Leading Index Signals Softer but Still Resilient Growth Outlook

Monthly Economic Review
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Economic Review

- Malaysia's economic momentum is expected to expansion at a marginally faster pace, reflected in the tick up in leading index (LI) growth by +0.6%yoy in Jan-26 (Dec-25: +0.1%yoy). The improved momentum was attributable to the stronger performance in industry-related indexes
- Malaysia's total trade continued to expand though at a softer pace by +9.5%yoy in Feb-26 (Jan-26: +12.6%yoy). Exports remained resilient with a double-digit growth of +10.8%yoy (Jan-26: +19.6%yoy), while imports rose by +8.2%yoy (Jan-26: +5.3%yoy). Exports' resilience was supported by sustained growth in re-exports (+24.8%yoy; Jan-26: +51.5%yoy) and domestic exports (+7.7%yoy; Jan-26: +11.3%yoy).
- Malaysia's IPI growth accelerated to +5.9%yoy in Jan-26 (Dec-25: +4.8%yoy), in line with the surge in exports. Labour market remained robust in Jan-26, with the unemployment unchanged at decade-low of 2.9%. Meanwhile, distributive trade growth rose at a steady pace of +7.3%yoy in Jan-26 (Dec-25: +7.6%yoy), with retail trade remaining resilient albeit expanding at a slightly softer pace of +6.1%yoy (Dec-25: +6.9%yoy).
- BNM left the Overnight Policy Rate (OPR) unchanged at 2.75% in its Mar-26 Monetary Policy Meeting as the current rate remains appropriate and supportive of economic growth. BNM also warned about heightened uncertainties stemming from Middle Eastern tensions, noting that the extent of the fallout is contingent on how long the tensions would persist.
- We adjust our 2026 GDP growth forecast to lower to +4.2% from +4.6% previously. We expect some moderation in private consumption growth taking into account higher inflation as a result of the energy price shocks, triggered by escalating geopolitical conflicts in the Middle East. Domestic spending will continue to anchor Malaysia's economic growth, and exports will be supported by growing demand technology products and commodities. Apart from higher inflation, growth outlook may be constrained by weaker external demand and the potential expansion of tariffs on wider semiconductor products.

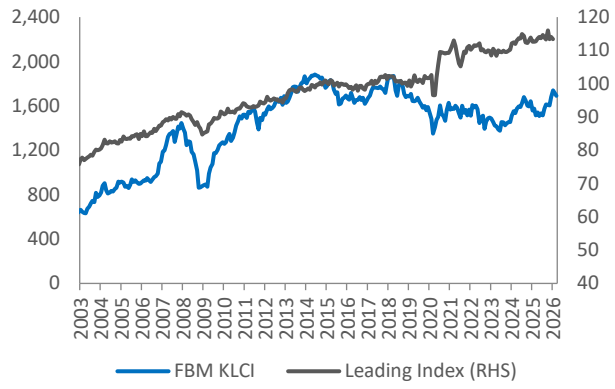
Leading indices suggest firmed growth prospects

Malaysia's economic momentum is expected to expansion at a marginally faster pace, reflected in the tick up in leading index (LI) growth by +0.6%yoy in Jan-26 (Dec-25: +0.1%yoy). The momentum was attributable to the stronger performance in industry-related indexes, including Real Imports of Semi-Conductors (+17.5%yoy) and the Real Imports of Other Basic Precious & Other Non-ferrous Metals (+5.7%yoy).

On a monthly basis, the leading index fell by -0.6%mom (Dec-25: +0.5%mom). This contraction was driven by a -0.4%mom decline in the Real Money Supply (M1) and a -0.2%mom slip in the Bursa Malaysia Industrial Index. This downturn signals heightened caution among market participants regarding short-term economic prospects.

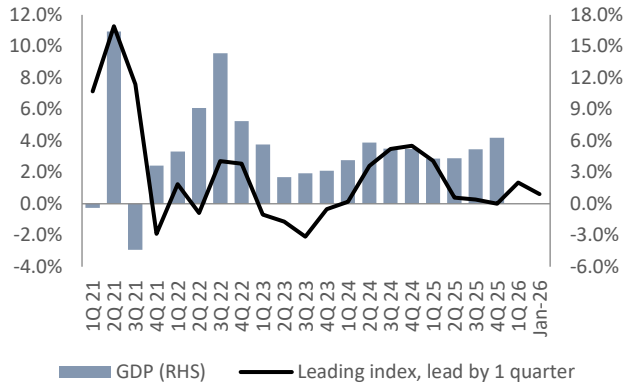
On the other hand, the coincident index (CI), surged by +5.0%yoy in Jan-26 (Dec-25: +2.4%yoy), driven by double-digit growth in Capacity Utilisation in Manufacturing (+21.1%yoy) and the Real Contribution of the EPF (+18.4%yoy). Likewise, on a monthly basis, the CI rose by +0.9%mom (Nov-25: +0.3%mom). The smoothed long-term trend shows that the LI remained below the 100.0-point threshold in Jan-26, signalling a softer but still resilient growth outlook.

Chart 1: Leading Index vs KLCI (Points)



Source: Macrobond, MBSBR

Chart 2: Leading Index vs GDP (YoY%)



Source: Macrobond, MBSBR

Malaysia's total trade softened but growth momentum remains intact

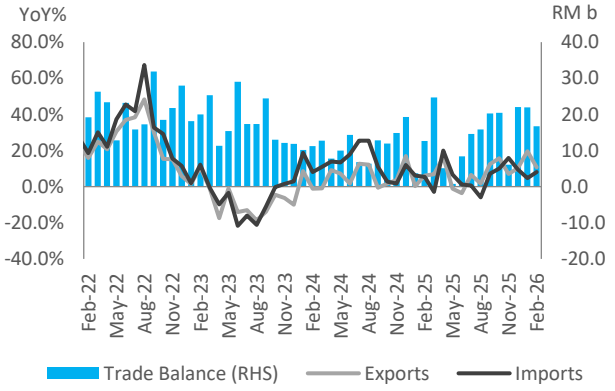
Malaysia's total trade continued to expand though at a softer pace by +9.5%yoy in Feb-26 (Jan-26: +12.6%yoy). Exports remained resilient with a double-digit growth of +10.8%yoy (Jan-26: +19.6%yoy), while imports rose by +8.2%yoy (Jan-26: +5.3%yoy). Exports' resilience was supported by sustained growth in re-exports (+24.8%yoy; Jan-26: +51.5%yoy) and domestic exports (+7.7%yoy; Jan-26: +11.3%yoy).

On the front sector, outbound shipments continued to increase for E&E products, optical & scientific equipment, and metalliferous ores & metal scrap. Destination-wise, external demand strengthened in China, US, Taiwan and EU. For 2MCY26 all components improved, including total trade (+11.0%yoy; 2MCY25: +4.4%yoy), exports (+15.2%yoy; 2MCY25: +3.1%yoy), and imports (+6.4%; 2MCY25: +5.9%yoy).

On balance, Malaysia's trade surplus narrowed further to +RM16.7b (Jan-26: +RM22b) mainly due to the relatively larger decline in export value. The surplus, however, is higher than +RM12.6b recorded in Feb-25.

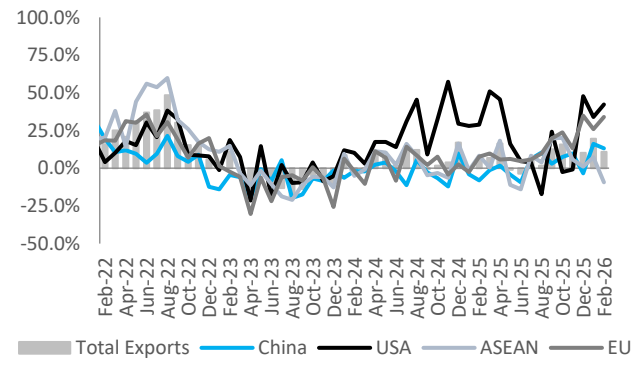
We expect trade to moderate (exports: +4.5%; imports: +5.0%), where potential upside from E&E front-loading and the tech upcycle is balanced by downside risks from broad-based tariffs, Middle East tensions, and labor & capacity scrutiny.

Chart 3: Exports & Imports (YoY%) vs Trade Balance (RM b)



Source: Macrobond, MBSBR

Chart 4: Exports Growth by Major Destination (YoY%)



Source: Macrobond, MBSBR

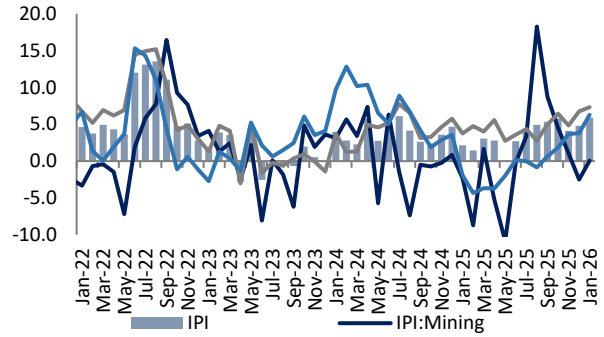
IPI grew faster driven by broad based expansion

Malaysia's IPI growth accelerated to +5.9%yoy in Jan-26 (Dec-25: +4.8%yoy), in line with the surge in exports (+19.6%yoy) and exceeded our estimate (+5.2) and market expectations (+5.4%). This was supported by broad based expansion in all major sectors, including manufacturing (+7.3%yoy), mining (+0.1%yoy), and electricity (+6.3%yoy).

Sales of manufactured goods rose by +7.1%yoy in Jan-26 (Dec-25: +6.4%yoy), recording RM169.4b. On a monthly basis, the seasonally adjusted sales value increased by +2.9%mom, reversing the -0.5%mom contraction in the previous month. The performance was spearheaded by the E&E products sub-sector at +15.6%yoy (Dec-25: +12.6%yoy).

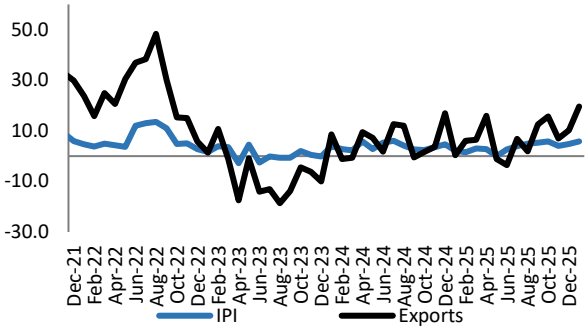
We maintain our forecast that IPI growth will moderate to +3.0% this year (2025: +3.4%). The high base effect from front-loading activities last year will result in a more moderate expansion. The stronger IPI reading in Jan-26 highlights that robust external demand continued into early 2026. However, the near-term outlook for global trade and manufacturing activities would be affected by the escalating tensions in the Middle East

Chart 5: IPI Performances by Sector (YoY%)



Source: Macrobond, MBSBR

Chart 6: IPI vs Exports (YoY%)



Source: Macrobond, MBSBR

Malaysia's labour market remained robust in Jan-26, with the unemployment rate unchanged at 2.9%. The jobless rate continued to be below 3.0% for the third straight month and still the lowest level in a decade. Employment growth moderated to +0.5%yoy (Dec-26: +3.0%yoy) but slower expansion in labour force (+0.4%yoy; Dec-25: +2.8%yoy) helped to maintain the unemployment rate stable.

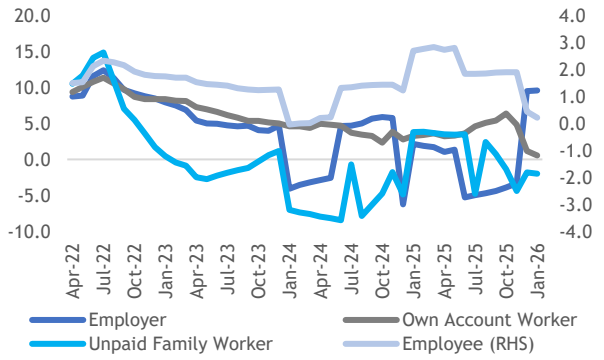
Unemployment rate unchanged at 2.9% despite slower employment growth

The number of unemployed people was slightly higher at 510K (Dec-26: 508K). Meanwhile, the youth unemployment rate (aged 15-24) stood at 10.2%; slightly lower than 10.3% in the previous month

Labour demand was lower in Feb-26, with job vacancies falling by -28K to 96.5K (Jan-26: +125.0K), marking the lowest reading since Dec-23. By sector, services sector vacancies decreased by -21K to 58.6K (Jan-26: 79.6K)

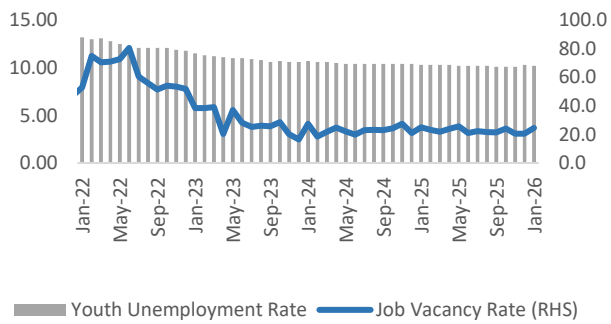
Looking into 2026, we continue to expect that the unemployment rate will average around 3.0% (2025: 3.0%), on the back of the steady employment growth and sustained opportunities, especially in the domestic-oriented services sector, which continues to benefit from resilient household spending.

Chart 7: Labour Market Performances (YoY%)



Source: Macrobond, MBSBR

Chart 8: Youth Jobless Rate vs. Job Vacancies Rate (%)



Source: Macrobond, MBSBR

Resilient retail spending, but Middle East tensions may dampen sentiment

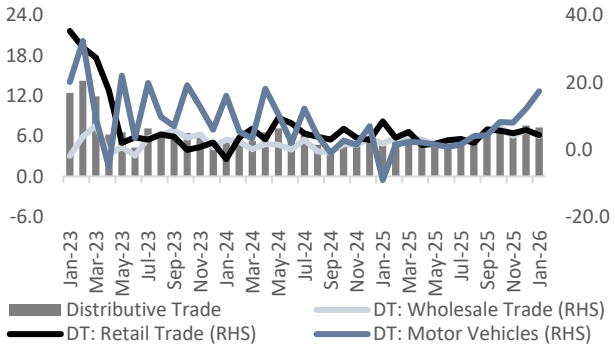
Malaysia's distributive trade growth rose at a steady pace of +7.3%yoy in Jan-26 (Dec-25: +7.6%yoy), with resilient expansion across all major segments, including motor vehicles (+17.3%yoy; Dec-25: +12.2%yoy), retail trade (+6.1%yoy; Dec-25: +6.9%yoy), and wholesale trade (+6.0%yoy ;Dec-25: +6.9%yoy).

Retail trade remains resilient, though expanding at a slightly softer pace of +6.1%yoy (Dec-25: +6.9%yoy), within our expectations, with steady expansion recorded in retail trade not conducted in stores, stalls, or markets (+9.0%yoy), non-specialised stores (+7.9%yoy), and retail sale of automotive fuel in specialised stores (+7.0%yoy).

In 2025, Malaysia recorded 42.2m visitors, marking a +11.2% year-on-year increase (2024: +31.1%; 38.0m). Tourist arrivals, which represent 63.1% of all foreign visitors, grew by +6.4% to reach 26.6m (2024: +24.0%; 25.0m). Despite this moderation in growth, arrivals have now surpassed the pre-pandemic peak of 26.1m recorded in 2019, signaling a return to a normalized trend.

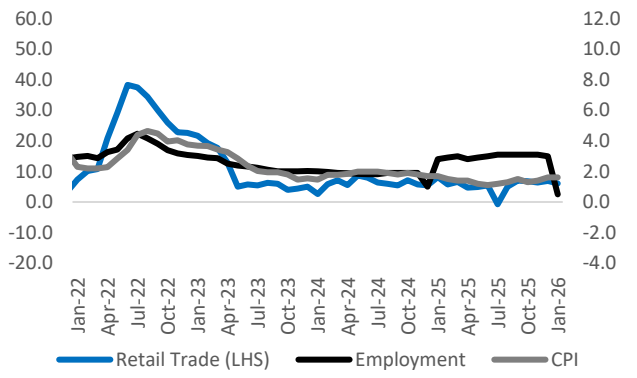
We expect retail sales to remain resilient at +6.0%, bolstered by festive spending, civil service salary hikes (SSPA Phase 2), and cash transfers (STR), though growth could be tempered by energy-driven inflation and geopolitical risks.

Chart 9: Distributive Trade (DT) Growth (YoY%)



Source: Macrobond, MBSBR

Chart 10: Retail Trade vs. CPI Inflation vs. Employment (YoY%)



Source: Macrobond, MBSBR

Headline inflation eased to +1.4%yoy

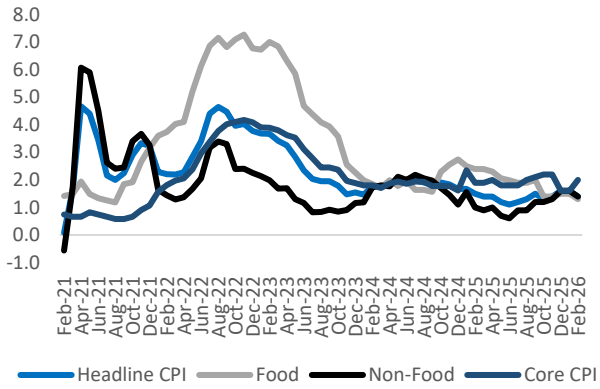
Malaysia's headline CPI inflation eased to +1.4%yoy in Feb-26, slightly below our estimate and market consensus of +1.5%yoy. Inflation moderated slightly after a few months of stabilising at +1.6%yoy, signaling easing price pressures in Feb-26 attributable to the weaker inflation for food & beverages and non-food components

Core inflation also eased lower last month to +2.0%yoy in Feb-26 (Jan-26: +2.3%yoy), which indicates an easing of the underlying price pressure. On a monthly basis, core CPI only increased by +0.1%mom (Jan-26: +0.4%mom), easing from the fastest reading in one year recorded in the previous month.

Looking ahead, oil prices exceeding USD100/pb heighten inflationary risks through rising input and consumer costs. While the government remains committed to stable RON95 prices, potential quota adjustments leave room for upside pressure. However, while supply-side risks loom, the moderate readings of recent months suggest that demand-side pressures remain well-contained.

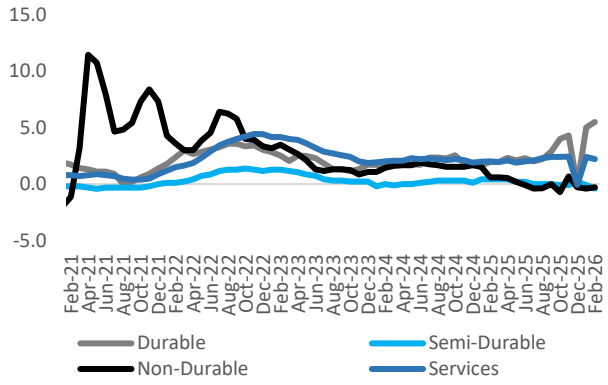
We assume the renewed rise in cost pressures and gradual buildup in demand pressures would push inflation higher than we previously expected; therefore, we revise our inflation forecast for the year to +2.0% (previous forecast: +1.8%).

Chart 11: Headline vs. Core CPI (YoY%)



Source: Macrobond, MBSBR

Chart 12: CPI by Type of Product (YoY%)



Source: Macrobond, MBSBR

Producer price deflation eased faster

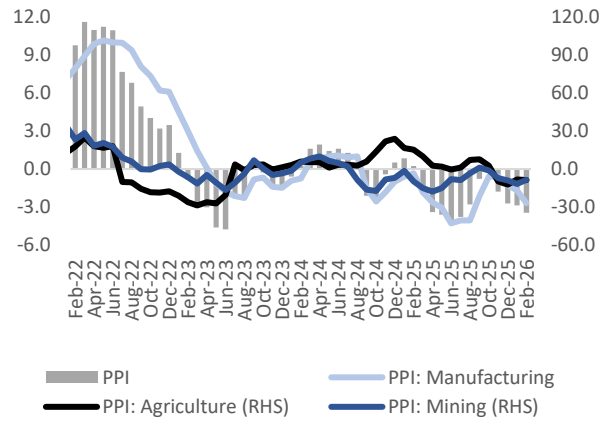
Malaysia's producer prices contracted at an accelerated pace of -3.4%yoy in Feb-26 (Jan-26: -2.9%yoy), marking the steepest decline since Aug-25 and extending twelve-month streak of deflation. This largely reflected a sharper deceleration in prices for the manufacturing sector (-2.7%yoy; Jan-26: -1.7%yoy) with contraction in coke & refined petroleum products (-10.6%yoy) and food products (-5.2%yoy).

The deflation in the agriculture, forestry & fishing sector, fell by –8.7%yoy (Jan-26: -8.3%yoy), weighed by the growing of perennial crops index (-15.1%yoy). Conversely, the mining sector posted a slightly slower price decline of -8.5%yoy (Jan-26: -11.7%yoy) with contraction in natural gas (-14.2%yoy) and crude petroleum (-6.4%yoy) extraction.

In contrast, inflation remained elevated for water supply (+11.9%yoy) and electricity and gas (+4.7%yoy). On a monthly basis, producer prices reversed to a contraction of -0.5%mom (Jan-26: +0.1%mom). Prices decelerated for manufacturing (-0.8%mom), water supply (-0.3%mom), and electricity & gas (-0.1%mom)

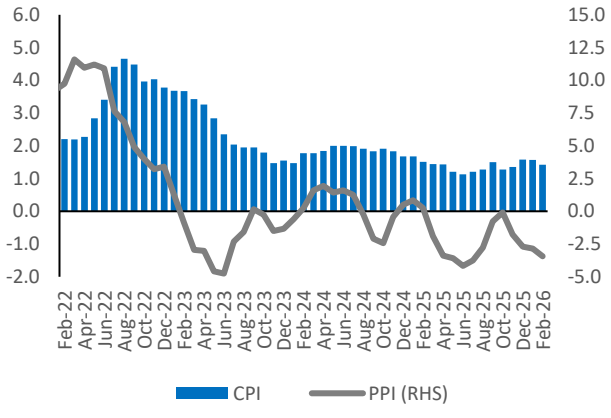
Despite CPI inflation easing to +1.4%yoy in Feb-26 (Jan-26: +1.6%yoy), the spread relative to PPI deflation remained wide. However, cost pressures could grow again due to rising fuel and energy prices, and producers may pass on some cost increases to their consumers.

Chart 13: PPI for Selected Sectors (YoY%)



Source: Macrobond, MBSBR

Chart 14: PPI vs CPI (YoY%)



Source: Macrobond, MBSBR

OPR unchanged as expected

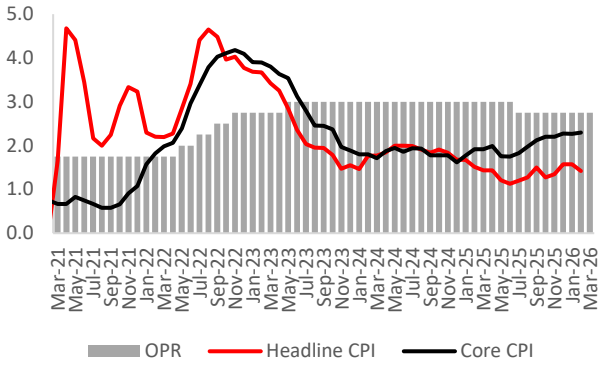
BNM left the Overnight Policy Rate (OPR) unchanged at 2.75% in its Mar-26 Monetary Policy Meeting, in line with our expectations and market consensus. This decision reflects resilient global growth and robust domestic growth.

Despite the still robust assessment of the economy, the policy statement underscored a heightened level of uncertainty stemming from Middle Eastern tensions noting that the extent of the fallout remains contingent on how long these tensions persist.

At the existing rate, the present policy setting is deemed as "appropriate and supportive" of the economy. Overall, the policy statement was largely unchanged from Jan-26 except for added emphasis on risks arising from Middle Eastern developments.

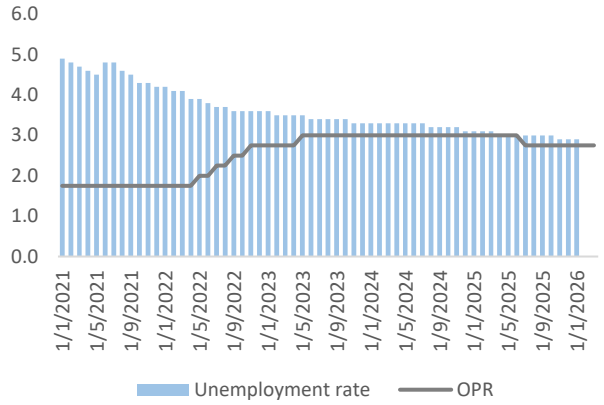
Tone-wise, despite the additional downside risks, BNM maintained a neutral stance, indicating that the domestic growth outlook remains sufficiently resilient to weather these challenges. This reinforces our expectation of an extended OPR pause this year.

Chart 15: Monetary Policy (%) vs Inflation (YoY%)



Source: Macrobond, MBSBR

Chart 16: OPR vs Unemployment Rate (%)



Source: Macrobond, MBSBR

Ringgit weakened and broke above RM4.00 level towards end-of-month

The ringgit depreciated by -3.9%mom in Mar-26, closing the month at RM4.046 (end-Feb-26: RM3.893). In the early part of the month, the ringgit was traded stable within RM3.90–RM4.00, almost throughout the month, until it broke the RM4.00 level at the end month, and weakened further to RM4.046 level.

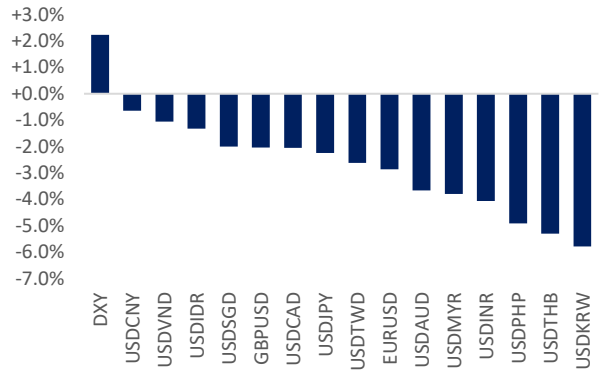
Recent domestic economic indicators continue to reinforce Malaysia's growth trajectory, sustaining a positive outlook for the local market. Conversely, the ringgit has experienced downward pressure due to a resurgence in US dollar, primarily driven by heightened demand for dollar-denominated assets as market expectations pivoted towards a 'higher-for-longer' interest rate environment (i.e. no rate cuts) in the US this year. Some even expect some probability of rate cuts due to higher inflation concerns.

Meanwhile, the DXY dollar index was appreciated last month and broke the 100 level towards the end of the month. Apart from diminished expectations for rate cuts by the Fed, demand for the greenback recovered on the back of heightened geopolitical uncertainty.

Looking ahead, we still expect the ringgit to remain in strengthening trend throughout 2026. This continued appreciation is primarily underpinned by slight narrowing in the differential between Malaysia's OPR and the US fed funds rate, as the FOMC's latest dot plot continued to signal potential one more rate cut. However, our ringgit outlook may be influenced by stronger dollar as market players are now pricing in a no rate cut this year, amid higher oil price shocks and potentially prolonged tensions in the Middle East.

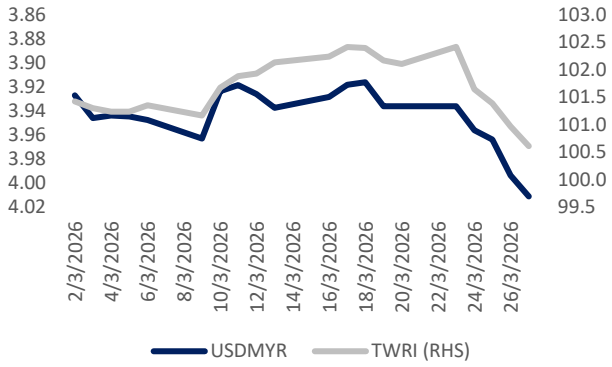
Given that the local currency has been trading relatively stronger than our previous expectations and despite the temporary strength in US dollar recently, we revise our 2026 ringgit forecast to be somewhat stronger, anticipating to average RM3.92 (previous forecast: RM4.00) and end the year towards RM3.85 (previous forecast: RM3.95).

Chart 17: Monthly Changes for Selected Currencies Against US Dollar (%) in Mar-26



Source: Bloomberg, Macrobond, MBSBR

Chart 18: USDMYR vs. US Dollar Index vs. MBSB Trade-Weighted Index Monthly Average in Mar-26



Source: Bloomberg, MBSBR

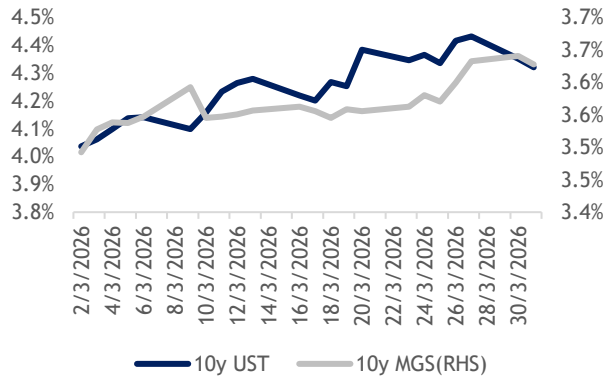
MGS10Y shifted higher tracking the UST market

MGS yields closed generally higher in Mar-26, with the MGS10Y closing the month at 3.63% (end-Feb-26: 3.49%). The yield curve experienced upward pressure throughout the month and closed higher across the yield curve, tracking the changes in US treasury yields, and the MGS curve bear flattened last month.

The MGS10Y yield hovered between the range of 3.500–3.627% last month, while the UST10Y was trading at a wider range of 4.03–4.43%. Similarly, the MGS3Y yield also shifted higher last month, closing at 3.24% (end-Feb-26: 3.02%). Based on the latest available data, foreign holdings of Malaysian bonds declined by -RM2.5b to RM299.2b (Jan-26: RM301.7b), pushing the ratio of foreign holdings of Malaysian bonds lower to 22.5% (Feb-26: 23.7%).

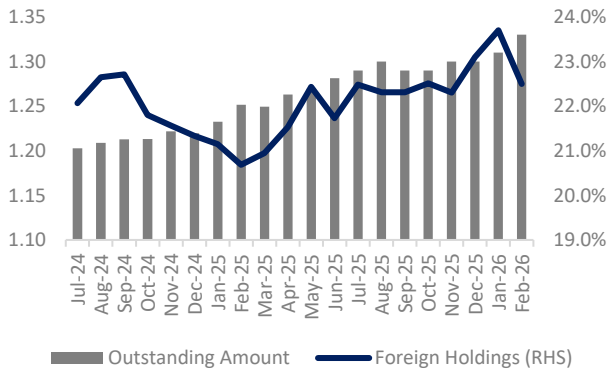
In the first few weeks of the month, we saw foreign funds have been entering Malaysia's capital market via the equity market, but outflows from the domestic debt market, amid the continued appreciation of the ringgit and the narrowing of the interest rate differentials between the OPR and the FFR.

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

Malaysia's 2026 GDP growth adjusted lower to +4.2%

For 2026, we project Malaysia's GDP growth to remain solid albeit moderating to +4.2% (2025: +5.2%). This downward adjustment (from our previous forecast of +4.6%) reflects some softening in private consumption growth to +4.8% (earlier projection: +5.6%), as regional tensions in the Middle East and surge in oil prices will likely push inflation higher and lead to more cautious consumer spending.

Nevertheless, domestic demand will remain a primary growth anchor, bolstered by a healthy labour market, steady wage increases, and a resilient tourism sector, further amplified by Visit Malaysia Year 2026 (VM2026). On the external front, while geopolitical

instability may weigh on net exports, Malaysia's E&E sector is expected to benefit from a sustained tech upcycle, alongside a potential recovery in mining exports (supported by the rise in energy prices and increased energy demand).

However, the outlook remains clouded by global trade volatility and an impending 15% broad-based tariff hike. Furthermore, scrutiny over forced labour allegations and "structural excess capacity" in manufacturing poses a risk; should ongoing probes yield negative findings, retaliatory duties could dampen the industrial outlook. While non-advanced semiconductors are currently exempted from the broad-based tariffs, their inclusion remains under review, which will directly affect the technology sector's outlook.

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

(YoY %) Unless Stated Otherwise	2022	2023	2024	2025	2026F
Real GDP	8.9	3.6	5.1	5.2	4.2
Govt. Consumption	5.1	3.3	4.7	6.6	6.2
Private Consumption	11.3	4.7	5.1	5.2	4.8
Gross Fixed Capital Formation	6.8	5.5	12	9.1	10
Govt. Investment	5.3	8.6	11.1	10.3	8.3
Private Investment	7.2	4.6	12.3	9.4	6.5
Exports of goods & services;	14.5	-7.9	8.3	3.1	3.6
Goods Exports	11.0	-12.5	5.3	1.3	3.2
Services Exports	58.3	32.9	25.5	11.6	5.5
Imports of goods & services;	16	-6.8	8.2	4.6	6.2
Goods Imports	14.4	-10.9	8.9	4.7	6.3
Services Imports	25.7	16.1	5.7	3.7	5.8
Net Exports	-1.5	-22.2	9.2	-19.3	-45.8
Agriculture etc.	1.3	0.7	3.1	2.2	1.0
Mining & Quarrying	3.5	0.5	0.9	0.7	1.5
Manufacturing	8.2	0.7	4.2	4.5	4.2
Construction	5.1	6.1	17.5	12.2	9.0
Services	11.3	5.1	5.3	5.5	4.7
Exports of Goods (f.o.b)	24.9	-8.0	5.7	6.0	4.6
Imports of Goods (c.i.f)	31.0	-6.4	13.2	5.5	5.6
Headline CPI Inflation (%)	3.4	2.5	1.8	1.4	2.0
Current Account, % of GDP	3.2	1.1	1.4	1.6	1.5
Fiscal Balance, % of GDP	-5.6	-5.0	-4.1	-3.8	-3.8
Federal Government Debt, % of GDP	60.1	64.3	64.6	65.3	64.8
Unemployment Rate (%)	3.8	3.4	3.3	3.0	3.0
Brent Crude Oil (Avg), USD per barrel	102	82.2	79.9	68.2	80 - 90
Crude Palm Oil (Avg), MYR per tonne	5,262	3,813	4,194	4,305	4,200
USD/MYR (Avg)	4.4	4.56	4.56	4.28	3.92
USD/MYR (End-period)	4.35	4.59	4.47	4.06	3.85
MGS 10-Yr Yield (Avg)	4.07	3.86	3.83	3.58	3.53
MGS 10-Yr Yield (End-period)	4.04	3.73	3.84	3.53	3.5
Overnight Policy Rate (%)	2.75	3.00	3.00	2.75	2.75

Source: Macrobond, National Sources, MBSBR

MARCH 2026 KEY ECONOMIC EVENTS

2 Mar: Putrajaya projects higher tax revenue in 2026 on wage, corporate earnings growth. Malaysia's tax revenue is projected to increase in 2026, underpinned by steady wage growth, stronger corporate earnings and improved tax compliance.

4 Mar: Gov't Monitoring Middle East Conflict; Minimum Impact To Malaysia's Total Trade. The government is monitoring the current conflict in the Middle East but has assured that there will be minimal impact on Malaysia's total trade, said Deputy Investment, Trade and Industry Minister Sim Tze Tzen.

6 Mar: Malaysia's approved investments hit record high of RM426.7 bil in 2025. Malaysia's total approved investments rose 11% to hit a new all-time high of RM426.7 billion in 2025 amid a jump in foreign inflows.

9 Mar: Govt to do its utmost to keep RON95 at RM1.99 per litre — PM. The government will do its utmost to maintain the price of RON95 at RM1.99 per litre so that it does not burden the people, said Prime Minister Datuk Seri Anwar Ibrahim.

11 Mar: Anwar says country's petroleum product supplies secured until May 2026. Prime Minister Datuk Seri Anwar Ibrahim has assured that the country's petroleum product supplies are secured at least until May 2026.

12 Mar: US Investigates Manufacturing Overcapacity In 15 Economies, Including Malaysia, EU. The United States (US) has initiated investigations into the acts, policies, and practices of 15 economies, including Malaysia and the European Union (EU), under Section 301(b) of the Trade Act of 1974 relating to structural excess capacity and production in manufacturing sectors.

17 Mar: Domestic tourism maintains encouraging growth, records 290.1 million visitors in 2025 — DOSM. The tourism sector has maintained encouraging growth in 2025, with the total number of domestic visitors reaching 290.1 million.

18 Mar: Fed votes to hold rates steady, notes 'uncertain' impacts from Iran war. The Federal Reserve on Wednesday voted to hold its key interest rate steady as policymakers navigate their way through higher-than-expected inflation readings, mixed signs on the labor market – and a war. In a widely expected decision, the FOMC voted 11-1 to keep the fed funds rate between 3.50–3.75%.

25 Mar: Govt To Roll Out Immediate Measures To Safeguard Economy. Prime Minister Datuk Seri Anwar Ibrahim said the government will implement immediate, proactive intervention measures to protect Malaysia's economic resilience and manage rising cost-of-living pressures amid escalating global uncertainties.

27 Mar: BUDI95 Adjustment, A Necessary Measure To Ensure Nation Remains Resilient. The temporary adjustment of Budi MADANI RON95 (BUDI95) Programme announced yesterday was described as a necessary step to ensure the country remains resilient following the uncertainty of the situation in the Middle East which has impacted the global market.

31 Mar: Brent eyes record monthly rise; US crude settles above $100 as Houthis join Iran war. Oil prices closed higher on Monday, with Brent heading for a record monthly rise, while U.S. crude futures settled above $100 a barrel for the first time since 2022 after Yemeni Houthis widened the Iran war by launching their first attacks on Israel. Brent futures settled 21 cents, or 0.2%, at $112.78 a barrel.

2 Mar: National semicon strategy draws RM59.8 bil investments from January 2024 to September 2025. The implementation of Malaysia's National Semiconductor Strategy (NSS) has recorded an inflow of investment for the sector worth RM59.85 billion for the period from January 2024 to September 2025.

5 Mar: Over 60% of Malaysian exporters likely affected by Middle East conflict: Matrade. The Malaysia External Trade Development Corporation (Matrade) said a survey shows over 60% of Malaysian exporters expect to be impacted by the Middle East conflict due to shipment delays and higher shipping and insurance costs.

6 Mar: Economy remains resilient, BNM assessing potential risk from Middle East war. Malaysia's economy remains resilient despite rising global uncertainty arising from the escalating conflict in the Middle East, and Bank Negara Malaysia (BNM) is closely monitoring developments as the situation continues to evolve.

10 Mar: JS-SEZ: Presence Of Semiconductor 'Queen Bee' Expected To Create New Ecosystem. The Johor–Singapore Special Economic Zone (JS-SEZ) is expected to become a catalyst for developing a new ecosystem in the advanced semiconductor manufacturing sector in Johor through the entry of an industry leading company, or a "queen bee," into the state in the near future.

11 Mar: Govt To Form Special Committee to Study Impact Of US-Iran Conflict, National Oil Supply Under Control - PM Anwar. The government will establish a special committee to study the impact of the United States (US)-Iran conflict on the national economy following geopolitical tensions in West Asia.

13 Mar: Govt to cover fuel subsidies expected to reach RM3.2 bil monthly for public welfare — Amir Hamzah. The government will ensure citizens continue to receive assistance through targeted RON95 subsidies under the Budi95 initiative, while keeping petrol and diesel prices unchanged despite the rise in fuel subsidy spending, said Finance Minister II Datuk Seri Amir Hamzah Azizan.

18 Mar: MDEC secures RM87.4 bil digital investments in 2025, driven by AI. The Malaysia Digital Economy Corporation (MDEC) has secured RM87.4 billion in approved digital investments in 2025, largely driven by the rapid growth of artificial intelligence (AI), big data, data centres and cloud services.

19 Mar: Malaysia's macro position is stronger to weather shock compared to pandemic era, says World Bank lead economist. Malaysia's stronger ringgit is helping to ease the impact of rising global import prices, although the country's import cover has declined, compared with pre-Covid 19 pandemic levels, said World Bank lead economist for Malaysia Dr Apurva Sanghi.

26 Mar: Prices of vegetables likely to rise amid drought, conflict in the Middle East. Farmers' associations have warned that vegetable prices in the country are expected to rise due to drought and the war in the Middle East.

31 Mar: BNM sees Malaysia's 2026 growth at 4%–5%, above MOF outlook. Malaysia's economy is forecast to grow between 4% to 5% in 2026, driven by resilient domestic demand and ongoing investment momentum, according to Bank Negara Malaysia (BNM). The forecast range is slightly wider and more optimistic than the MOF's 4.0% to 4.5% projection outlined in Budget 2026.

31 Mar: Malaysia's 'friendly nation' status secures free passage in Strait of Hormuz: Loke. Malaysian vessels have been granted free passage through the Strait of Hormuz as the country is regarded by Iran as a "friendly nation", Transport Minister Anthony Loke Siew Fook confirmed on Tuesday.

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