WEEKLY MONEY REVIEW

MIDF Strategy 4 May 2026

Week Ended 1 May 2026

- The UST benchmark 10-year yield ended higher last week at 4.37% (prior week: 4.30%) in reaction to surging crude oil prices after President Trump rejected Iran's offer and said the naval blockade of the Strait of Hormuz would stay until Iran agreed to a nuclear deal. The 10y-3y yield spread narrowed (yield curve flattened) to +47bp (prior week: +50bp) 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 higher at 2.71% (prior week: 2.60%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Recently, the outlook 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 lower with the 3-year and 10-year yields added +2.0bp and +0.7bp to close at 3.20% and 3.57% respectively. The 10y-3y yield narrowed (yield curve flattened) to +36bp (prior week: +38bp) as short-end underperformed.

- 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 -RM8.0b. It declined week-on-week from -RM7.3b registered a week ago. However, it increased year-on-year from -RM13.3b a year ago.

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4 May 2026 | Strategy

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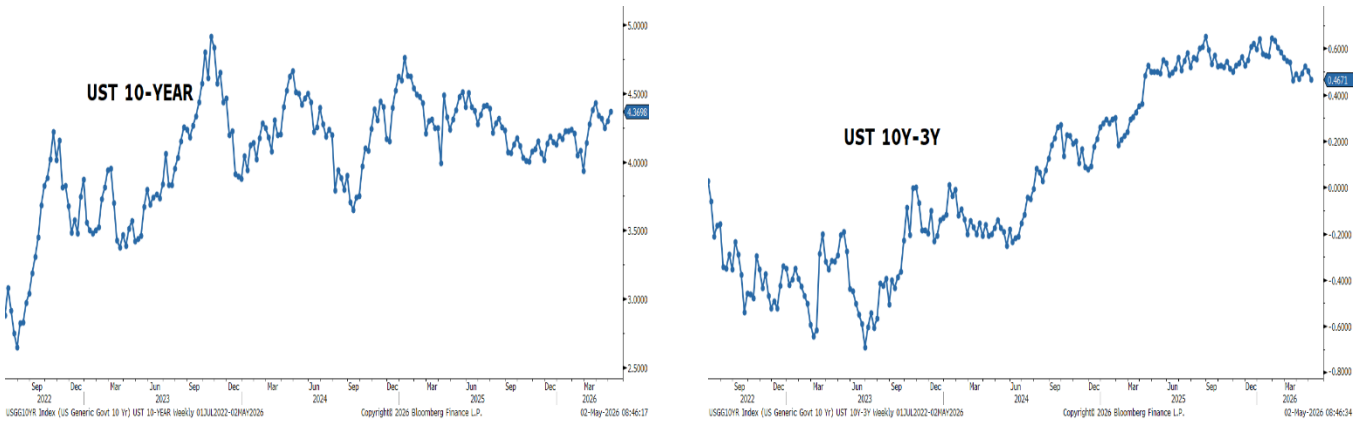
WEEKLY MONEY REVIEW

A. FIXED INCOME

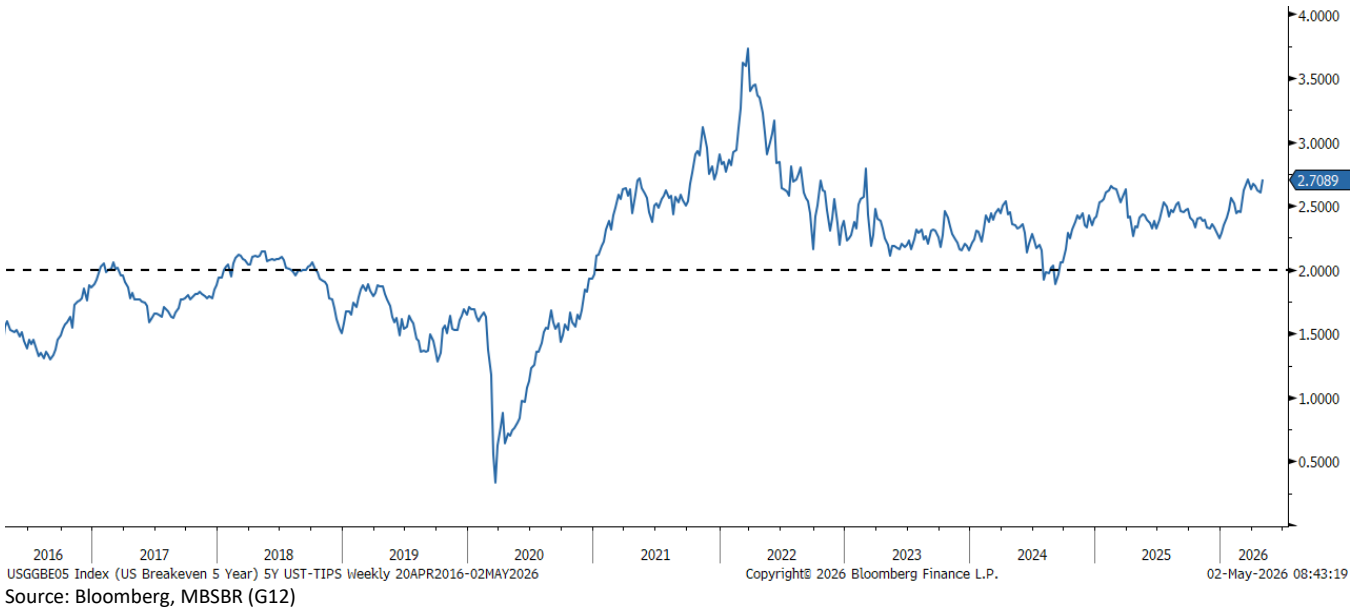
- The UST benchmark 10-year yield ended higher last week at 4.37% (prior week: 4.30%) in reaction to surging crude oil prices after President Trump rejected Iran's offer and said the naval blockade of the Strait of Hormuz would stay until Iran agreed to a nuclear deal. The 10y-3y yield spread narrowed (yield curve flattened) to +47bp (prior week: +50bp) 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 higher at 2.71% (prior week: 2.60%). The MTIE has remained above the US Fed target level of 2.00% since September 2024. Recently, the outlook has become less dovish as attested by prevailing expectation of no Fed rate cut this year.

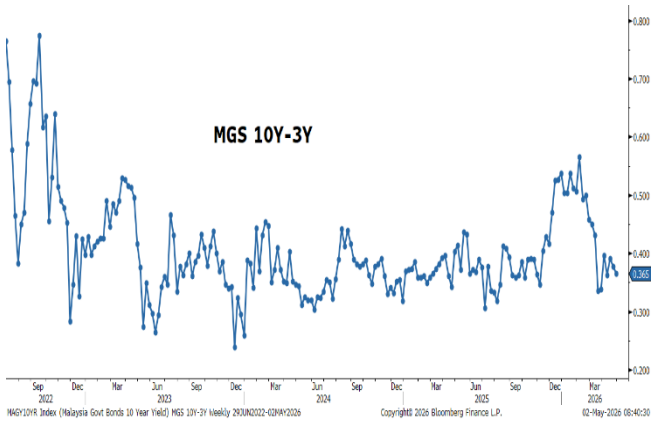
MEDIUM-TERM INFLATION EXPECTATION (MTIE): 5Y UST-TIPS SPREAD



Source: Bloomberg, MBSBR (G12)

- The price of MGS benchmark issues ended the review week lower with the 3-year, and 10-year yields added +2.0bp and +0.7bp to close at 3.20% and 3.57% respectively. The 10y-3y yield narrowed (yield curve flattened) to +36bp (prior week: +38bp) as short-end underperformed.



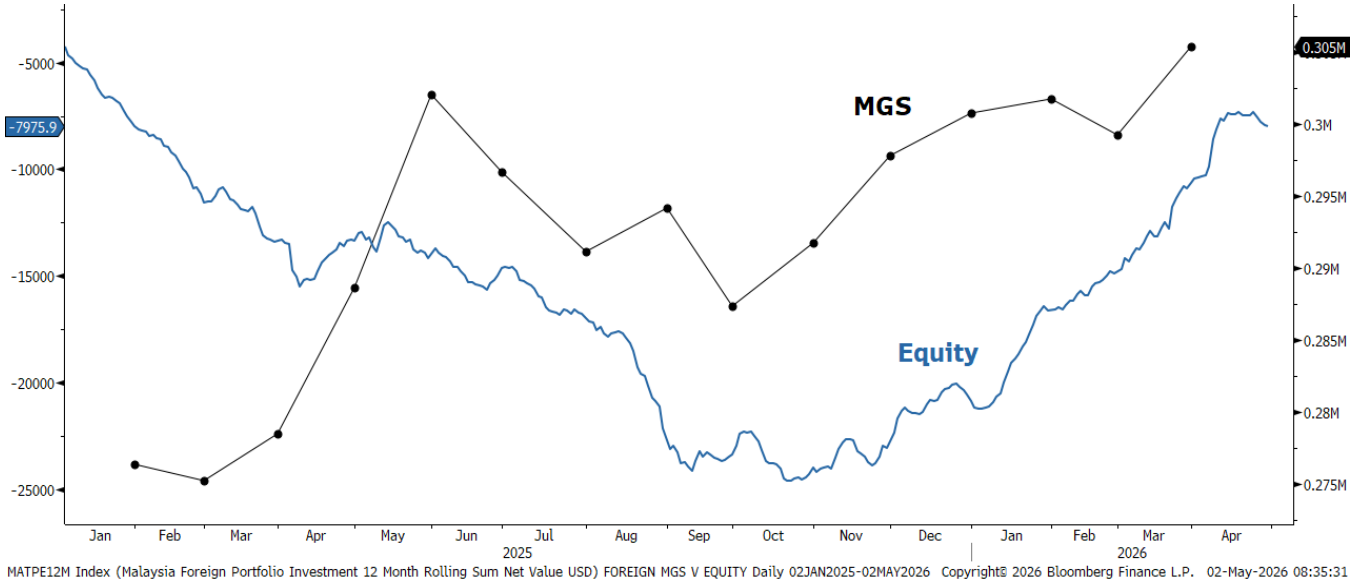


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) increased to RM31.2b in the review week compared to RM26.7b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 58% (prior week: 59%) of the overall Government Bonds trade. Moreover, 7 out of the 10 most actively traded bonds saw higher yields, hence lower prices during the review week.

- The top 3 actively traded Government Bonds were dominated by issues of short and long residual tenor. The top 3 most actively traded were MII 4.07% 9/30/26 at RM7.2b, MGS 3.906% 7/15/26 at RM2.4b, and MGS 3.987% 4/23/46 at RM1.8b.

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



MATPE12M Index (Malaysia Foreign Portfolio Investment 12 Month Rolling Sum Net Value USD) FOREIGN MGS V EQUITY Daily 02JAN2025-02MAY2026 Copyright© 2026 Bloomberg Finance L.P. 02-May-2026 08:35:31
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 -RM8.0b. It declined week-on-week from -RM7.3b registered a week ago. However, it increased year-on-year from -RM13.3b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) declined to RM4.1b in the review week compared to RM5.2b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 35% (prior week: 41%) of the overall Corporate Bonds trade.

- The top 3 actively traded Corporate Bonds were dominated by issues of short residual tenor. The top 3 most actively traded were Malaysia Debt Ventures 4.04% 4/10/29 at RM400m, Pengurusan Air SPV 4.4% 6/3/27 at RM200m, and SME Bank 4.05% 5/30/28 at RM140m.

B. FOREIGN EXCHANGE

- USD weakened last week. The US dollar depreciated against major currencies last week as the DXY dollar index fell -0.4%wow to 98.11. Although sentiment continued to be influenced by the US war with Iran, demand for the greenback eased after the release of 1QCY26 GDP data which came in lower than expected. Prior to that, the US dollar appreciated and closed at 2-week high of 98.96 last Wednesday after the Fed indicated not making changes to the fed funds rate at the FOMC meeting last week. We 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 as well as new incoming economic data. While safe-haven demand would support demand for the US dollar, 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.

- Both euro and pound sterling gained. The euro appreciated by +0.1%wow to USD1.173, while the pound sterling gained more by +0.4%wow to USD1.359, as both currencies closed stronger after dollar weakened towards the latter part of the week.

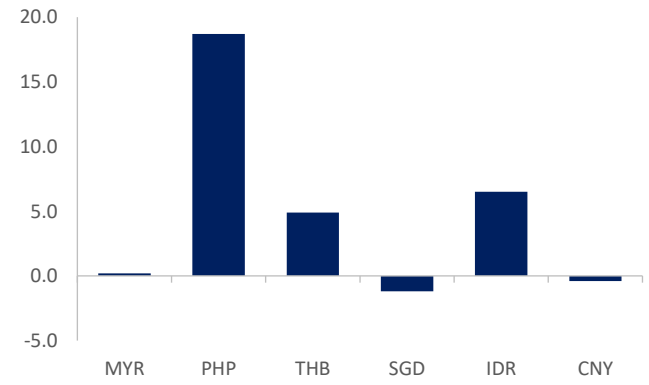
- Ringgit weakened for the second straight week. The Malaysian ringgit weakened further last week, depreciating by -0.2%wow to RM3.972 which is the weakest weekly closing in 4 weeks. Sentiment surrounding ringgit was influenced by the ongoing concerns about the ongoing conflicts in the Middle East, in addition to the strength in the US dollar after the FOMC decision. On a broader picture, the ringgit also weakened against the currencies of Malaysia's major trading partners; our MBSB Trade-Weighted Ringgit Index (TWRI) declined -0.3%wow 100.86, the lowest level in 2 as ringgit depreciated mainly against the Japanese yen (-1.8%wow) and Australian dollar won (-1.1%wow). In a separate release, foreign holdings of both Malaysian government and corporate bonds increased by +RM0.4b between 20th to 27th April 2026 (previous week: -RM1.4b), as a result the outstanding value for the year fell to RM308.2b (previous week: RM307.8b).

Currencies Changes (Week Ended 01-May-2026) and Quarterly Forecasts

	Close 01/05	Prev. Close 24/04	Weekly Change	Weekly Change (%)	1QCY25	2QCY25	3QCY25	4QCY25f
DXY Index	98.11	98.53	-0.428	-0.4	98.5	97.2	96.6	96.0
EURUSD	1.173	1.172	+0.001	+0.1	1.18	1.19	1.2	1.21
GBPUSD	1.359	1.353	+0.006	+0.4	1.34	1.36	1.36	1.36
USDJPY	156.85	159.38	+2.530	+1.6	152.0	150.0	14.08	147
USDMYR	3.972	3.965	-0.006	-0.2	3.96	3.95	3.91	3.87
GBPMYR	5.403	5.345	-0.057	-1.1	5.45	5.43	5.41	5.40
JPYMYR	2.531	2.488	-0.044	-1.7	2.6	2.61	2.62	2.63
MBSB TWRI	100.86	101.13	-0.276	-0.3	98.6	99.73	100.87	102.00

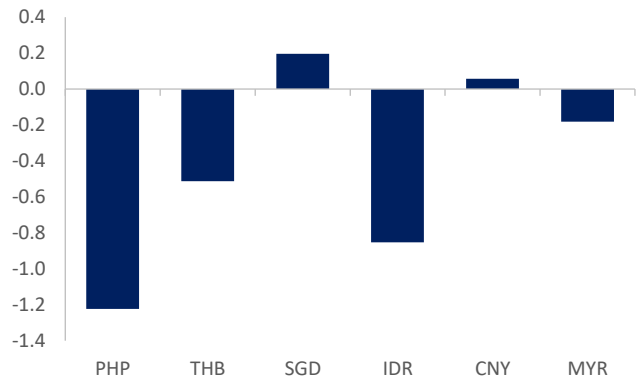
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR. MBSB TWRI was previously known as MIDF TWRI.
Source: Bloomberg, MBSBR

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 11th Apr	+39.25K	+40.25K	n.a
Initial Jobless Claims	Week ending 25th Apr	189K	215K	215K
S&P/Case-Shiller Home Price (yoy)	Feb-26	+0.9%	+1.2%	+1.1%
CB Consumer Confidence	Apr-26	92.8	92.2	89.0
Housing Starts	Mar-26	1.502m	1.356m	1.40m
Goods Trade Balance	Mar-26	-USD87.9b	-USD83.5b	-USD87b
Durable Goods Orders (mom)	Mar-26	+0.8%	-1.2%	+0.5%
GDP Growth (annualised qoq)	1QCY26	+2.0%	+0.5%	+2.3%
PCE Price (yoy)	Mar-26	+3.5%	+2.8%	+3.5%
Core PCE Price (yoy)	Mar-26	+3.2%	+3.0%	+3.2%
CB Leading Index (mom)	Mar-26	-0.6%	+0.3%	n.a.
S&P Global Manufacturing PMI	Apr-26	54.5	52.3	54.0
ISM Manufacturing	Apr-26	52.7	52.7	53
Malaysia				
PPI (yoy)	Mar-26	+1.1%	-3.4%	n.a.
M3 (yoy)	Mar-26	+5.5%	+4.3%	n.a.
Loan Growth (yoy)	Mar-26	+5.6%	+5.1%	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	24-Apr Fri	27-Apr Mon	28-Apr Tue	29-Apr Wed	30-Apr Thu	1-May Fri	Change (WoW bp)
MGS							
3-Y	3.181	3.174	3.187	3.174	3.201	3.201	2
5-Y	3.336	3.324	3.329	3.328	3.379	3.379	4.3
7-Y	3.451	3.432	3.435	3.432	3.464	3.464	1.3
10-Y	3.559	3.537	3.54	3.546	3.566	3.566	0.7
20-Y	3.971	3.943	3.951	3.953	3.961	3.961	-1
RINGGIT IRS							
1-Y	3.34	3.345	3.35	3.3525	3.365	3.365	2.5
3-Y	3.385	3.39	3.4	3.3975	3.4175	3.4175	3.25
5-Y	3.445	3.445	3.465	3.465	3.4825	3.4825	3.75
7-Y	3.53	3.52	3.5425	3.545	3.575	3.575	4.5
10-Y	3.66	3.665	3.695	3.695	3.695	3.695	3.5
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	3.7988	3.8239	3.8604	3.9705	3.8914	3.9027	10.39
5-Y	3.9149	3.9484	3.9776	4.0789	4.0055	4.0144	9.95
7-Y	4.0979	4.1343	4.1525	4.2539	4.19	4.1913	9.34
10-Y	4.3007	4.3395	4.3455	4.4298	4.3706	4.3698	6.91
30-Y	4.9071	4.9461	4.9337	5.0011	4.9657	4.9585	5.14

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	24-Apr Yield	1-May Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA INVESTMNT ISSUE	4.07	09/30/26	2.902	2.895	-0.7	7,149.3
MALAYSIA GOVERNMENT	3.906	07/15/26	2.870	2.999	12.9	2,359.6
MALAYSIA GOVERNMENT	3.987	04/23/46	3.971	3.961	-1.0	1,816.4
MALAYSIA GOVERNMENT	3.9	11/30/26	2.873	2.911	3.8	1,475.2
MALAYSIA GOVERNMENT	3.476	07/02/35	3.559	3.566	0.7	1,062.0
MALAYSIA GOVERNMENT	3.885	08/15/29	3.208	3.209	0.1	1,009.4
MALAYSIA GOVERNMENT	3.917	07/15/55	3.928	4.067	13.9	817.7
MALAYSIA INVESTMNT ISSUE	4.291	08/14/43	3.968	3.941	-2.7	780.2
MALAYSIA INVESTMNT ISSUE	3.599	07/31/28	3.166	3.176	1.0	775.0
MALAYSIA INVESTMNT ISSUE	3.804	10/08/31	3.360	3.364	0.4	676.5
TOTAL VOLUME (TOP 10)						17,921.2
TOTAL VOLUME (Overall)						31,155.7

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	24-Apr Yield	1-May Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA DEBT VENTURES	4.04	04/10/29	N/A	3.453	N/A	400.0
PENGURUSAN AIR SPV BHD	4.4	06/03/27	3.493	3.430	-6.3	200.0
SMALL MEDIUM ENT BANK	4.05	05/30/28	3.524	3.529	0.5	140.0
DANGA CAPITAL BHD	2.96	01/25/28	3.454	3.454	0.0	120.0
MALAYSIA DEBT VENTURES	4.39	09/14/28	N/A	3.374	N/A	100.0
GAMUDA BERHAD	4.1	06/28/30	3.783	3.747	-3.6	100.0
IMTIAZ SUKUK II BHD	4.15	10/02/28	3.597	3.635	3.8	100.0
YTL CORPORATION BERHAD	4.13	04/09/38	N/A	4.120	N/A	100.0
PELABUHAN TANJUNG PELEPA	4.45	11/01/28	N/A	3.354	N/A	90.0
JOHOR PLANTATIONS GROUP	4.04	09/26/34	3.859	3.847	-1.2	80.0
TOTAL VOLUME (TOP 10)						1,430.0
TOTAL VOLUME (Overall)						4,138.7

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