WEEKLY MONEY REVIEW

MIDF Strategy 27 April 2026

Week Ended 24 April 2026

- The UST benchmark 10-year yield ended higher last week at 4.30% (prior week: 4.25%) in reaction to rebounding crude oil prices as the Middle East conflict morphed into a naval standoff with Straits of Hormuz practically shut to commercial ships and tanker traffic at a near standstill. The 10y-3y yield spread narrowed (yield curve flattened) to +50bp (prior week: +52bp) as short-end underperformed. 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 2.60% (prior week: 2.62%). 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 -0.4bp and -1.7bp to close at 3.18% and 3.56% respectively. The 10y-3y yield narrowed (yield curve flattened) to +38bp (prior week: +39bp) 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 -RM7.3b. It increased week-on-week from -RM7.4b registered a week ago. Moreover, it increased year-on-year from -RM13.8b a year ago.

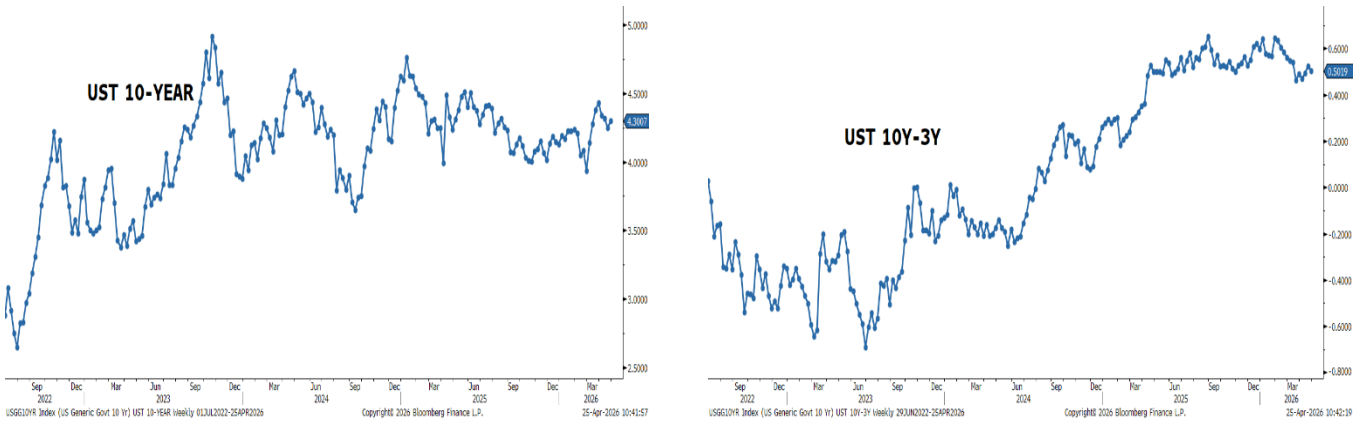
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Kindly refer to the last page of this publication for important disclosures

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WEEKLY MONEY REVIEW

A. FIXED INCOME

- The UST benchmark 10-year yield ended higher last week at 4.30% (prior week: 4.25%) in reaction to rebounding crude oil prices as the Middle East conflict morphed into a naval standoff with Straits of Hormuz practically shut to commercial ships and tanker traffic at a near standstill. The 10y-3y yield spread narrowed (yield curve flattened) to +50bp (prior week: +52bp) as short-end underperformed. 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)

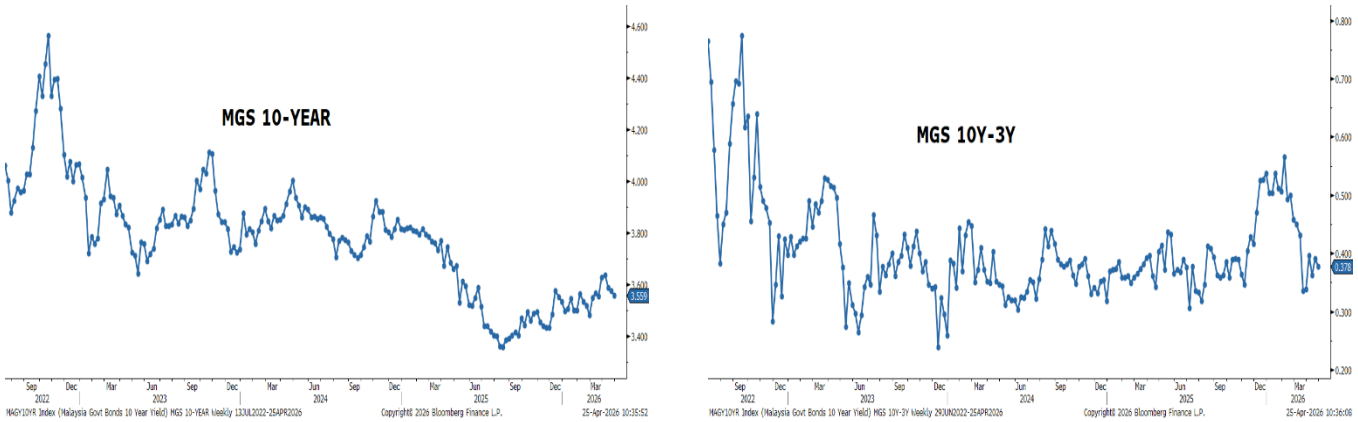
- Medium-term inflation expectation (MTIE) ended the review week lower at 2.60% (prior week: 2.62%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Recently, the market has become less dovish as attested by prevailing expectation of no Fed rate cut this year.

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 -0.4bp and -1.7bp to close at 3.18% and 3.56% respectively. The 10y-3y yield narrowed (yield curve flattened) to +38bp (prior week: +39bp) as long-end outperformed.

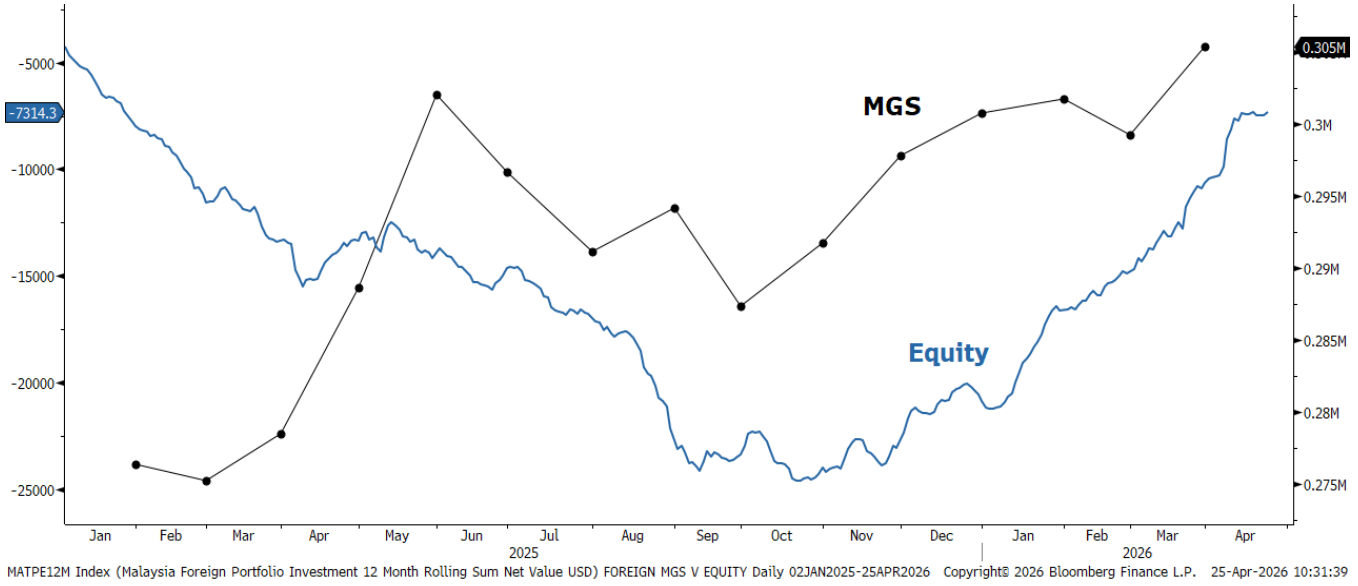


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) increased to RM26.7b in the review week compared to RM25.5b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 59% (prior week: 61%) 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 RM3.8b, MGS 3.906% 7/15/26 at RM2.5b, and MGS 3.9% 11/30/26 at RM1.9b.

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 -RM7.3b. It increased week-on-week from -RM7.4b registered a week ago. Moreover, it increased year-on-year from -RM13.8b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) increased to RM5.2b in the review week compared to RM4.2b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 41% (prior week: 30%) 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 SME Bank 4.05% 5/30/28 at RM450m, Public Bank 0% 7/28/26 at RM400m, and PNB Merdeka Ventures 3.64% 11/6/30 at RM240m.

B. FOREIGN EXCHANGE

- USD appreciated last week. The US dollar appreciated against major currencies last week as the DXY dollar index increased by +0.4%wow to 98.53. The strength the greenback reflected the renewed rise in safe-haven demand in reaction to the ongoing uncertainty from the US conflicts with Iran, particularly the lack of progress in the peace talks and the continued blockade of the Strait of Hormuz. In addition, the gains were supported by positive data updates (such as growing retail sales and improved business activities as indicated by better PMI readings), with the market no longer pricing in a rate cut by the Fed this year. The US dollar could gain further as the Fed is expected to make no changes to its benchmark interest rate. We still expect the volatility in the financial markets as well as the foreign exchange markets will also be influenced by the evolving geopolitical situations in the Middle East. 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 depreciated but GBP strengthened. The euro reciprocally weakened by -0.4%wow to USD1.172. The US dollar strengthened steadily until Thursday, pushing the euro to end trading at two-week low of USD1.168, also weighing down the PMI report which suggests weaker business activity in the eurozone's services sector. On Friday, euro reversed some of the weaknesses, climbing back to USD1.17 to the dollar, due to the weakening of dollar. The pound sterling, in contrast, appreciated by +0.1%wow to USD1.353, the strongest closing in 10 weeks, with the UK data update last week indicating encouraging rise in retail sales and business activity as well as renewed rise in inflation.

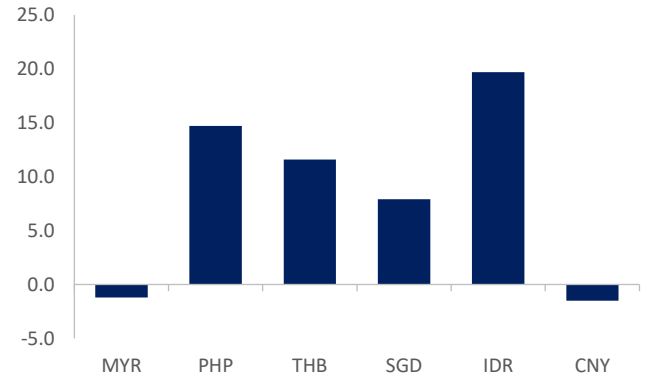
- Ringgit also weakened against dollar. The Malaysian ringgit also closed weaker last week, depreciating by -0.4%wow to RM3.965. Initially ringgit gained and closed trading at RM3.951 last Tuesday, the strongest in nearly one month, as the recent macroeconomic updates indicate still robust economic growth in 1QCY26 and continued expansion in the external trade in Mar-26. However, like other currencies, ringgit weakened in the latter part of last week because of the risk aversion which led to the increased demand for the dollar. On a broader picture, the ringgit was relatively stronger against the currencies of Malaysia's major trading partners; our MBSB Trade-Weighted Ringgit Index (TWRI) increased +0.2%wow to 101.13, appreciating mainly against the Indian rupee (+1.1%wow), Thai baht (+1.1%wow) and Korean won (+1.0%wow). For this week, we expect ringgit will end trading within the range between RM3.93-3.99. In a separate release, foreign holdings of both Malaysian government and corporate bonds decreased by -RM1.4b between 13th to 20th April 2026 (previous week: +RM2.3b), as a result the outstanding value for the year fell to RM307.8b (previous week: RM309.2b).

Currencies Changes (Week Ended 24-April-2026) and Quarterly Forecasts

	Close 24/04	Prev. Close 17/04	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	98.53	98.098	+0.435	+0.4	98.5	97.2	96.6	96.0
EURUSD	1.172	1.177	-0.004	-0.4	1.18	1.19	1.2	1.21
GBPUSD	1.353	1.352	+0.002	+0.1	1.34	1.36	1.36	1.36
USDJPY	159.38	158.64	-0.740	-0.5	152.0	150.0	14.08	147
USDMYR	3.965	3.951	-0.014	-0.4	3.96	3.95	3.91	3.87
GBPMYR	5.345	5.346	+0.000	+0.0	5.45	5.43	5.41	5.40
JPYMYR	2.488	2.492	+0.004	+0.2	2.6	2.61	2.62	2.63
MBSB TWRI	101.13	100.92	+0.218	+0.2	98.6	99.73	100.87	102.00

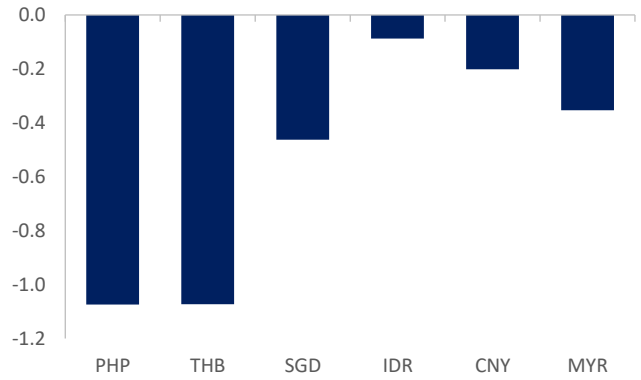
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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	4.50
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 4th Apr	+54.75K	+40.25K	n.a
Initial Jobless Claims	Week ending 11th Apr	214K	208K	212K
Retail sales (mom)	Mar-26	+1.7%	+0.7%	+1.4%
S&P Global Manufacturing PMI Flash	Apr-26	54.0	52.3	52.5
S&P Global Services PMI Flash	Apr-26	51.3	49.8	50.0
Univ of Michigan Consumer Sentiment	Apr-26	49.8	53.3	47.6
Malaysia				
Exports (yoy)	Mar-26	+8.3%	+10.7%	n.a.
Imports (yoy)	Mar-26	+10.4%	+8.2%	n.a.
Trade Balance (RM b)	Mar-26	+RM24.6b	+RM16.7b	n.a.
Leading Index (mom)	Feb-26	-0.3%	-0.7%	n.a.

Source: Macrobond, MBSBR

C. BNM INTERNATIONAL RESERVES

- As of 15 April 2026, compared to previous fortnight, Bank Negara Malaysia's international reserves were higher at USD128.8b (31 March 2026: USD126.6b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MBSBR (G14)

- The number of reserves is sufficient to finance 4.7 months of imports of goods & services and is 0.9 times total short-term external debt.

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	17-Apr Fri	20-Apr Mon	21-Apr Tue	22-Apr Wed	23-Apr Thu	24-Apr Fri	Change (WoW bp)
MGS							
3-Y	3.185	3.189	3.167	3.182	3.174	3.181	-0.4
5-Y	3.345	3.358	3.324	3.311	3.33	3.336	-0.9
7-Y	3.459	3.455	3.449	3.438	3.444	3.451	-0.8
10-Y	3.576	3.564	3.553	3.553	3.553	3.559	-1.7
20-Y	3.984	4	3.992	3.954	3.971	3.971	-1.3
RINGGIT IRS							
1-Y	3.34	3.3275	3.32	3.33	3.34	3.34	0
3-Y	3.375	3.375	3.36	3.37	3.38	3.385	1
5-Y	3.42	3.405	3.415	3.42	3.445	3.445	2.5
7-Y	3.515	3.505	3.505	3.51	3.52	3.53	1.5
10-Y	3.655	3.64	3.65	3.655	3.66	3.66	0.5
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	3.7243	3.7352	3.7937	3.8159	3.8495	3.7988	7.45
5-Y	3.8466	3.8553	3.9096	3.9255	3.9589	3.9149	6.83
7-Y	4.0337	4.0414	4.0905	4.1047	4.1319	4.0979	6.42
10-Y	4.248	4.251	4.2916	4.3025	4.3244	4.3007	5.27
30-Y	4.8836	4.8786	4.8999	4.904	4.9112	4.9071	2.35

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	17-Apr Yield	24-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	2.883	2.902	1.9	3,833.3
MALAYSIA GOVERNMENT	3.906	07/15/26	2.890	2.870	-2.0	2,494.4
MALAYSIA GOVERNMENT	3.9	11/30/26	2.875	2.873	-0.2	1,872.9
MALAYSIA GOVERNMENT	3.828	07/05/34	3.586	3.565	-2.1	1,854.6
MALAYSIA INVESTMNT ISSUE	3.227	10/15/29	3.202	3.181	-2.1	1,366.0
MALAYSIA GOVERNMENT	3.987	04/23/46	N/A	3.971	N/A	989.2
MALAYSIA INVESTMNT ISSUE	3.804	10/08/31	3.376	3.360	-1.6	902.4
MALAYSIA GOVERNMENT	4.254	05/31/35	3.636	3.623	-1.3	834.0
MALAYSIA GOVERNMENT	2.632	04/15/31	3.361	3.350	-1.1	819.3
MALAYSIA INVESTMNT ISSUE	3.974	07/16/40	3.872	3.857	-1.5	756.0
TOTAL VOLUME (TOP 10)						15,722.1
TOTAL VOLUME (Overall)						26,702.5

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	17-Apr Yield	24-Apr Yield	Change (WoW bp)	Weekly Volume (RM mn)
SMALL MEDIUM ENT BANK	4.05	05/30/28	3.486	3.524	3.8	450.0
PUBLIC BANK BERHAD	ZERO	07/28/26	N/A	3.348	N/A	400.0
PNB MERDEKA VENTURES SDN	3.64	11/06/30	3.703	3.717	1.4	240.0
CAGAMAS BERHAD	3.15	06/15/26	N/A	3.302	N/A	220.0
MALAYAN BANKING BHD	4.03	01/31/34	3.700	3.703	0.3	180.0
YTL CORPORATION BERHAD	4.6	06/23/34	3.848	3.852	0.4	171.5
YTL CORPORATION BERHAD	5.15	11/11/36	N/A	3.959	N/A	140.0
CAGAMAS BERHAD	3.94	08/24/26	3.250	3.299	4.9	110.0
MALAYSIAN RESOURCES CORP	5.09	10/18/28	3.805	3.825	2.0	100.0
CAGAMAS BERHAD	3.91	06/29/26	N/A	3.211	N/A	95.0
TOTAL VOLUME (TOP 10)						2,106.5
TOTAL VOLUME (Overall)						5,199.0

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