WEEKLY MONEY REVIEW

MIDF Strategy 17 November 2025

Week Ended 14 November 2025

- The UST benchmark 10-year yield rose further last week to close at 4.19% (prior week: 4.10%) as investors reacted to the end of the longest US government shutdown in history. The 10y-3y yield spread expanded (yield curve steepened) to +54bp (prior week: +53bp) as the long-end underperformed. At week close, the interest rate futures market expects no rate cut (prior week: -25bp) in December this year.

- Medium-term inflation expectation (MTIE) ended the review week higher at 2.39% (prior week: 2.38%). 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 -7.2bp and -1.5bp to close at 3.04% and 3.44% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +40bp (prior week: +35bp) as the short-end outperformed.

- MGS foreign holdings increased month-on-month to RM292b in October 2025 from RM287b in September 2025. Moreover, it increased year-on-year from RM278b in October 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM22.7b. It improved week-on-week from -RM23.9b registered a week ago. However, it declined year-on-year from +RM2.0b a year ago.

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17 November 2025 | Strategy

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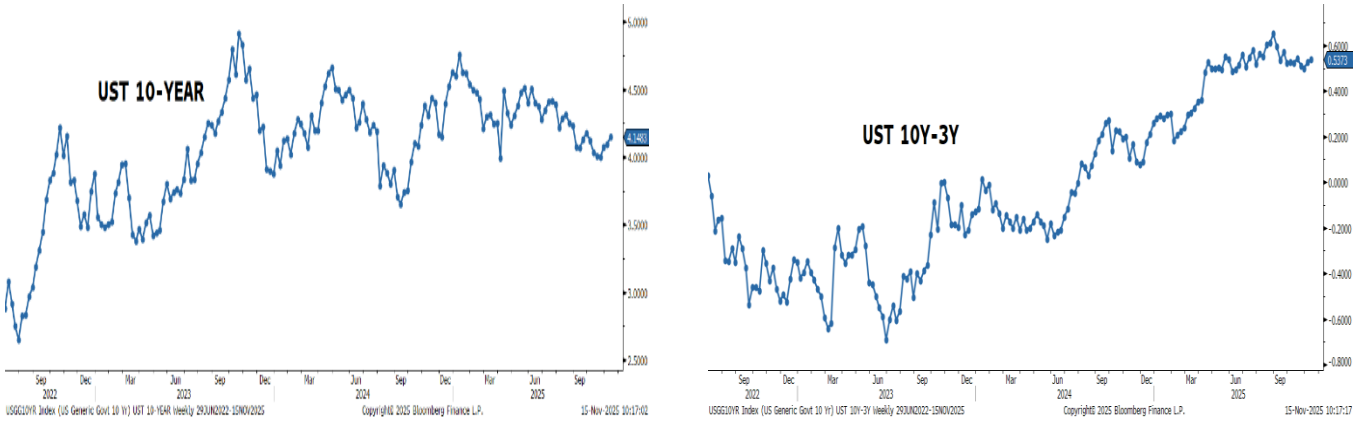
WEEKLY MONEY REVIEW

A. FIXED INCOME

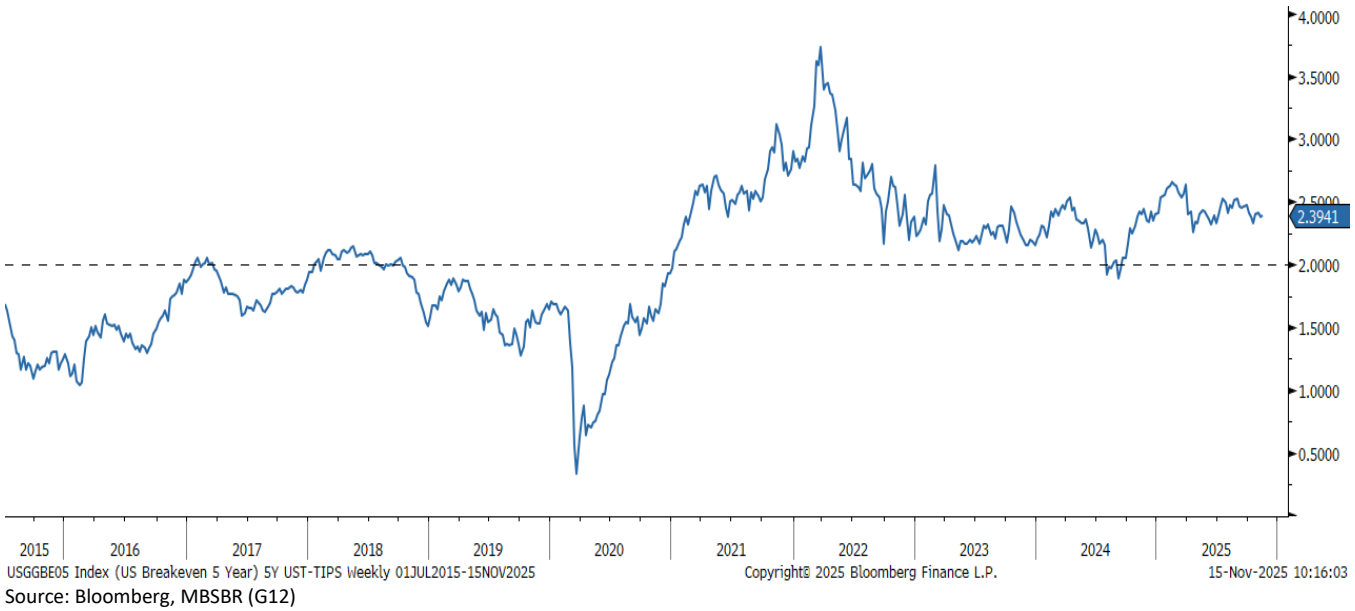
- The UST benchmark 10-year yield rose further last week to close at 4.19% (prior week: 4.10%) as investors reacted to the end of the longest US government shutdown in history. The 10y-3y yield spread expanded (yield curve steepened) to +54bp (prior week: +53bp) as the long-end underperformed. At week close, the interest rate futures market expects no rate cut (prior week: -25bp) in December this year.



Source: Bloomberg, MBSBR (G8, G9)

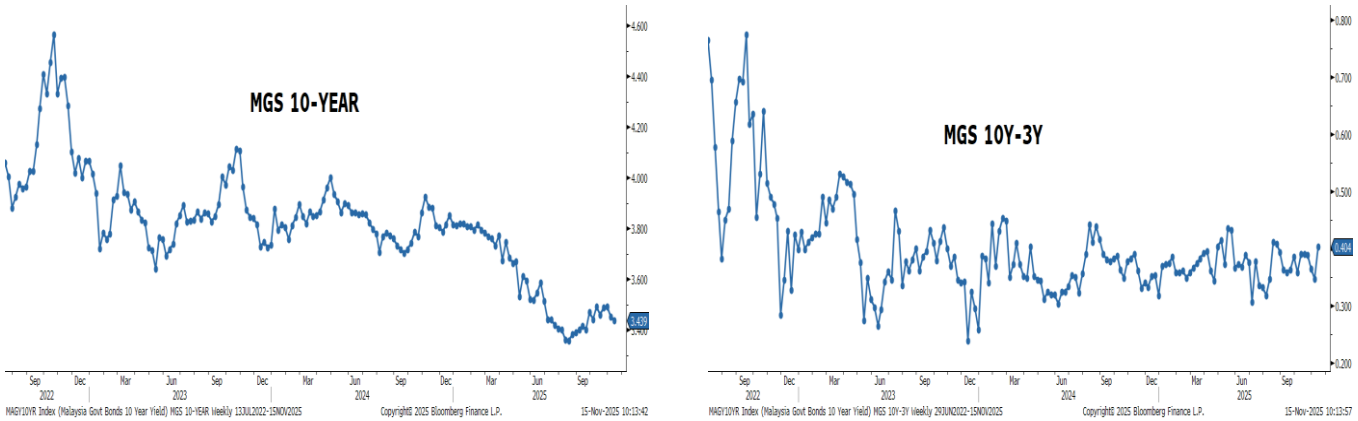
- Medium-term inflation expectation (MTIE) ended the review week higher at 2.39% (prior week: 2.38%). While the MTIE has remained above the US Fed target level of 2.00% since September last year, we nonetheless believe the market is sanguine that the underlying price pressure is easing as attested by 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 -7.2bp and -1.5bp to close at 3.04% and 3.44% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +40bp (prior week: +35bp) as the short-end outperformed.

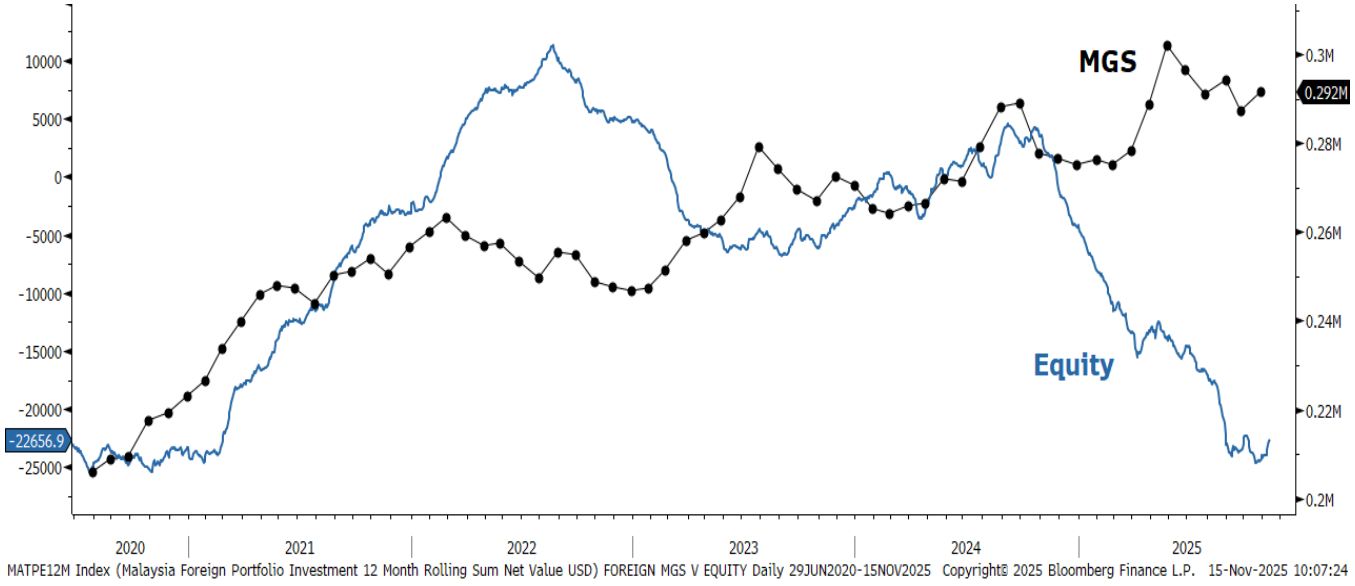


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) increased to RM45.6b in the review week compared to RM26.2b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 61% (prior week: 64%) of the overall Government Bonds trade. Moreover, 8 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 residual tenor. The top 3 most actively traded were MGS 3.9% 11/30/26 at RM5.2b, MII 3.726% 3/31/26 at RM5.0b, and MGS 3.906% 7/15/26 at RM4.2b.

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



Source: Bloomberg, MBSBR (G13)

- MGS foreign holdings increased month-on-month to RM292b in October 2025 from RM287b in September 2025. Moreover, it increased year-on-year from RM278b in October 2024. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM22.7b. It improved week-on-week from -RM23.9b registered a week ago. However, it declined year-on-year from +RM2.0b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) increased to RM5.8b in the review week compared to RM3.0b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues was unchanged at 28% (prior week: 28%) of the overall Corporate Bonds trade.

- The top 3 actively traded Corporate Bonds were dominated by issues of mid and long residual tenor. The top 3 most actively traded were KL Kepong 4.17% 3/16/32 at RM250m, Sarawak Energy 5.32% 12/3/32 at RM210m, and CIMB Islamic Bank 4.07% 7/30/35 at RM205m.

B. FOREIGN EXCHANGE

- USD ended weaker last week. The US dollar weakened against major currencies last week as the DXY dollar index declined by -0.3%wow to 99.30. The US dollar gradually weakened and hit the 99.0 mark twice last week, reaching its lowest level last week, but the DXY closed slightly higher. The DXY movement was partially driven by the dovish tone by the Federal Reserve Governor Stephen Miran in the early part of the week, advocating for a more rapid pace of rate cuts. Meanwhile, the ADP reported weakening labour market conditions, as they reported a net loss of jobs. However, market expectations for a cut in Dec-25 continued to weaken, with the probability inching lower to below 50%. On the other hand, we think sentiment may improve this week on the back of the US government re-opening and releases of updated economic reports. The employment data will be reported this week, which could affect market sentiment negatively as the private labour market data indicates weaknesses. However, 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 a weaker dollar, the euro ended higher last week, appreciating by +0.5%wow to USD1.162, with recent data pointing to stronger industrial production in the economic bloc. Meanwhile, the pound sterling strengthened by +0.1%wow to RM1.317 on the back of positive GDP growth.

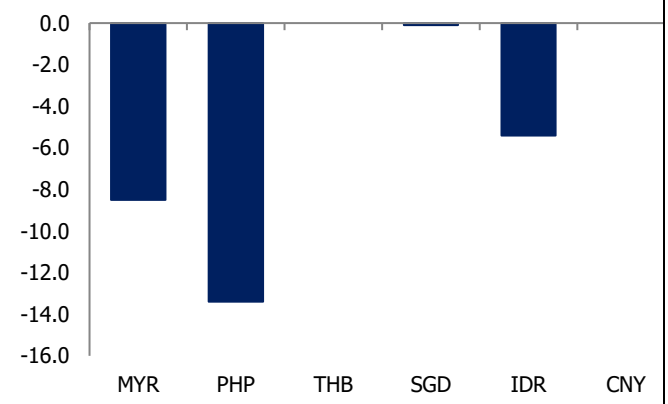
- The ringgit also strengthened. The ringgit ended stronger last week, appreciating by +1.2%wow to RM4.133. The ringgit traded towards a stronger bias between RM4.14 to RM 4.11 range. The local currency appreciated last week and momentarily hit the RM4.11 level before retracing back to above the RM4.12 level. The ringgit movement was well supported by encouraging domestic data releases (such as retail sales and 3QCYGDP) which indicate still robust economic activities. However, due to the changing market view on another Fed rate cut in Dec-25, the strength in the US dollar may limit the ringgit's appreciation. In a separate note, the total foreign holder for both government and corporate bonds between the 3rd to 6th November 2025 increased by +RM1.31b. On a broader perspective, the Malaysian ringgit also strengthened against the currencies of major trading partners, as shown by the increase in our MBSB Trade-Weighted Ringgit Index by +1.0%wow to 97.06, mainly against the Taiwan dollar (+1.2%wow), Indonesian rupiah (+1.0%wow), and Vietnam dong (+0.8%wow).

Currencies Changes (Week Ended 14 Nov 2025) and Quarterly Forecasts

	Close 14/11	Prev. Close 07/10	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	99.30	99.60	-0.304	-0.3	104.0	98.00	97.00	95.00
EURUSD	1.162	1.157	+0.005	+0.5	1.04	1.05	1.07	1.09
GBPUSD	1.317	1.316	+0.001	+0.1	1.26	1.28	1.30	1.32
USDJPY	154.6	153.4	-1.130	-0.7	150.00	147.80	146.70	143.94
USDMYR	4.133	4.177	+0.044	+1.1	4.43	4.28	4.21	4.09
GBPMYR	5.437	5.471	+0.034	+0.6	5.54	5.52	5.44	5.28
JPYMYR	2.674	2.722	+0.048	+1.8	2.93	2.93	2.88	2.83
MBSB TWRI	97.06	96.09	+0.966	+1.0	92.00	93.50	94.10	95.00

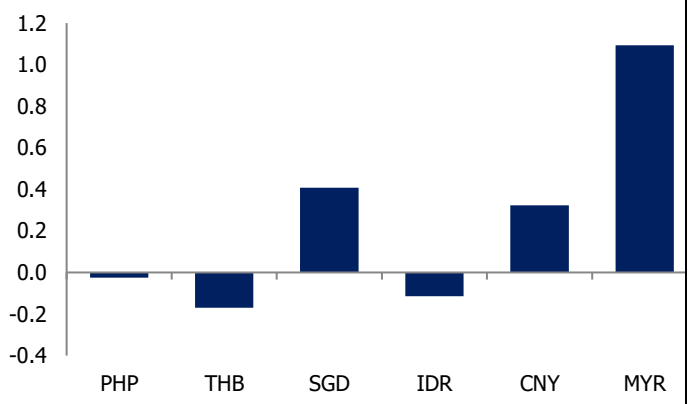
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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

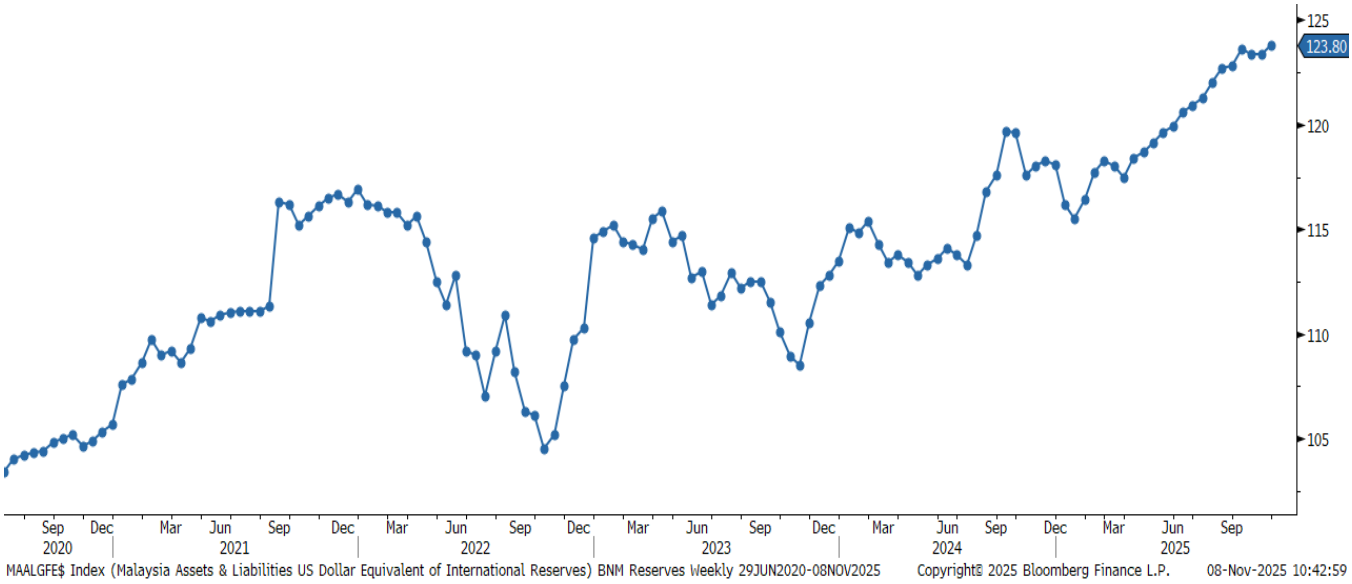
- US economic data released last week:
  - US private employers cut an average of 11,250 jobs weekly in the four weeks concluding 25-Oct-25, a trend noted by ADP Research as a loss of labour market momentum mid-month.

- Malaysia's economic update last week:
  - Labour market remained healthy. Malaysia's labour market remained resilient in Sep-25, with the unemployment rate held steady at 3.0% for the fifth consecutive month—the lowest level in a decade. This was underpinned by sustained employment growth (+3.1%yoy), which continued to outpace labour force expansion (+2.8%yoy) since Aug-21. Labour demand was higher in Oct-25, with job vacancies increasing to 124.9K (Sep-25: 111.5K).
  - Stronger retail sales. Malaysia's distributive trade accelerated to +6.6%yoy in Sep-25 (Aug-25: +4.9%yoy), supported by the stronger expansion in all segments, including wholesale trade (+6.9%yoy; Aug-25: +5.1%yoy) and retail trade (+7.0%yoy; Aug-25: +5.0%yoy) and motor vehicles (+4.3%yoy; Aug-25: +4.0%yoy).
  - The construction sector continues to grow at a double-digit pace. Malaysia's construction sector rose at a softer pace by +10.6%yoy in 3QCY25 (2QCY25: +12.9%yoy), valuing at RM45.4b and recording fourteen consecutive quarters of expansion. The double-digit growth still indicates a robust expansion although the reading in 3Q marks the slowest expansion since 4QCY23.
  - Robust GDP in line with advance estimate. Malaysia's GDP growth increased at a faster pace by +5.2%yoy in 3QCY25 (2QCY25: +4.4%yoy), in line with the advance estimate and market expectations. During the quarter, domestic demand continued to show resilience, albeit growing at a softer pace at +4.6%yoy (2QCY25: +7.2%yoy), with steady rise in private final consumption (+5.0%yoy; 2QCY25: +5.3%yoy) and stronger government spending (+7.1%yoy; 2QCY25: +6.4%yoy). Taking into account the stronger 3Q GDP, we revise up our GDP forecast for 2025 to +4.6% (previous: +4.3%).

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	7-Nov Fri	10-Nov Mon	11-Nov Tue	12-Nov Wed	13-Nov Thu	14-Nov Fri	Change (WoW bp)
MGS							
3-Y	3.107	3.072	3.065	3.037	3.031	3.035	-7.2
5-Y	3.238	3.235	3.235	3.206	3.204	3.216	-2.2
7-Y	3.438	3.445	3.421	3.401	3.397	3.417	-2.1
10-Y	3.454	3.5	3.488	3.513	3.427	3.439	-1.5
20-Y	3.903	3.901	3.89	3.87	3.864	3.864	-3.9
RINGGIT IRS							
1-Y	3.22	3.225	3.21	3.205	3.21	3.22	0
3-Y	3.235	3.235	3.21	3.206	3.215	3.22	-1.5
5-Y	3.3	3.31	3.265	3.26	3.3	3.315	1.5
7-Y	3.37	3.385	3.345	3.335	3.365	3.375	0.5
10-Y	3.495	3.505	3.485	3.47	3.49	3.51	1.5
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	3.5701	3.5958	3.5887	3.561	3.5915	3.611	4.09
5-Y	3.6838	3.7134	3.7134	3.6716	3.7064	3.731	4.72
7-Y	3.8736	3.8996	3.8996	3.853	3.8919	3.918	4.44
10-Y	4.0966	4.116	4.116	4.0693	4.1192	4.1483	5.17
30-Y	4.6986	4.7054	4.7054	4.6646	4.7123	4.7478	4.92

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	7-Nov Yield	14-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.9	11/30/26	2.888	2.801	-8.7	5,208.8
MALAYSIA INVESTMNT ISSUE	3.726	03/31/26	2.846	2.827	-1.9	4,975.2
MALAYSIA GOVERNMENT	3.906	07/15/26	2.775	2.795	2.0	4,197.9
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.134	3.104	-3.0	2,845.7
MALAYSIA INVESTMNT ISSUE	3.612	04/30/35	3.565	3.514	-5.1	2,591.5
MALAYSIA GOVERNMENT	3.502	05/31/27	2.985	2.924	-6.1	2,518.9
MALAYSIA GOVERNMENT	3.519	04/20/28	3.107	3.035	-7.2	1,820.1
MALAYSIA INVESTMNT ISSUE	3.635	08/30/30	3.233	3.225	-0.8	1,431.0
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	2.868	2.871	0.3	1,292.8
MALAYSIA GOVERNMENT	3.336	05/15/30	3.238	3.216	-2.2	1,083.6
TOTAL VOLUME (TOP 10)						27,965.4
TOTAL VOLUME (Overall)						45,632.4

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	7-Nov Yield	14-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
KUALA LUMPUR KEPONG	4.17	03/16/32	3.710	3.710	0.0	250.0
SARAWAK ENERGY BHD	5.32	12/03/32	3.668	3.700	3.2	210.0
CIMB ISLAMIC BANK BHD	4.07	07/30/35	3.779	3.779	0.0	205.0
YTL POWER INTERNATIONAL	4.45	08/24/32	N/A	3.668	N/A	160.0
PENGURUSAN AIR SPV BHD	3.98	06/04/31	3.601	3.600	-0.1	150.0
PENGURUSAN AIR SPV BHD	4.56	01/31/30	3.534	3.536	0.2	140.0
TENAGA NASIONAL BERHAD	5.57	06/28/47	4.039	4.039	0.0	130.0
SARAWAK ENERGY BHD	4.27	07/04/33	3.669	3.688	1.9	130.0
PERBADANAN TABUNG PENDI	4.11	03/07/39	N/A	3.819	N/A	120.0
DANAINFRA NASIONAL	3.98	08/27/55	4.124	4.130	0.6	120.0
TOTAL VOLUME (TOP 10)						1,615.0
TOTAL VOLUME (Overall)						5,850.1

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