WEEKLY MONEY REVIEW

MIDF Strategy 20 April 2026

Week Ended 17 April 2026

- The UST benchmark 10-year yield ended lower last week at 4.25% (prior week: 4.32%) in reaction to Middle East conflict de-escalation as Iran said all commercial traffic could pass through the Strait of Hormuz. The 10y-3y yield spread expanded (yield curve steepened) to +52bp (prior week: +49bp) 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 2.62% (prior week: 2.66%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Recently, 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 -4.1bp and -1.3bp to close at 3.18% and 3.58% respectively. The 10y-3y yield expanded (yield curve steepened) to +39bp (prior week: +36bp) as short-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 -RM7.4b. It increased week-on-week from -RM8.2b registered a week ago. Moreover, it increased year-on-year from -RM14.8b a year ago.

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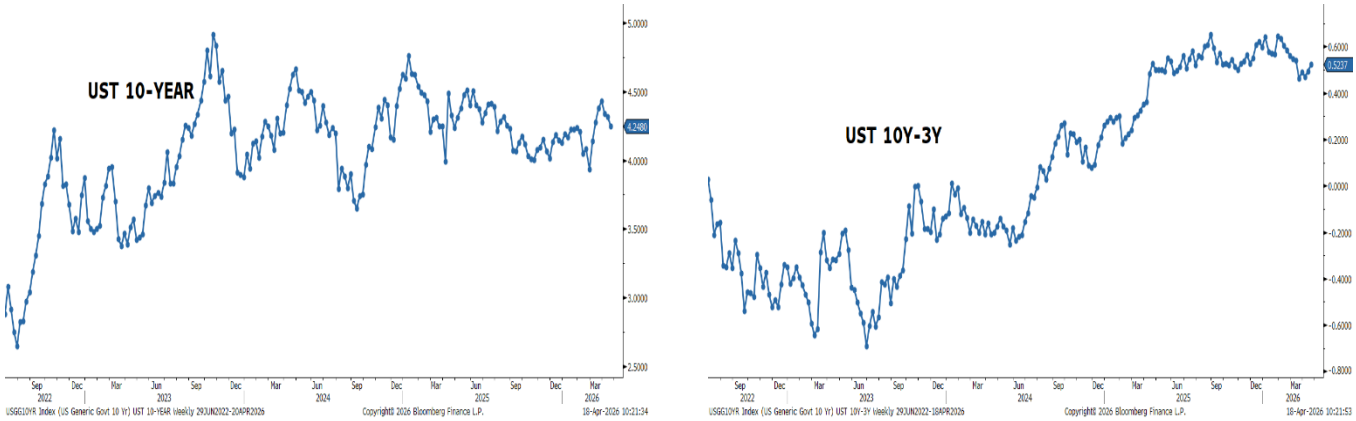
20 April 2026 | **Strategy**

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WEEKLY MONEY REVIEW

A. FIXED INCOME

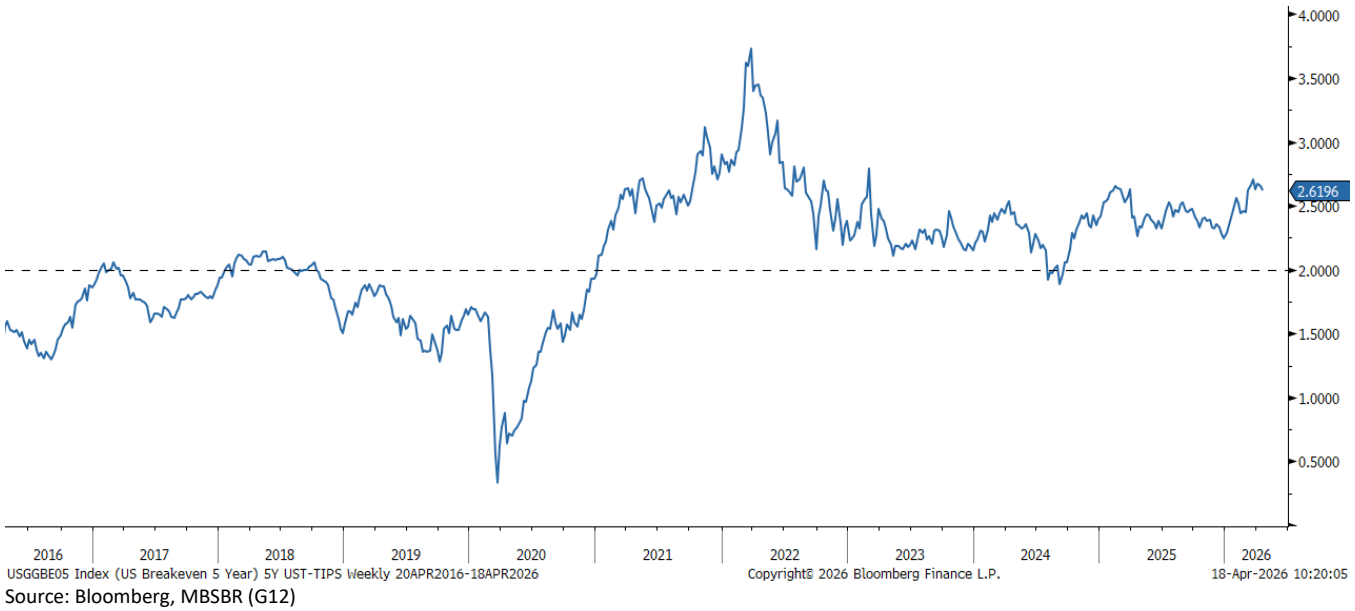
- The UST benchmark 10-year yield ended lower last week at 4.25% (prior week: 4.32%) in reaction to Middle East conflict de-escalation as Iran said all commercial traffic could pass through the Strait of Hormuz. The 10y-3y yield spread expanded (yield curve steepened) to +52bp (prior week: +49bp) as 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)

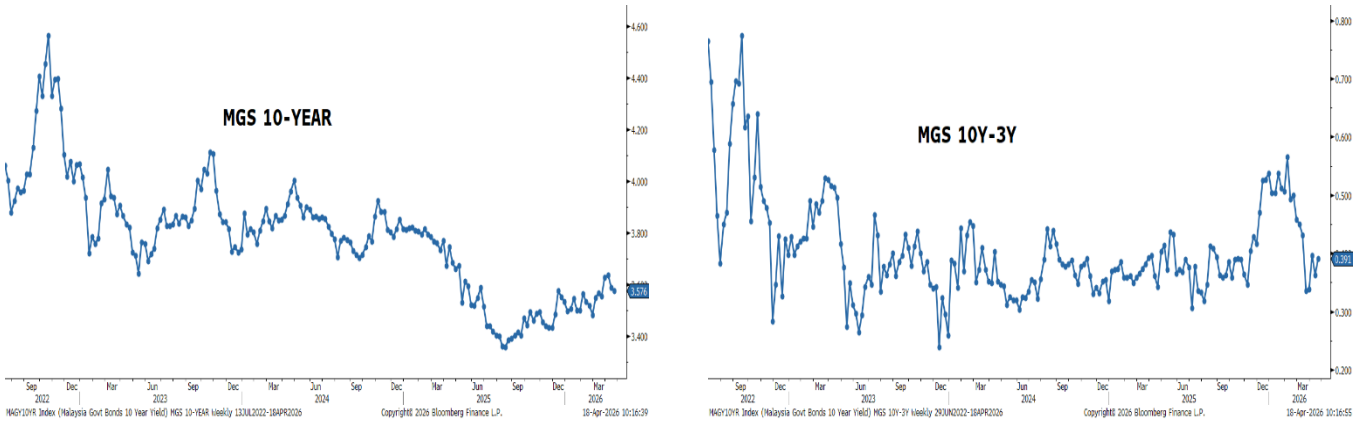
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.62% (prior week: 2.66%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Recently, the market has become less dovish as attested by prevailing expectation of no Fed rate cut this year.

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 -4.1bp and -1.3bp to close at 3.18% and 3.58% respectively. The 10y-3y yield expanded (yield curve steepened) to +39bp (prior week: +36bp) as short-end outperformed.

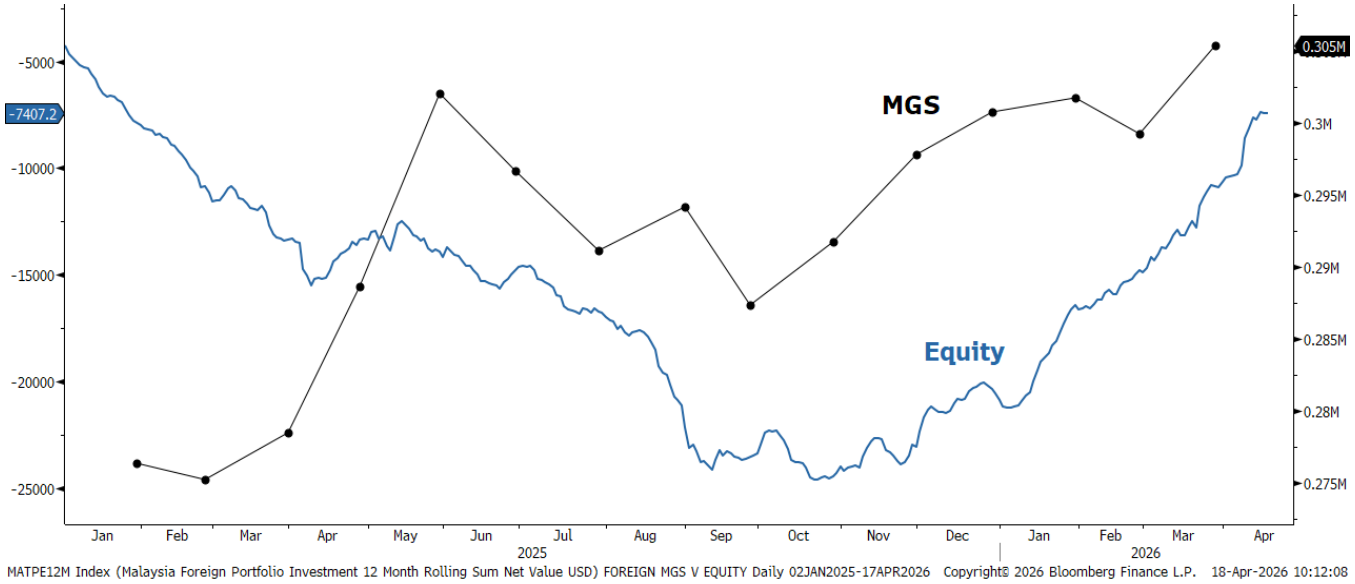


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) declined to RM25.5b in the review week compared to RM26.4b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 61% (prior week: 60%) 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 MII 4.07% 9/30/26 at RM4.9b, MGS 3.906% 7/15/26 at RM3.0b, and MII 3.227% 10/15/29 at RM1.3b.

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 -RM7.4b. It increased week-on-week from -RM8.2b registered a week ago. Moreover, it increased year-on-year from -RM14.8b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) increased to RM4.2b in the review week compared to RM3.4b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 30% (prior week: 25%) of the overall Corporate Bonds trade.

- The top 3 actively traded Corporate Bonds were dominated by issues of short and long residual tenor. The top 3 most actively traded were Pengurusan Air SPV 3.9% 10/30/29 at RM216m, Cagamas 3.97% 10/5/26 at RM205m, and Pengurusan Air SPV 4.07% 6/3/39 at RM150m.

B. FOREIGN EXCHANGE

- USD weakened further. The US dollar weakened further against major currencies last week as the DXY dollar index fell -0.6%wow to 98.10, the lowest reading since early Mar-26. Despite the failure of the peace talks in Islamabad, safe-haven demand for the US dollar continued to ease, particularly after Iran announced that the Strait of Hormuz had been reopened. This lifted market optimism, with the Brent crude oil closing lower at USD90.38pb on Friday, a level last seen in early Mar-26. Meanwhile, despite softer home sales and more modest growth (as indicated in the latest Beige Book report), the resilience in the US job market and firmer PPI inflation continued to reduce expectations for Fed rate cuts by the Fed this year. With the deadline of the temporary ceasefire approaching, we continue to expect geopolitical uncertainty and heightened market volatility to trigger intermittent flights to be safe in the medium term. However, reduced confidence in the US assets may also encourage 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 GBP strengthened. Following continued weakness in the US dollar, the euro appreciated by +0.4%wow to USD1.177, the strongest in 7 weeks, with data showing industrial production in the eurozone grew stronger than expected in Feb-26. Meanwhile, the pound sterling also closed +0.4%wow stronger at USD1.352, the highest in 9 weeks. Economic releases were also encouraging as the UK monthly GDP rose faster at +1.0%yoy in Feb-26 (Jan-26: +0.7%yoy), the fastest since Sep-25.

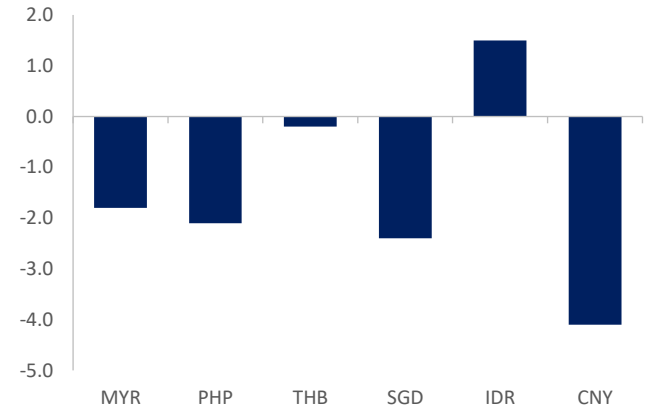
- Ringgit also gained. The Malaysia ringgit strengthened by +0.4%wow after closing at RM3.951 last week. Like other currencies, the local currency gained as the US dollar weakened due to reduced safe-haven demand. Positive data updates, such as still mild inflation and robust GDP growth in 1QCY26, also supported ringgit performance. On a broader picture, the ringgit was relatively stable against the currencies of Malaysia's major trading partners; our MBSB Trade-Weighted Ringgit Index (TWRI) was effectively unchanged albeit rising marginally to 100.92, appreciating against the Indonesian rupiah (+0.8%wow) and Philippines peso (+0.5%wow) but depreciating against Australian dollar (-1.6%wow) and euro (-0.7%wow). In a separate release, foreign holdings of both Malaysian government and corporate bonds increased by +RM2.3b between 6th to 13th April 2026, a more significant inflows compared with +RM0.1b in the previous week, which led to the outstanding value for the year rising to RM309.2b (previous week: RM306.9b).

Currencies Changes (Week Ended 17-April-2026) and Quarterly Forecasts

	Close 17/04	Prev. Close 10/04	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	98.10	98.65	-0.552	-0.6	98.5	97.2	96.6	96.0
EURUSD	1.177	1.172	+0.004	+0.4	1.18	1.19	1.2	1.21
GBPUSD	1.352	1.346	+0.005	+0.4	1.34	1.36	1.36	1.36
USDJPY	158.64	159.27	+0.630	+0.4	152.0	150.0	14.08	147
USDMYR	3.951	3.965	+0.015	+0.4	3.96	3.95	3.91	3.87
GBPMYR	5.346	5.329	-0.017	-0.3	5.45	5.43	5.41	5.40
JPYMYR	2.492	2.490	-0.002	-0.1	2.6	2.61	2.62	2.63
MBSB TWRI	100.92	100.90	+0.013	+0.0	98.6	99.73	100.87	102.00

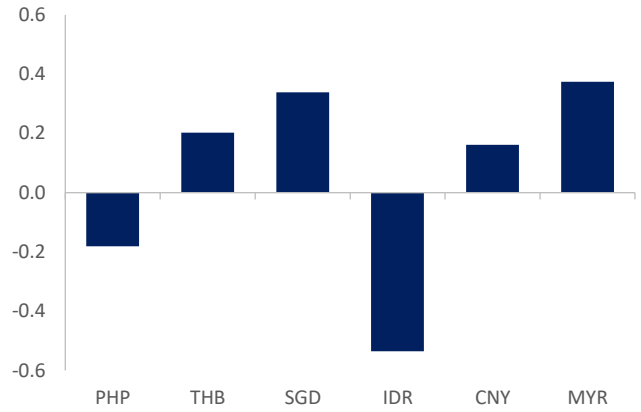
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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 28th Mar	+39.25K	+26.0K	n.a
Initial Jobless Claims	Week ending 11th Apr	207K	218K	215K
Existing Home Sales (millions)	Mar-26	3.98	4.13	4.06
PPI (yoy)	Mar-26	+4.0%	+3.4%	+4.6%
Malaysia				
CPI (yoy)	Feb-26	+1.7%	+1.4%	+1.7%
Real GDP (yoy)	1QCY26	+5.3%	+6.3%	+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	10-Apr Fri	13-Apr Mon	14-Apr Tue	15-Apr Wed	16-Apr Thu	17-Apr Fri	Change (WoW bp)
MGS							
3-Y	3.226	3.218	3.2	3.186	3.185	3.185	-4.1
5-Y	3.367	3.379	3.366	3.349	3.344	3.345	-2.2
7-Y	3.484	3.474	3.464	3.456	3.455	3.459	-2.5
10-Y	3.589	3.591	3.572	3.569	3.577	3.576	-1.3
20-Y	4.007	3.992	4	3.992	3.992	3.984	-2.3
RINGGIT IRS							
1-Y	3.3275	3.33	3.322	3.335	3.345	3.34	1.25
3-Y	3.37	3.365	3.357	3.368	3.37	3.375	0.5
5-Y	3.4225	3.4345	3.4025	3.4175	3.4295	3.42	-0.25
7-Y	3.515	3.515	3.505	3.5075	3.5225	3.515	0
10-Y	3.655	3.6525	3.64	3.65	3.66	3.655	0
KLIBOR							
1-M	3	3	3	3	3	3	0
3-M	3.35	3.35	3.35	3.35	3.35	3.35	0
UST							
3-Y	3.8249	3.7916	3.7583	3.7804	3.797	3.7243	-10.06
5-Y	3.9429	3.9097	3.866	3.8939	3.9184	3.8466	-9.63
7-Y	4.1222	4.0936	4.0444	4.078	4.1038	4.0337	-8.85
10-Y	4.317	4.2933	4.2479	4.2834	4.3112	4.248	-6.9
30-Y	4.9091	4.8968	4.8603	4.8979	4.9326	4.8836	-2.55

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	10-Apr Yield	17-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	2.891	2.883	-0.8	4,917.5
MALAYSIA GOVERNMENT	3.906	07/15/26	2.809	2.890	8.1	3,039.9
MALAYSIA INVESTMNT ISSUE	3.227	10/15/29	N/A	3.202	N/A	1,310.0
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.218	3.162	-5.6	1,259.4
MALAYSIA GOVERNMENT	3.9	11/30/26	2.894	2.875	-1.9	956.6
MALAYSIA INVESTMNT ISSUE	3.447	07/15/36	3.635	3.600	-3.5	912.1
MALAYSIA GOVERNMENT	3.502	05/31/27	3.048	3.020	-2.8	885.6
MALAYSIA INVESTMNT ISSUE	3.624	03/31/33	3.521	3.498	-2.3	850.0
MALAYSIA GOVERNMENT	4.232	06/30/31	3.367	3.345	-2.2	838.5
MALAYSIA GOVERNMENT	2.632	04/15/31	3.370	3.361	-0.9	687.5
TOTAL VOLUME (TOP 10)						15,657.1
TOTAL VOLUME (Overall)						25,546.0

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	10-Apr Yield	17-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
PENGURUSAN AIR SPV BHD	3.9	10/30/29	N/A	3.645	N/A	216.0
CAGAMAS BERHAD	3.97	10/05/26	3.400	3.367	-3.3	205.0
PENGURUSAN AIR SPV BHD	4.07	06/03/39	N/A	3.952	N/A	150.0
INFRACAP RESOURCES S B	4.12	04/14/28	N/A	3.488	N/A	140.0
KONSORTIUM LEBUH UTARA	4.75	12/02/27	3.939	3.886	-5.3	110.0
SP SETIA BERHAD	3.85	06/25/26	3.440	3.439	-0.1	100.0
PUBLIC BANK BERHAD	ZERO	08/17/26	N/A	3.326	N/A	100.0
PRASARANA MALAYSIA BHD	4.64	03/22/30	N/A	3.432	N/A	80.0
PENGURUSAN AIR SPV BHD	4.14	06/04/38	N/A	3.906	N/A	80.0
PENGURUSAN AIR SELANGOR	4.2	08/19/44	N/A	4.100	N/A	80.0
TOTAL VOLUME (TOP 10)						1,261.0
TOTAL VOLUME (Overall)						4,149.8

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