also showing a better reading.

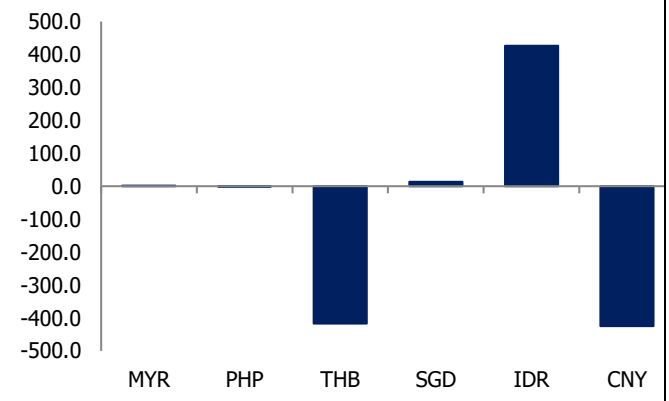
- The ringgit strengthened. The ringgit ended higher last week, appreciating by +0.3%wow to RM4.177, the strongest since Oct-24. The local currency traded towards a stronger bias between RM4.17 to RM4.20 range. The ringgit movement was well supported by the BNM MPC decision to keep the OPR unchanged. On top of that, Malaysia's latest industrial production grew faster in Sep-25, indicating more encouraging domestic activity. However, due to the changing market view on another Fed rate cut in Dec-25, the strength in US dollar may constrain further ringgit's appreciation. In a separate note, the total foreign holder for both government and corporate bonds between the 27th of October to 31st October period increased by +RM2.19b, indicating inflows in the local debt market. On a broader perspective, the Malaysia ringgit strengthened against the currencies of major trading partners, as shown by the increase in our MBSB Trade-Weighted Ringgit Index by +0.5%wow to 96.09, mainly against the Korean won (+2.37%wow), Taiwan dollar (+1.20%wow), and Australian dollar (+1.12%wow).

Currencies Changes (Week Ended 07 Nov 2025) and Quarterly Forecasts

	Close 07/11	Prev. Close 31/10	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	99.60	99.80	-0.201	-0.2	104.0	98.00	97.00	95.00
EURUSD	1.157	1.154	+0.003	+0.3	1.04	1.05	1.07	1.09
GBPUSD	1.316	1.315	+0.001	+0.1	1.26	1.28	1.30	1.32
USDJPY	153.4	154.0	+0.570	+0.4	150.00	147.80	146.70	143.94
USDMYR	4.177	4.189	+0.012	+0.3	4.43	4.28	4.21	4.09
GBPMYR	5.471	5.505	+0.035	+0.6	5.54	5.52	5.44	5.28
JPYMYR	2.722	2.720	-0.001	-0.0	2.93	2.93	2.88	2.83
MBSB TWRI	96.09	95.58	+0.508	+0.5	92.00	93.50	94.10	95.00

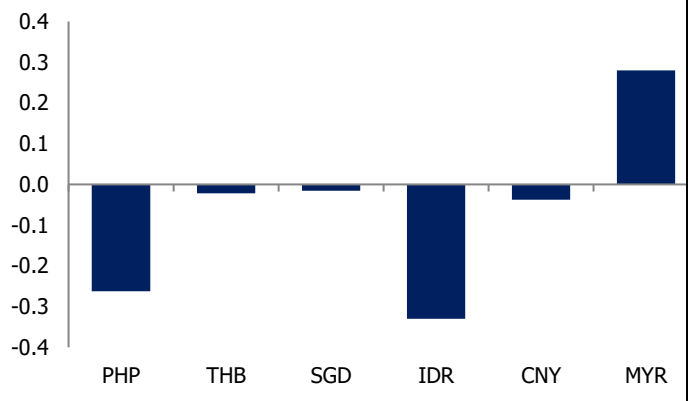
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

Yield Change in 10Y Government Bonds (bps)



Source: Bloomberg; Macrobond; MBSBR

Weekly Currencies Change vs Dollar (%)



Source: Bloomberg; MBSBR

Central Bank Policy Rate by Selected Economies (%)

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Malaysia	3.00	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Indonesia	5.75	5.75	5.50	5.50	5.25	5.50	4.75	4.75	4.75
Philippines	5.75	5.50	5.50	5.25	5.25	5.25	5.00	4.75	4.75
Thailand	2.00	1.75	1.75	1.75	1.75	1.75	1.50	1.50	1.50
Vietnam	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
South Korea	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50
India	6.25	6.00	6.00	5.50	5.50	5.50	5.50	5.50	5.50
Japan	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
UK	4.50	4.50	4.25	4.25	4.25	4.25	4.00	4.00	4.00
Euro area	2.90	2.40	2.25	2.00	2.00	2.00	2.00	2.00	2.00
USA	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.00-4.25	4.00-4.25	4.00-4.25

Source: Bloomberg, MBSBR

- US economic data released last week:
  - Rebound in private job growth. Jobs in the private sector in the US increased by +42K in Oct-25 (Sep-25: -29K), according to ADP, which was stronger than market expectations of an employment gain of +25K. This marks the first rise since Jul-25, but the bounce was not broad-based. The services-producing sector added +33K jobs. The goods-producing sector expanded by +9K jobs, supported by increases in natural resources and mining. Pay growth has been largely stable for over a year, suggesting a balance between labour supply and demand.
  - Export demand continued to wane. The S&P Global US Composite PMI rose to 54.6 in Oct-25, marking a solid acceleration from 53.9 in September, despite coming in slightly below the initial flash estimate. This robust growth confirms a healthy expansion across the private sector, driven by stronger output in both manufacturing (52.5; Sep-25: 52.0) and services (54.8; Sept-25: 54.2). The acceleration was supported by continued solid gains in new business. However, beneath the headline strength, certain forward-looking metrics signaled caution: business confidence dipped to a six-month low, and export demand actually fell, primarily due to rising concerns over global trade tariffs.
  - Job cuts were high. US-based employers announced 153,074 job cuts in Oct-25, the highest since 2003. This volume of layoffs marks the highest total for any October since the aftermath of the dot-com bubble in 2003, signaling that corporate belt-tightening is accelerating far beyond typical seasonal patterns. The 153,074 cuts represent a staggering 183% increase from the 54,064 cuts recorded in Sep-25. Year-over-year, the pace is equally alarming, up by +175%yoy. Critically, these numbers push the year-to-date total, making 2025 the most severe year for announced layoffs since 2009.
  - US consumer sentiment weakened in Nov-25. The preliminary University of Michigan Consumer Sentiment Index for Nov-25, weakened to 50.3, falling short of the 53.2 expectation and Oct-25 of 53.6 reading. This decline positioned the index at its second-lowest level on record, reflecting intense public concern over the potential economic repercussions of the longest US government shutdown in history. The deterioration was underlined by the Current Economic Conditions Index dropping to an all-time low of 52.3, fuelled by a 17% decline in personal finance assessments, while the Consumer Expectations Index slipped to a six-month low of 49.0, signalling an 11% reduction in year-ahead business expectations.

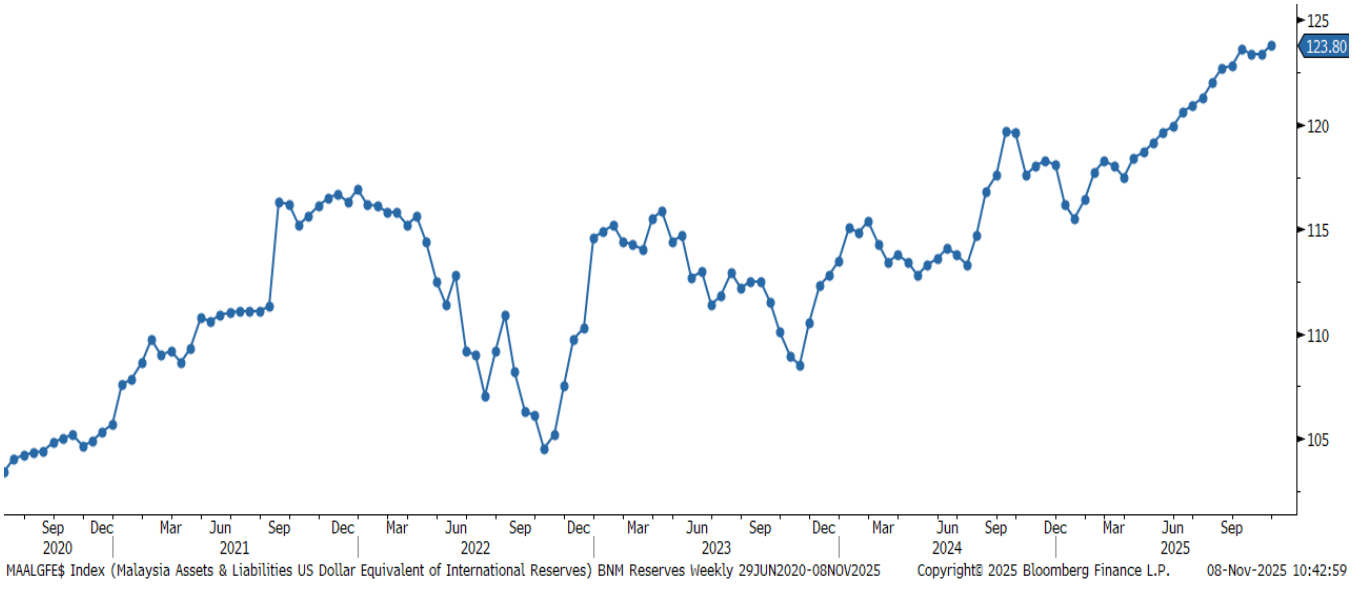
- Interest rates update last week:
  - BNM left the Overnight Policy Rate (OPR) unchanged at 2.75% in the Nov-25 Monetary Policy Meeting as the current rate remains "appropriate and supportive" of the economy. According to BNM, the latest indicators showed a continued expansion in global growth but reiterated the impact of higher tariff would continue to constrain global growth. BNM stated that the global growth outlook will be supported by healthy labour market, easing inflation, reduced monetary policy restrictiveness, and supportive fiscal policy.
  - The Reserve Bank of Australia (RBA) kept its cash rate unchanged at 3.60% during its Nov-25 meeting, in line with market expectations, maintaining borrowing costs at their lowest level since Apr-23. RBA reduced the rate three times this year in Feb-25, May-25 and Aug-25. The decision came amid elevated inflation levels as the trimmed mean CPI rose by +3%yoy in 3QCY25 (2QCY25: +2.7%yoy) which marked the highest reading since 4QCY24 and hit the top of the 2-3% target band.
  - The Bank of Mexico (Banxico) has reduced its benchmark interest rate by 25 basis points (bps) to 7.25% following its November policy meeting, meeting consensus market expectations. This move brings the rate to its lowest level since May 2022. The decision was primarily driven by persistent concerns over global trade tensions and signs of weakening domestic economic activity. In its official statement, the central bank acknowledged the need to lower borrowing costs, explicitly citing "the weakness of economic activity" and ongoing global uncertainty as critical factors influencing the change. Banxico further indicated that it would consider additional easing measures in upcoming meetings should economic conditions warrant.

- Malaysia's economic update last week:
  - Manufacturing PMI declined in Oct-25. The S&P Global Malaysia Manufacturing PMI slightly edged down to 49.5 in Oct-25 (Sep-25: 49.8), marking 17 straight months of decline, the sharpest since Jun-25. The reading points to a slightly faster pace of contraction in Malaysia's manufacturing sector. New orders declined for the first time in three months, led by a sharper drop in export demand, causing output to contract at the fastest pace in five months.
  - Malaysia's IPI growth picked up to +5.7%yoy in Sep-25 (Aug-25: +4.8%yoy), above our estimate and market expectations. Manufacturing output rose faster at +5.0%yoy (Aug-25: +2.8%yoy). Electricity generation also recorded stronger expansion at +2.8%yoy (Aug-25: +1.2%yoy), while the mining output growth moderated but still grew at a double-digit pace of +10.2%yoy (Aug-25: +16.8%yoy).

C. BNM INTERNATIONAL RESERVES

- As of 31 October 2025, compared to previous fortnight, Bank Negara Malaysia's international reserves were higher at USD123.8b (15 October 2025: USD123.4b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MBSBR (G14)

- The number of reserves is sufficient to finance 4.8 months of imports of goods & services and is 0.9 times total short-term external debt.

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	31-Oct Fri	3-Nov Mon	4-Nov Tue	5-Nov Wed	6-Nov Thu	7-Nov Fri	Change (WoW bp)
MGS							
3-Y	3.129	3.14	3.126	3.126	3.128	3.107	-2.2
5-Y	3.251	3.24	3.25	3.247	3.264	3.238	-1.3
7-Y	3.443	3.455	3.463	3.454	3.473	3.438	-0.5
10-Y	3.493	3.498	3.501	3.503	3.513	3.454	-3.9
20-Y	3.918	3.916	3.916	3.909	3.909	3.903	-1.5
RINGGIT IRS							
1-Y	3.22	3.225	3.22	3.222	3.2275	3.22	0
3-Y	3.2075	3.205	3.2075	3.215	3.235	3.235	2.75
5-Y	3.27	3.27	3.2725	3.28	3.295	3.3	3
7-Y	3.34	3.335	3.338	3.3525	3.365	3.37	3
10-Y	3.465	3.48	3.465	3.48	3.495	3.495	3
KLIBOR							
1-M	3	3	3	3	3	3	0
3-M	3.22	3.22	3.22	3.22	3.22	3.22	0
UST							
3-Y	3.5783	3.6123	3.5841	3.6464	3.5644	3.5701	-0.82
5-Y	3.6871	3.7218	3.6958	3.7636	3.6803	3.6838	-0.33
7-Y	3.8708	3.9019	3.8761	3.9487	3.8684	3.8736	0.28
10-Y	4.0775	4.1104	4.0852	4.1591	4.0831	4.0966	1.91
30-Y	4.6512	4.6908	4.6647	4.7378	4.6801	4.6986	4.74

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	31-Oct Yield	7-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.906	07/15/26	2.747	2.775	2.8	2,788.7
MALAYSIA INVESTMNT ISSUE	3.726	03/31/26	2.864	2.846	-1.8	2,688.6
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.142	3.134	-0.8	2,295.9
MALAYSIA GOVERNMENT	3.9	11/30/26	2.881	2.888	0.7	1,947.2
MALAYSIA GOVERNMENT	3.519	04/20/28	3.129	3.107	-2.2	1,778.5
MALAYSIA GOVERNMENT	3.899	11/16/27	3.080	3.002	-7.8	1,223.0
MALAYSIA GOVERNMENT	3.733	06/15/28	3.128	3.109	-1.9	1,117.8
MALAYSIA GOVERNMENT	3.502	05/31/27	3.022	2.985	-3.7	1,054.1
MALAYSIA GOVERNMENT	3.336	05/15/30	3.251	3.238	-1.3	961.2
MALAYSIA INVESTMNT ISSUE	4.582	08/30/33	3.502	3.511	0.9	795.0
TOTAL VOLUME (TOP 10)						16,650.0
TOTAL VOLUME (Overall)						26,203.6

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	31-Oct Yield	7-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
PROJEK LEBUHRAYA USAHASA	5	12/31/38	3.878	3.892	1.4	130.0
TM TECHNOLOGY SDN BHD	4.58	09/03/27	3.407	3.435	2.8	100.1
DANAINFRA NASIONAL	4.8	11/25/33	3.628	3.648	2.0	100.0
CIMB THAI BANK PCL	3.9	07/11/31	3.709	3.772	6.3	90.0
DANAINFRA NASIONAL	4.57	05/02/31	N/A	3.467	N/A	80.0
CAGAMAS BERHAD	4.26	01/18/28	3.394	3.424	3.0	80.0
DANAINFRA NASIONAL	3.91	06/06/31	3.489	3.482	-0.7	75.0
CIMB GROUP HOLDINGS BHD	4.31	PERP	3.826	3.825	-0.1	70.0
PERBADANAN TABUNG PENDI	4.93	08/17/32	N/A	3.577	N/A	60.0
RANTAU ABANG CAPITAL	5.2	03/26/29	N/A	3.538	N/A	60.0
TOTAL VOLUME (TOP 10)						845.1
TOTAL VOLUME (Overall)						2,981.2

Source: Bloomberg

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MBSB INVESTMENT BANK BERHAD (FORMERLY KNOWN AS MIDF AMANAH INVESTMENT BANK BERHAD): 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.
NEUTRAL	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