WEEKLY MONEY REVIEW

MIDF Strategy 13 April 2026

Week Ended 10 April 2026

- The UST benchmark 10-year yield ended lower last week at 4.32% (prior week: 4.34%) in reaction to the announcement of a two-week ceasefire in the Middle East conflict and attendant slump in energy prices. The 10y-3y yield spread expanded (yield curve steepened) to +49bp (prior week: +47bp) as short-end outperformed. At week close, the interest rate futures market implied (as per CME FedWatch aggregated probabilities) 0 rate cut (prior week: 0 cut) in 2026.
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.66% (prior week: 2.67%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Lately, the market has become less dovish as attested by prevailing expectation of no Fed rate cut this year.
- The price of MGS benchmark issues ended the review week higher with the 3-year and 10-year yields shed -1.4bp and -4.7bp to close at 3.23% and 3.59% respectively. The 10y-3y yield narrowed (yield curve flattened) to +36bp (prior week: +40bp) as long-end outperformed.
- MGS foreign holdings increased month-on-month to an all-time high RM305b in March 2026 from RM299b in February 2026. Moreover, it increased year-on-year from RM278b in March 2025. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM8.2b. It increased week-on-week from -RM10.4b registered a week ago. Moreover, it increased year-on-year from -RM15.5b a year ago.

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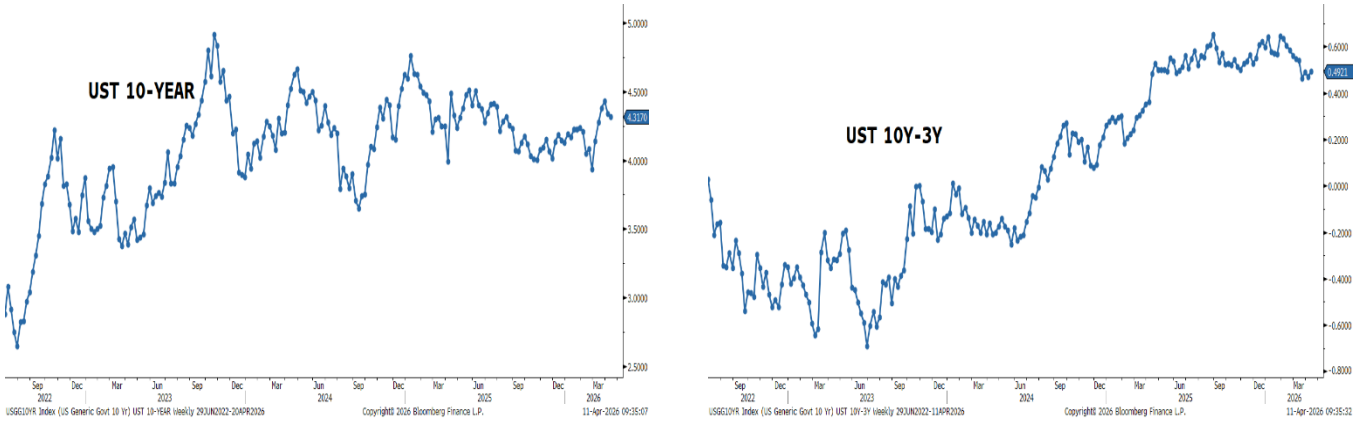
13 April 2026 | **Strategy**

Strategy Team | research@mbsb.com

WEEKLY MONEY REVIEW

A. FIXED INCOME

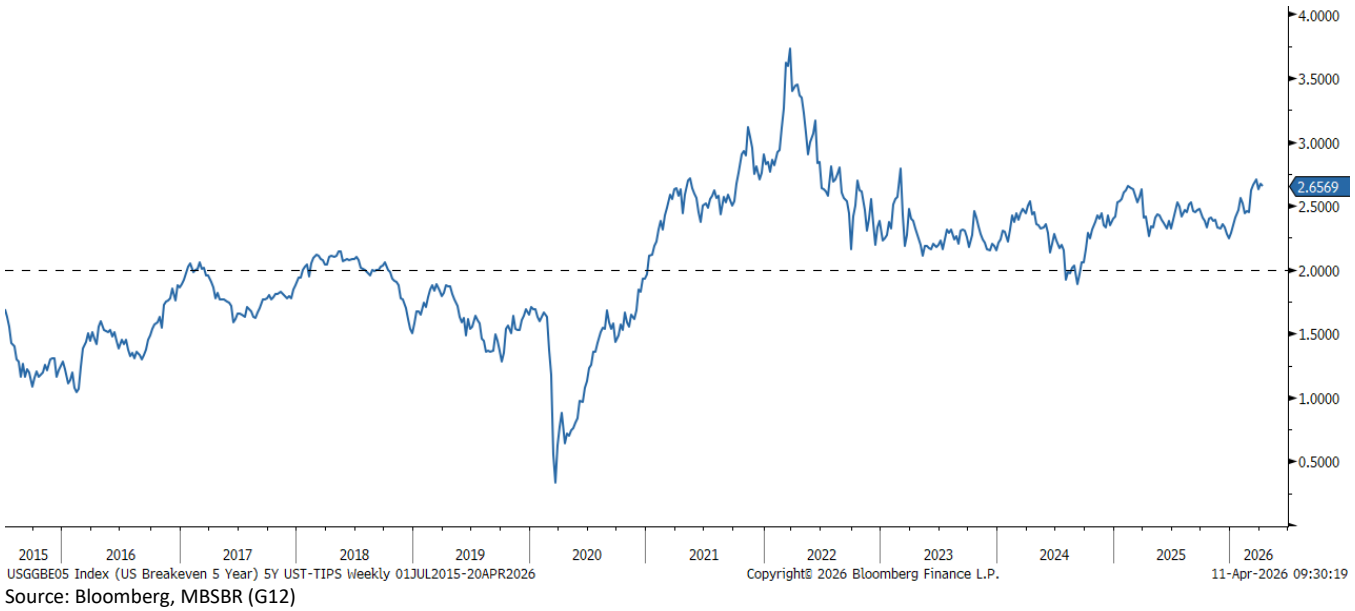
- The UST benchmark 10-year yield ended lower last week at 4.32% (prior week: 4.34%) in reaction to the announcement of a two-week ceasefire in the Middle East conflict and attendant slump in energy prices. The 10y-3y yield spread expanded (yield curve steepened) to +49bp (prior week: +47bp) as short-end outperformed. At week close, the interest rate futures market implied (as per CME FedWatch aggregated probabilities) 0 rate cut (prior week: 0 cut) in 2026.



Source: Bloomberg, MBSBR (G8, G9)

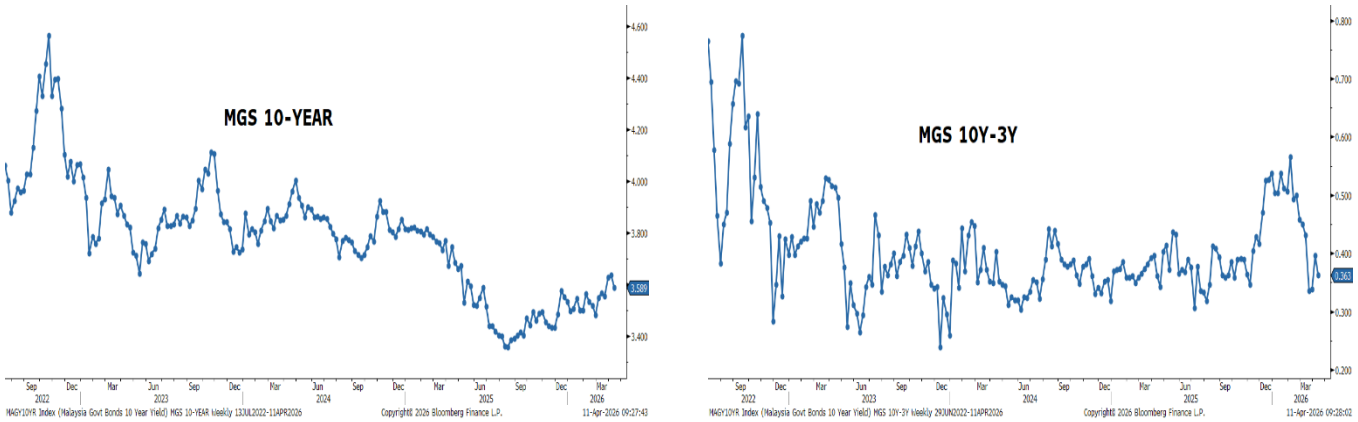
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.66% (prior week: 2.67%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Lately, the market has become less dovish as attested by prevailing expectation of no Fed rate cut this year.

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 -1.4bp and -4.7bp to close at 3.23% and 3.59% respectively. The 10y-3y yield narrowed (yield curve flattened) to +36bp (prior week: +40bp) as long-end outperformed.

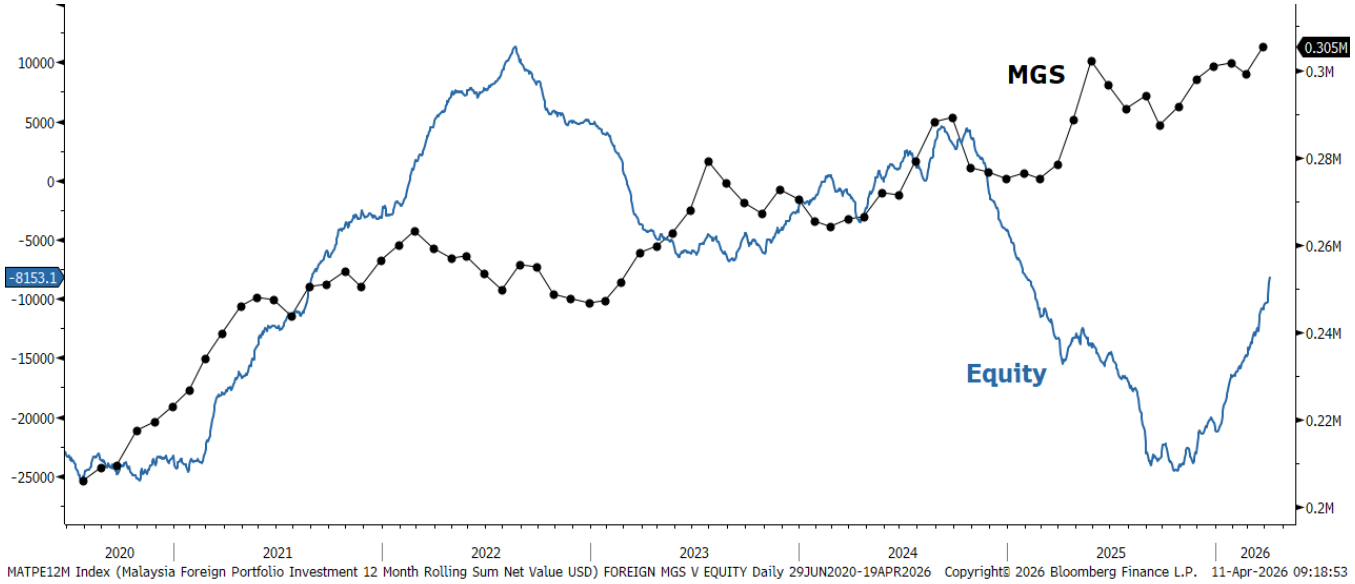


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) declined to RM26.4b in the review week compared to RM28.7b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 60% (prior week: 55%) 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 3.906% 7/15/26 at RM4.3b, MII 4.07% 9/30/26 at RM2.7b, and MGS 3.9% 11/30/26 at RM2.2b.

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



Source: Bloomberg, MBSBR (G13)

- MGS foreign holdings increased month-on-month to an all-time high RM305b in March 2026 from RM299b in February 2026. Moreover, it increased year-on-year from RM278b in March 2025. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM8.2b. It increased week-on-week from -RM10.4b registered a week ago. Moreover, it increased year-on-year from -RM15.5b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) declined to RM3.4b in the review week compared to RM3.9b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 25% (prior week: 35%) 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 Gamuda 4.05% 3/27/31 at RM120m, Malayan Banking 3.85% 8/28/37 at RM110m, and Imtiaz Sukuk II 4.05% 10/2/26 at RM100m.

B. FOREIGN EXCHANGE

- USD depreciated as safe-haven demand eased. The US dollar weakened further against major currencies last week as the DXY dollar index closed -1.4%wow lower at 98.65. The dollar index trailed lower last week, continuing to be below the 100 level throughout the week as safe-haven demand for the dollar eased after the announcement of two-week ceasefire. Despite the release of the higher-than-expected headline CPI inflation which hit the highest level since May-24, sentiment also eased because the core CPI did not see a similar spike. On top of that, the latest FOMC minutes indicated that the Fed policymakers are still assessing the situation and showing a willingness to increase the interest rate. Investors will continue to assess the situation in the Middle East, with the failure to reach a deal following the US-Iran peace talks over the weekend may reignite geopolitical concerns and the US threats to blockade passage through Strait of Hormuz would keep oil prices elevated. On that note, we continue to expect heightened market volatility to drive a flight to safety in the medium term. But reduced confidence in the US assets may cause capital flows to shift away from the US dollar and more towards other traditional safe havens such as gold, the Japanese yen, and the euro.

- EUR and USD strengthened last week. Following the weakening of the US dollar, the euro strengthened by +1.8wow to USD1.172, while the partly driven by easing in the geopolitical tension. Similarly, the pound sterling strengthened by +2.0%wow to USD1.34.

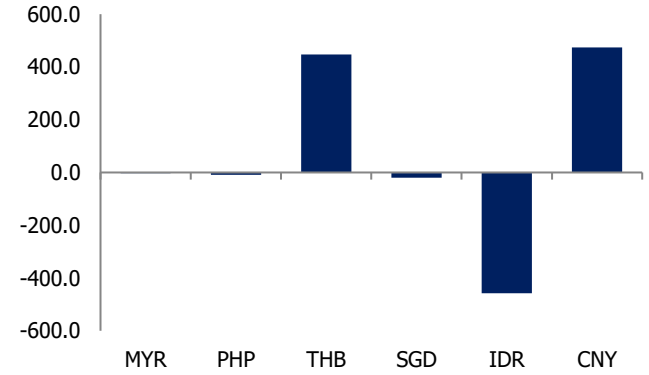
- Ringgit strengthened as the US dollar weakened. The Malaysia ringgit strengthened last week by +1.6%wow to RM3.965, breaching below the RM4.00-mark mid-week after the US announcement of two-week ceasefire. In addition to the weaker demand for US dollars, the appreciation of the ringgit was well supported by robust domestic data releases as the data update last week showed stronger retail sales and easing but sustained growth in industrial production. On a broader picture, the ringgit also strengthened against the currencies of Malaysia's major trading partners, with our MBSB Trade-Weighted Ringgit Index (TWRI) increasing by +1.6%wow to 100.88, mainly appreciating against the Indonesian rupiah (+2.4%wow), United Arab Emirates dirham (+1.7%wow), and the Vietnam dong (+1.6%wow). In a separate release, foreign holdings of both Malaysian government and corporate bonds declined by -RM0.1b between 30 March to 6 April 2026, continuing the minor outflow in the previous week, which led to the outstanding value for the year to decline to RM306.9b (previous week: RM306.7b).

Currencies Changes (Week Ended 10-April-2026) and Quarterly Forecasts

	Close 10/04	Prev. Close 03/04	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	98.65	100.03	-1.378	-1.4	98.5	97.2	96.6	96.0
EURUSD	1.172	1.152	+0.020	+1.8	1.18	1.19	1.2	1.21
GBPUSD	1.346	1.320	+0.026	+2.0	1.34	1.36	1.36	1.36
USDJPY	159.3	159.7	+0.400	+0.3	152.0	150.0	14.08	147
USDMYR	3.965	4.030	+0.065	+1.6	3.96	3.95	3.91	3.87
GBPMYR	5.329	5.334	+0.005	+0.1	5.45	5.43	5.41	5.40
JPYMYR	2.490	2.525	+0.036	+1.4	2.6	2.61	2.62	2.63
MBSB TWRI	100.88	99.90	+0.980	+1.0	98.6	99.73	100.87	102.00

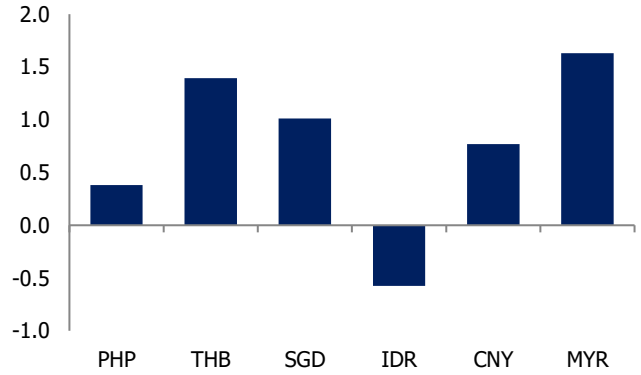
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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 (%)

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-25	Feb-25	Mar-25	Apr-25
Malaysia	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Indonesia	5.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Philippines	5.25	5.00	4.75	4.75	4.50	4.50	4.25	4.25	4.25
Thailand	1.75	1.50	1.50	1.50	1.25	1.25	1.00	1.00	1.00
Vietnam	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
South Korea	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
India	5.50	5.50	5.50	5.50	5.25	5.25	5.25	5.25	5.25
Japan	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
UK	4.25	4.00	4.00	4.00	3.75	3.75	3.75	3.75	3.75
Euro area	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
USA	4.25-4.50	4.00-4.25	3.75-4.00	3.75-4.00	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75

Source: Bloomberg, MBSBR

Key Economic Data Releases Last Week

Economic Indicators	Period	Actual	Previous	Consensus
United States				
ADP Employment Change	Ending 21st Mar	+26.0K	+15.25K	n.a
Initial Jobless Claims	Week ending 4th Apr	219K	203K	212K
US ISM PMI Services	Mar-26	54.0	56.1	55.0
US GDP (yoy)	4Q25	+0.5%	+4.4%	+0.7%
US PCE (yoy)	Feb-26	2.8%	2.8%	2.8%
Inflation rate (yoy)	Mar-26	3.3%	2.4%	3.3%
Core inflation (%)	Mar-26	2.6%	2.5%	2.7%
Monetary Policy Decisions: Benchmark Interest rates				
Reserve Bank of New Zealand	Apr-26	2.25%	2.25%	Unchanged
Reserve Bank of India	Apr-26	5.25%	5.25%	Unchanged
Bank of Korea	Apr-26	2.50%	2.50%	Unchanged
Malaysia				
Retail sales (yoy)	Feb-26	7.7%	6.1%	n.a
Unemployment rate (yoy)	Feb-26	2.9%	2.9%	n.a
Industrial Production	Feb-26	3.1%	5.9%	5.5%

Source: Macrobond, MBSBR

C. BNM INTERNATIONAL RESERVES

- As of 31 March 2026, compared to previous fortnight, Bank Negara Malaysia's international reserves were lower at USD126.6b (13 March 2026: USD128.1b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MBSBR (G14)

- The number of reserves is sufficient to finance 4.6 months of imports of goods & services and is 0.9 times total short-term external debt.

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	3-Apr Fri	6-Apr Mon	7-Apr Tue	8-Apr Wed	9-Apr Thu	10-Apr Fri	Change (WoW bp)
MGS							
3-Y	3.24	3.237	3.244	3.229	3.229	3.226	-1.4
5-Y	3.431	3.431	3.412	3.395	3.388	3.367	-6.4
7-Y	3.528	3.523	3.523	3.492	3.508	3.484	-4.4
10-Y	3.636	3.617	3.63	3.591	3.6	3.589	-4.7
20-Y	4.012	4	4	4.015	4.001	4.007	-0.5
RINGGIT IRS							
1-Y	3.34	3.35	3.345	3.345	3.338	3.3275	-1.25
3-Y	3.4195	3.4	3.4	3.3825	3.375	3.37	-4.95
5-Y	3.4775	3.465	3.465	3.4375	3.44	3.4225	-5.5
7-Y	3.565	3.555	3.555	3.505	3.535	3.515	-5
10-Y	3.7	3.695	3.7	3.665	3.66	3.655	-4.5
KLIBOR							
1-M	3	3	3	3	3	3	0
3-M	3.36	3.36	3.36	3.36	3.35	3.35	-1
UST							
3-Y	3.8713	3.8741	3.8116	3.8138	3.7861	3.8249	-4.64
5-Y	3.9848	3.983	3.9289	3.9236	3.8975	3.9429	-4.19
7-Y	4.164	4.1588	4.107	4.1017	4.0784	4.1222	-4.18
10-Y	4.3406	4.3307	4.2931	4.2911	4.2754	4.317	-2.36
30-Y	4.905	4.8866	4.8704	4.8826	4.8806	4.9091	0.41

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	3-Apr Yield	10-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.906	07/15/26	2.867	2.809	-5.8	4,326.9
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	2.921	2.891	-3.0	2,675.7
MALAYSIA GOVERNMENT	3.9	11/30/26	2.954	2.894	-6.0	2,173.4
MALAYSIA GOVERNMENT	3.917	07/15/55	4.089	4.209	12.0	1,708.0
MALAYSIA INVESTMNT ISSUE	3.624	03/31/33	3.586	3.521	-6.5	990.0
MALAYSIA INVESTMNT ISSUE	3.422	09/30/27	3.095	3.062	-3.3	921.7
MALAYSIA GOVERNMENT	3.828	07/05/34	3.636	3.594	-4.2	803.9
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.201	3.218	1.7	748.2
MALAYSIA GOVERNMENT	3.899	11/16/27	3.096	3.029	-6.7	691.5
MALAYSIA GOVERNMENT	3.237	03/15/29	3.240	3.226	-1.4	667.5
TOTAL VOLUME (TOP 10)						15,706.7
TOTAL VOLUME (Overall)						26,388.0

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	3-Apr Yield	10-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
GAMUDA BERHAD	4.05	03/27/31	N/A	3.818	N/A	120.0
MALAYAN BANKING BHD	3.85	08/28/37	3.869	3.865	-0.4	110.0
IMTIAZ SUKUK II BHD	4.05	10/02/26	N/A	3.519	N/A	100.0
MALAYSIA RAIL LINK	ZERO	04/28/26	3.036	3.055	1.9	100.0
CAGAMAS BERHAD	4.5	12/13/27	N/A	3.425	N/A	75.0
CAGAMAS BERHAD	3.78	03/24/28	N/A	3.468	N/A	75.0
DANAINFRA NASIONAL	2.86	09/23/30	N/A	3.497	N/A	70.0
PRASARANA MALAYSIA BHD	4.75	02/26/31	N/A	3.514	N/A	60.0
PELABUHAN TANJUNG PELEPA	4.05	06/18/30	N/A	3.773	N/A	60.0
AFFIN ISLAMIC BANK BHD	4.66	10/13/33	4.119	3.692	-42.7	60.0
TOTAL VOLUME (TOP 10)						830.0
TOTAL VOLUME (Overall)						3,386.3

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