WEEKLY MONEY REVIEW

MIDF Strategy 24 November 2025

Week Ended 21 November 2025

- The UST benchmark 10-year yield retreated last week to close at 4.06% (prior week: 4.19%) after a US Fed President remarked the central bank could cut again in December. The 10y-3y yield spread expanded (yield curve steepened) to +56bp (prior week: +54bp) as the short-end outperformed due to its greater sensitivity to policy rate action. At week close, the interest rate futures market expects -25bp rate cut (prior week: no cut) in December this year.
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.33% (prior week: 2.39%). 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 resumption (after a 9-month hiatus) of series of Fed rate cuts.
- The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields shed -3.0bp and -0.6bp to close at 3.00% and 3.43% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +43bp (prior week: +40bp) 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 -RM23.4b. It declined week-on-week from -RM22.7b registered a week ago. Moreover, it declined year-on-year from +RM1.8b a year ago.

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24 November 2025 | Strategy

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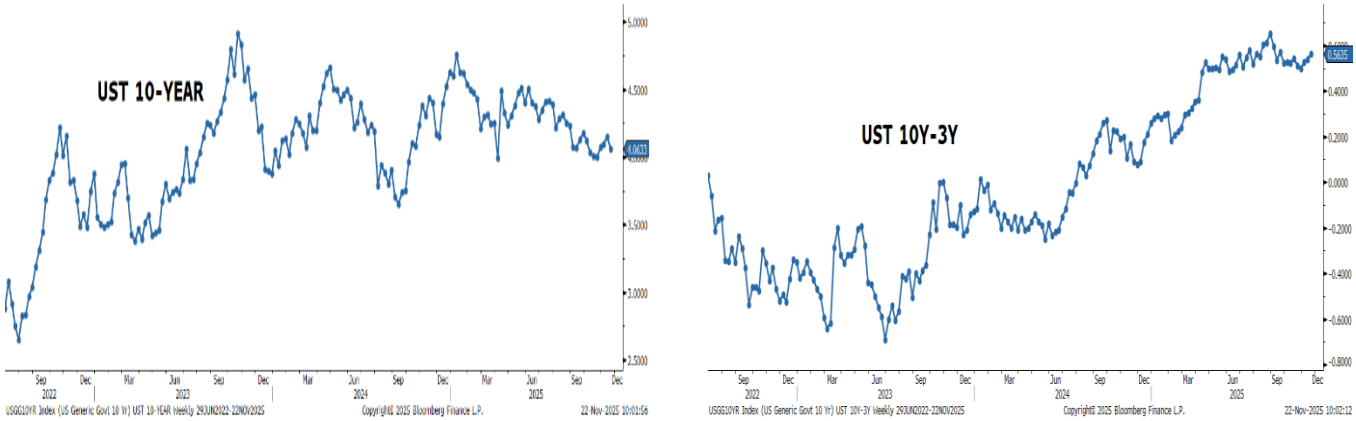
WEEKLY MONEY REVIEW

A. FIXED INCOME

- The UST benchmark 10-year yield retreated last week to close at 4.06% (prior week: 4.19%) after a US Fed President remarked the central bank could cut again in December. The 10y-3y yield spread expanded (yield curve steepened) to +56bp (prior week: +54bp) as the short-end outperformed due to its greater sensitivity to policy rate action. At week close, the interest rate futures market expects -25bp rate cut (prior week: no cut) in December this year.



Source: Bloomberg, MBSBR (G8, G9)

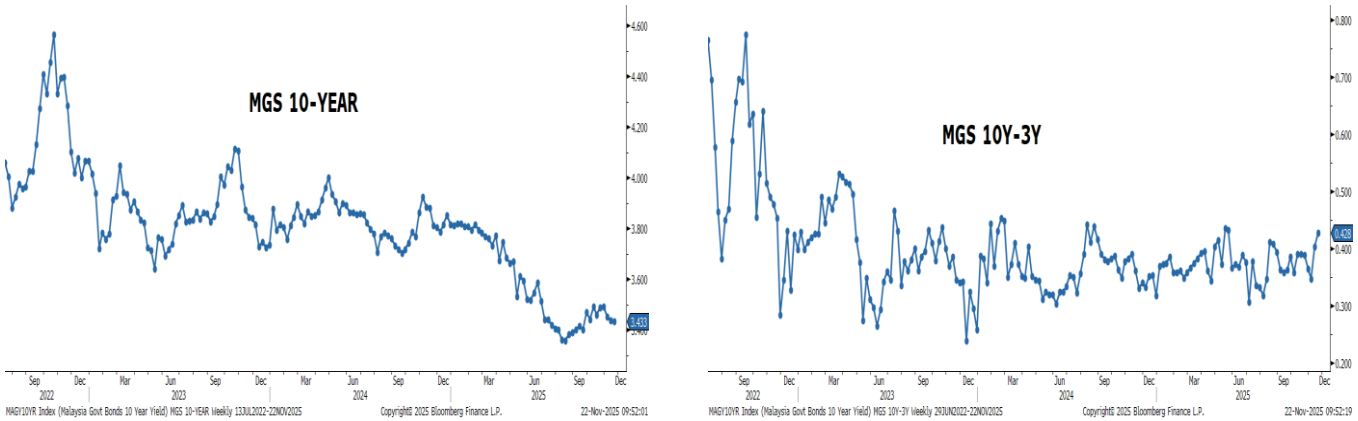
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.33% (prior week: 2.39%). While the MTIE has remained above the US Fed target level of 2.00% since September last year, we nonetheless believe the market is sanguine that the underlying price pressure is easing as attested by the resumption (after a 9-month hiatus) of series 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 shed -3.0bp and -0.6bp to close at 3.00% and 3.43% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +43bp (prior week: +40bp) as the short-end outperformed.

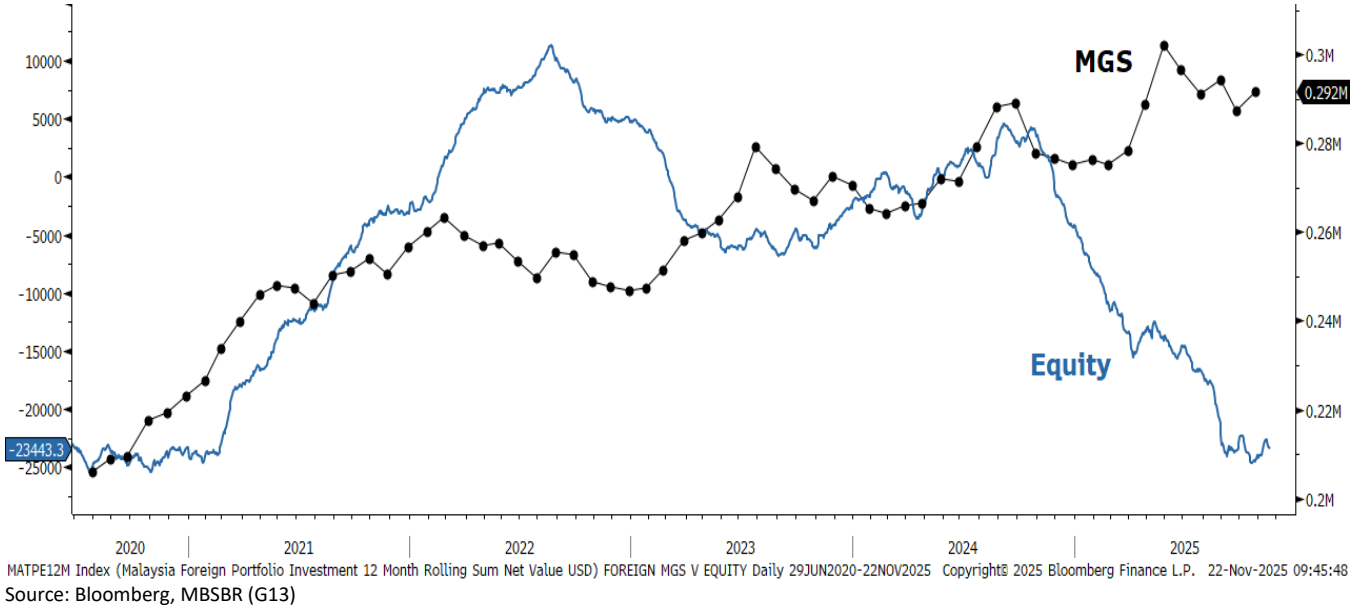


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) declined to RM31.0b in the review week compared to RM45.6b 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: 61%) of the overall Government Bonds trade. Moreover, 5 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 3.906% 7/15/26 at RM6.0b, MII 3.726% 3/31/26 at RM4.2b, and MII 3.599% 7/31/28 at RM1.5b.

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 -RM23.4b. It declined week-on-week from -RM22.7b registered a week ago. Moreover, it declined year-on-year from +RM1.8b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) declined to RM4.3b in the review week compared to RM5.8b 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 short and mid residual tenor. The top 3 most actively traded were Danainfra Nasional 4.48% 10/20/31 at RM210m, Malaysia Rail Link 0% 12/12/25 at RM150m, and Merc Benz SVC Malaysia 3.91% 3/24/28 at RM120m.

B. FOREIGN EXCHANGE

- USD appreciated and closed at 27-week high. The US dollar appreciated against major currencies last week as the DXY dollar index rose by +0.9%wow to 100.18, closing at the strongest level since middle of May-25. The strength in dollar was supported by reduced expectations for another rate cut by the Fed in Dec-25 following stronger-than-expected job growth data in Sep-25. The FOMC minutes also suggest diverging views among FOMC participants, with some members calling for a pause before carrying out additional rate cuts. We anticipate market sentiment will continue to be influenced by the changing expectations on the Fed's future policy direction. The continued resilience in the US economy and the job market would be delayed for further ease by the Fed. While the policy easing shall lead to the dollar weakening further, the resulting capital flows could result in stronger demand for other major currencies and even EM currencies. Nevertheless, uncertainties affecting the global growth and international trade outlook could support renewed demand for safe-haven assets such as the euro and gold.

- EUR and GBP weakened. Both euro and pound sterling weakened last week, depreciating by -0.9%wow to USD1.151 and -0.5%wow to USD1.310, respectively. The reduced pressures for the ECB and BOP to ease further would have been positive for euro and pound sterling, however the depreciation last week was attributable to the renewed demand for US dollar.

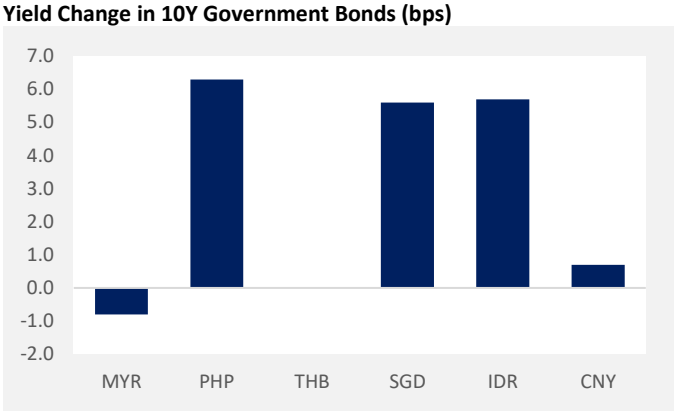
- Ringgit also weakened amid dollar strength. Malaysian ringgit depreciated by -0.4%wow and ended at RM4.148 last week, still around the strongest weekly closing in 14 months. The ringgit was traded between RM4.14 and RM4.16 but ended the week below RM4.15 on the back of positive fundamentals. In addition to the decline in crude oil prices, with Brent falling by -2.8%wow to USD62.56pb, the depreciation in ringgit was mainly explained by the strength in US dollar as market priced in lower chances for another rate cut by the Fed in Dec-25. As the ringgit depreciation was not as significant as other currencies, the ringgit continued to strengthen against the currencies of Malaysia's major trading partners, with our MBSB Trade-Weighted Ringgit Index (TWRI) rising by +0.1%wow to 97.22, mainly appreciating against Japanese yen (+1.2%wow), Australian dollar (+0.7%wow), Taiwan dollar (+0.7%wow), and Korean won (+0.7%wow). On a separate note, foreign holdings of both government and corporate bonds increased further by +RM4.2b between 10th to 17th November 2025. While the positive fundamentals and capital inflows would support ringgit to appreciate further, we expect ringgit exchange rate to be stable this week and likely to end around RM4.13-4.16 per dollar.

Currencies Changes (Week Ended 21 Nov 2025) and Quarterly Forecasts

	Close 21/11	Prev. Close 14/11	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	100.18	99.30	+0.881	+0.9	104.0	98.00	97.00	95.00
EURUSD	1.151	1.162	-0.011	-0.9	1.04	1.05	1.07	1.09
GBPUSD	1.310	1.317	+0.001	-0.5	1.26	1.28	1.30	1.32
USDJPY	156.4	154.6	-1.860	-1.2	150.00	147.80	146.70	143.94
USDMYR	4.148	4.133	-0.015	-0.4	4.43	4.28	4.21	4.09
GBPMYR	5.417	5.437	+0.020	+0.4	5.54	5.52	5.44	5.28
JPYMYR	2.652	2.674	+0.021	+0.8	2.93	2.93	2.88	2.83
MBSB TWRI	97.22	97.12	+0.102	+0.1	92.00	93.50	94.10	95.00

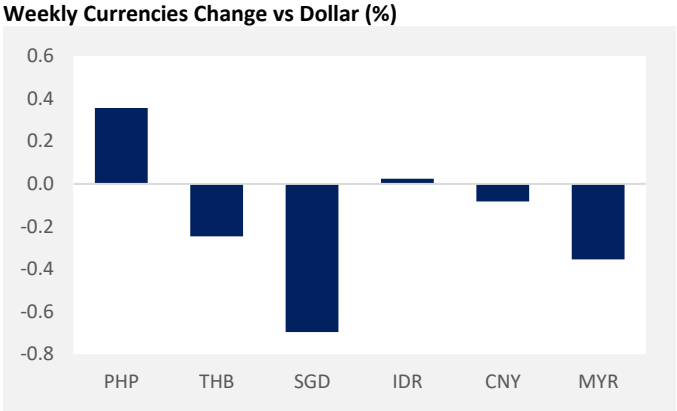
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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	2.65	2.40	2.40	2.15	2.15	2.15	2.15	2.15	2.15
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:
  - Reduced concerns on the US job market:
    - Non-farm payrolls rebounded to +119K in Sep-25 (Aug-25: -4K), the strongest job growth in 5 months. The number far exceeded market expectations of +50K due to stronger hirings in healthcare, food services & drinking places, and social assistance.
    - The US unemployment rate, however, rose further to 4.4% in Sep-25 (Aug-25: 4.3%), against market forecast for the rate to remain at 4.3%. The latest reading is the highest since Oct-21.
    - Jobless claims remained stable. The initial jobless claims fell to 220K for the week ended 15th November 2025 (previous: 228K). Initial claims have been hovering around 220K-230K since middle of Sep-25, easing from 264K in early Sep-25.
  - Consumer sentiment weakened in Nov-25. The University of Michigan's Consumer Sentiment Index fell to 51.0 in Nov-25 (Oct-25: 53.6), not as low as 50.5 in the preliminary reading. Assessment of the future economic outlook and 12-month inflation expectations was not as pessimistic as indicated at the early part of the month.
  - Stronger business activities in Nov-25. The flash reading of the US S&P Global Composite PMI rose to 54.8 (Oct-25: 54.6), reflecting the stronger growth in the services sector, as shown by rise in the US S&P Global Services PMI to 55.0 (Oct-25: 54.8) due to stronger new orders amid elevated inflation levels. In contrast, manufacturing activities grew slower as the US S&P Global manufacturing PMI fell to 51.9 (Oct-52.5) due to slower expansion in output and new orders.
  - The FOMC minutes reinforced expectations for a pause in Dec-25. Although the committee approved for rate cut in Oct-25, they were divided over threats from weaker job market or persistent inflation. The FOMC members also expressed "differing views" over the need for further rate cut at the next meeting in Dec-25.

- On monetary policy decision last week:
  - On 20th November, Bank Indonesia kept its policy rate unchanged at 4.25%, in line with market expectations and intended to support the rupiah exchange rate. The decision also reflects the central bank's confidence that inflation will remain within the bank's target inflation range of +1.5% to +3.5% for 2025-2026.

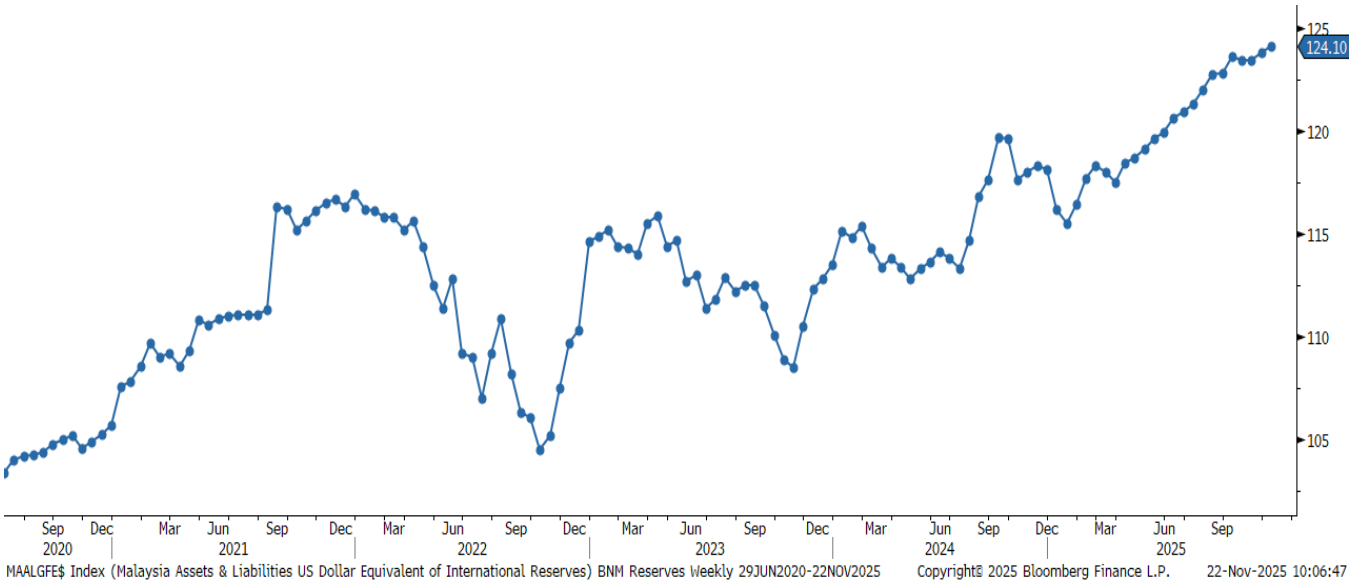
- Effective 21st November, South African Reserve Bank (SARB) reduced its benchmark interest rate by -25bps to 6.75%. The decision was unanimous as inflation is expected to moderate further.

- Malaysia's economic update last week:
  - External trade performed better than expected in Oct-25. Malaysia's total external trade grew faster at +13.6%yoy in Oct-25 (Sep-25: +10%yoy), with both exports and imports growing faster than expected by +15.7%yoy (Sep-25: +12.5%yoy) and +11.2%yoy (Sep-25: +7.2%yoy), respectively. Higher exports were driven by increased shipments of E&E products, palm oil & palm oil-based products, optical & scientific equipment, manufactures of metal, and crude petroleum.
  - Headline inflation moderated in Oct-25. Malaysia's headline CPI inflation eased to +1.3%yoy (Sep-25: +1.5%yoy), still within our expectations but lower than market consensus of +1.5%yoy. The easing inflation was due to slower food inflation (+1.4%yoy; Sep-25: +2.0%yoy), in contrast to non-food inflation which remained at +1.2%yoy. Core CPI inflation, however, accelerated further to +2.2%yoy, the fastest since Nov-23.

C. BNM INTERNATIONAL RESERVES

- As of 14 November 2025, compared to previous fortnight, Bank Negara Malaysia's international reserves were higher at USD124.1b (31 October 2025: USD123.8b).

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	14-Nov Fri	17-Nov Mon	18-Nov Tue	19-Nov Wed	20-Nov Thu	21-Nov Fri	Change (WoW bp)
MGS							
3-Y	3.035	3.034	3.042	3.02	3.019	3.005	-3
5-Y	3.216	3.217	3.239	3.227	3.22	3.225	0.9
7-Y	3.417	3.429	3.456	3.449	3.444	3.437	2
10-Y	3.439	3.457	3.439	3.433	3.426	3.433	-0.6
20-Y	3.864	3.863	3.866	3.858	3.866	3.85	-1.4
RINGGIT IRS							
1-Y	3.22	3.215	3.215	3.2	3.21	3.2035	-1.65
3-Y	3.22	3.226	3.222	3.22	3.22	3.214	-0.6
5-Y	3.315	3.31	3.305	3.2895	3.285	3.284	-3.1
7-Y	3.375	3.382	3.38	3.365	3.36	3.359	-1.6
10-Y	3.51	3.52	3.515	3.5	3.495	3.495	-1.5
KLIBOR							
1-M	3	3	3	3	3	3	0
3-M	3.22	3.22	3.22	3.23	3.23	3.23	1
UST							
3-Y	3.611	3.611	3.5666	3.5861	3.5249	3.4997	-11.13
5-Y	3.731	3.7275	3.6839	3.7083	3.6455	3.6211	-10.99
7-Y	3.918	3.9103	3.8713	3.8999	3.8402	3.8143	-10.37
10-Y	4.1483	4.1386	4.1134	4.1367	4.0845	4.0633	-8.5
30-Y	4.7478	4.7358	4.7328	4.7557	4.7229	4.712	-3.58

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	14-Nov Yield	21-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.906	07/15/26	2.795	2.788	-0.7	6,007.4
MALAYSIA INVESTMNT ISSUE	3.726	03/31/26	2.827	2.866	3.9	4,209.0
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.104	3.104	0.0	1,539.7
MALAYSIA GOVERNMENT	3.899	11/16/27	2.953	2.902	-5.1	1,314.5
MALAYSIA GOVERNMENT	3.519	04/20/28	3.035	3.005	-3.0	1,303.1
MALAYSIA GOVERNMENT	3.502	05/31/27	2.924	2.876	-4.8	1,294.8
MALAYSIA GOVERNMENT	3.582	07/15/32	3.417	3.437	2.0	1,268.4
MALAYSIA INVESTMNT ISSUE	3.612	04/30/35	3.514	3.511	-0.3	965.0
MALAYSIA INVESTMNT ISSUE	3.635	08/30/30	3.225	3.246	2.1	950.7
MALAYSIA GOVERNMENT	3.9	11/30/26	2.801	2.841	4.0	846.8
TOTAL VOLUME (TOP 10)						19,699.4
TOTAL VOLUME (Overall)						30,978.6

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	14-Nov Yield	21-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
DANAINFRA NASIONAL	4.48	10/20/31	N/A	3.497	N/A	210.0
MALAYSIA RAIL LINK	ZERO	12/12/25	3.028	3.045	1.7	150.0
MERC BENZ SVC MALAYSIA	3.91	03/24/28	3.583	3.565	-1.8	120.0
YTL POWER INTERNATIONAL	4.21	03/20/40	3.888	3.869	-1.9	110.0
KHAZANAH NASIONAL BHD	ZERO	10/12/27	N/A	3.177	N/A	100.0
TENAGA NASIONAL BERHAD	5.57	06/28/47	4.039	4.059	2.0	100.0
CAGAMAS BERHAD	4.23	10/25/30	N/A	3.549	N/A	100.0
BENIH RESTU BHD	4.08	07/28/34	3.798	3.799	0.1	100.0
CAGAMAS BERHAD	3.89	11/02/29	N/A	3.499	N/A	100.0
UEM OLIVE CAPITAL BHD	4.03	10/20/34	3.749	3.769	2.0	90.0
TOTAL VOLUME (TOP 10)						1,180.0
TOTAL VOLUME (Overall)						4,264.1

Source: Bloomberg

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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