Malaysia's Growth Momentum to Stay Supportive in the Near Term

Monthly Economic Review
September 2026



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Economic Review

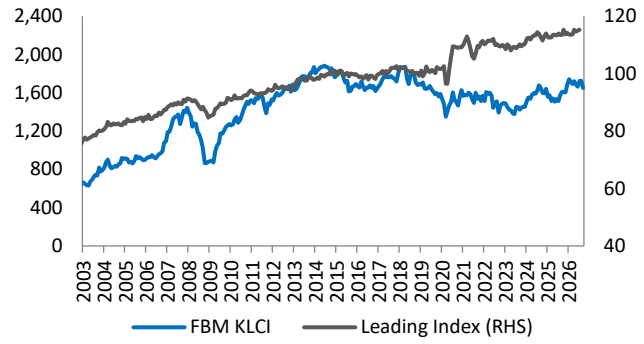
- Malaysia's growth momentum remained supportive in the near term as the Leading Index (LI) increased by +1.1%yoy in Jul-26 (Jun-26: +1.3%yoy), underpinned by stronger imports of semiconductors and precious metals. Despite the slight moderation in LI, Malaysia's economy is expected to continue expanding in 2HCY26.
- Malaysia's total trade growth accelerated to +43.4%yoy in Aug-26 (Jul-26: +37.2%yoy), extending the double-digit expansion to the 12th straight month. Export growth strengthened to +45.5%yoy (Jul-26: +38.0%yoy), while imports rose by +41.1%yoy (Jul-26: +36.3%yoy). E&E products remained the key export driver, contributing about 62% of total export growth, while imports continued to be supported by higher purchases of intermediate and capital goods.
- BNM left the Overnight Policy Rate (OPR) unchanged at 2.75% in its Sep-26 Monetary Policy Meeting, in line with market expectations. The MPC assessed that the current monetary policy stance remains consistent with the outlook of continued price stability and sustainable economic growth. BNM highlighted Malaysia's strong economic momentum, supported by robust export performance, resilient domestic consumption and stable labour market conditions. We continue to expect BNM to maintain the OPR at 2.75% throughout 2026, supported by steady economic fundamentals and manageable inflationary pressures.
- Our projection for Malaysia's 2026 GDP growth has been upgraded to +5.1% (2025: +5.2%), taking into account the robust growth in 1HCY26. Malaysia continues to benefit from rising global demand for technology and E&E products. In addition, continued rise in domestic demand would continue to anchor Malaysia's sustainable economic growth. Nevertheless, the growth outlook remains exposed to downside risks from elevated input and energy costs, renewed global inflationary pressures, tighter trade policies, prolonged supply disruptions and potentially weaker final demand.

Leading index signals continued expansion despite moderation in growth momentum

Malaysia's growth momentum remained supportive in the near term as the Leading Index (LI) increased by +1.1%yoy in Jul-26 (Jun-26: +1.3%yoy), underpinned by stronger imports of semiconductors and precious metals, reflecting continued resilience in investment- and manufacturing-related activities. Nevertheless, the pace of growth moderated slightly amid softer new business registrations, suggesting a more cautious business environment amid external uncertainties. On a monthly basis, LI increased by +0.3%mom in Jul-26 after remaining broadly flat at +0.02%mom in Jun-26. We expect Malaysia's economy to continue expanding in 2HCY26, supported by resilient domestic demand, favourable labour market conditions and sustained investment activities, particularly in E&E, data centres and other high-value sectors.

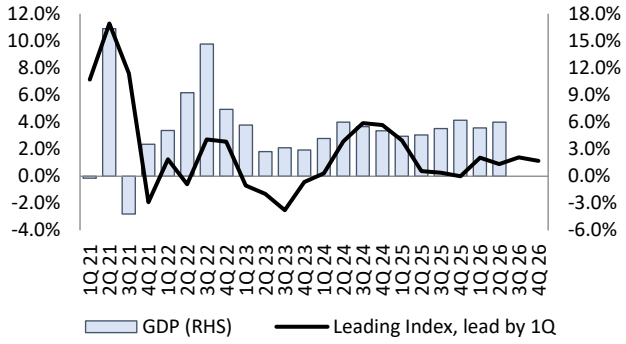
Similarly, the pace of growth in the Coincident Index (CI) moderated to +1.7%yoy (Jun-26: +2.6%yoy), supported by higher EPF contributions and stronger industrial production, indicating that current economic conditions remained broadly resilient. On a month-on-month basis, CI edged lower by -0.1%mom (Jun-26: +0.3%mom), weighed down by some moderation in manufacturing capacity utilisation and real EPF contributions. Nevertheless, labour market conditions and manufacturing activities continued to provide support to overall economic activity.

Chart 1: Leading Index vs KLCI (Points)



Source: Macrobond, DOSM, MBSBR

Chart 2: Leading Index vs GDP (YoY%)



Source: Macrobond, MBSBR

E&E contributed about 62% of export growth

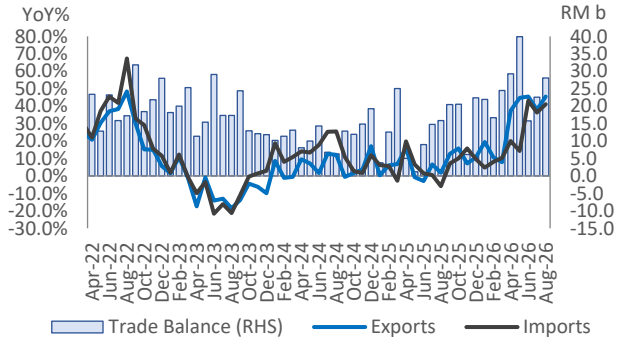
Malaysia's total trade growth accelerated to +43.4%yoy in Aug-26 (Jul-26: +37.2%yoy), extending the double-digit expansion to the 12th straight month. Export growth strengthened to +45.5%yoy (Jul-26: +38.0%yoy), while imports rose by +41.1%yoy (Jul-26: +36.3%yoy). The stronger export performance was supported by both domestic exports and re-exports, while imports were driven by purchases of intermediate and capital goods.

E&E products remained the main export driver, rising by +66.5%yoy and contributing +28.1ppt, or about 62%, of total export growth in Aug-26. Other manufactured products, LNG, petroleum products and machinery, equipment & parts also contributed positively, while palm oil & palm oil-based products partly offset the increase. Export growth continued to be broad-based, with additional support from manufactures of metal as well as optical and scientific equipment, underscoring sustained global demand for Malaysia's manufactured exports.

By destination, exports surged to the US (+130.4%yoy), Taiwan (+102.2%yoy), Japan (+50.9%yoy) and ASEAN (+40.2%yoy). Exports to China (+19.9%yoy) and the EU (+20.0%yoy) continued to expand, albeit at a more moderate pace than in Jul-26. The broad-based expansion across key destinations was largely driven by stronger demand for E&E products, particularly from major technology and manufacturing hubs.

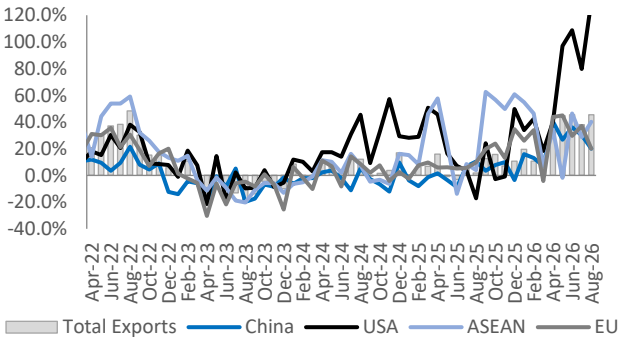
For 2026, growth could exceed our forecast of +22% (previous: +18.9%; 2025: +6.6%) for export and import growth forecast at +16% (previous: +13%; 2025: +6.0%). Despite robust 8MCY26 growth, our forecasts assume a marked moderation in the final months of 2026 as favorable base effects fade and external risks remain elevated. While strong demand for E&E and technology-related products should continue supporting trade activity, the outlook remains susceptible to supply-chain disruptions, elevated input costs, weaker global demand and the risk of renewed trade tensions. Commodity price volatility could also affect nominal trade performance going forward.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

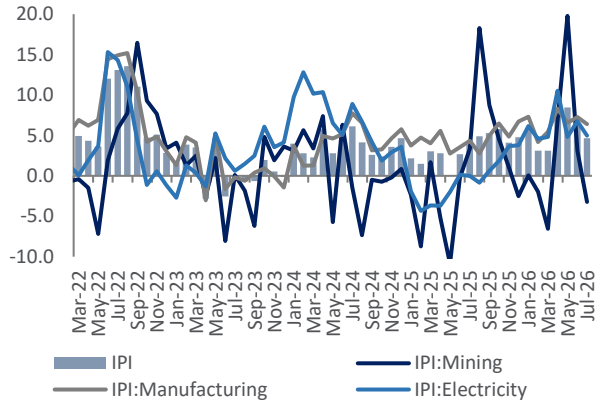
IPI growth moderated further to +4.7%yoy as mining output contracted

Malaysia's IPI growth moderated further to +4.7%yoy in Jul-26 (Jun-26: +6.5%yoy), marking the slowest growth in four months. The moderation was sharper than expected, mainly due to a contraction in mining output. Meanwhile, manufacturing output and electricity generation remained resilient, although growth in both sectors also moderate.

Manufacturing sales continued to expand firmly +9.1%yoy in Jul-26 (Jun-26: +9.8%), with the pace of growth only moderated slightly. The growth was underpinned by resilient sales of E&E components and stronger sales of iron & steel. On a monthly basis, sales increased marginally by +0.2%mom (Jun-26: +2.5%mom).

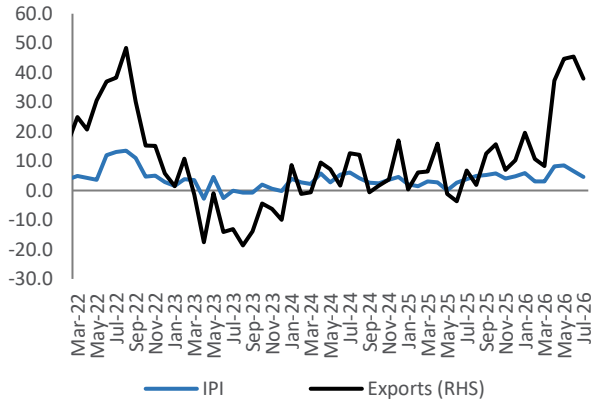
We maintain our 2026 IPI growth forecast at +4.0% (2025: +3.4%), anticipating a more moderate expansion in 2HCY26. Industrial activity will continue to be supported by resilient external demand and increased domestic economic activity. However, the pace of growth may be constrained by downside risks including supply disruptions, elevated cost pressures, potentially weaker final demand and tighter trade policies.

Chart 5: IPI Performances by Sector (YoY%)



Source: Macrobond, MBSBR

Chart 6: IPI vs Exports (YoY%)



Source: Macrobond, MBSBR

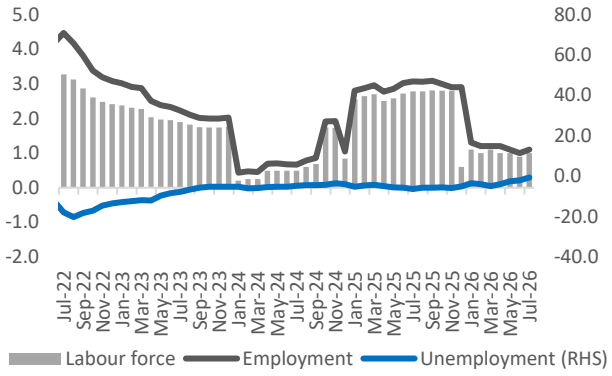
Stable employment conditions supported resilient labour market

Malaysia's labour market remained resilient as the unemployment rate was unchanged at 2.9% in Mar-26, marking the fifth consecutive month below 3.0% and remaining at the lowest level in a decade. Employment growth moderated to +0.2%yoy (Feb-26: +0.3%yoy) but continued to outpace the labour force growth, which was flat. Meanwhile, the number of unemployed persons edged higher to 509K (Feb-26: 507K), while the youth unemployment rate remained stable at 10.2%.

Labour demand improved in Apr-26, with job vacancies increasing by +15.0K to 122.0K (Mar-26: 107.0K), exceeding the 120K level. The increase was led by the services sector, particularly administrative and support services as well as professional, scientific and technical activities. Vacancies also increased in construction, agriculture, forestry and fishing, and mining and quarrying sectors, although vacancies in the manufacturing sector declined. Overall labour demand remained supportive despite signs of a softer hiring environment at the start of the year.

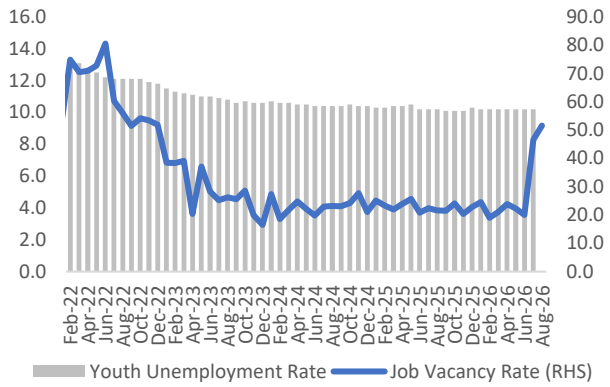
For 2026, we maintain our forecast for the unemployment rate to remain at 3.0%, unchanged from 2025. Economic stability continues to be supported by consistent employment growth, resilient private consumption and steady labour demand in domestic-oriented sectors. In addition, the implementation of the 13MP, National Semiconductor Strategy (NSS) and GEAR-uP initiatives should continue to support demand for skilled labour and underpin domestic economic activity. While external uncertainties and geopolitical risks could weigh on export-oriented industries, domestic growth drivers and continued expansion in high-value sectors such as E&E and advanced semiconductor manufacturing should provide support to the labour market.

Chart 7: Labour Market Performances (YoY%)



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

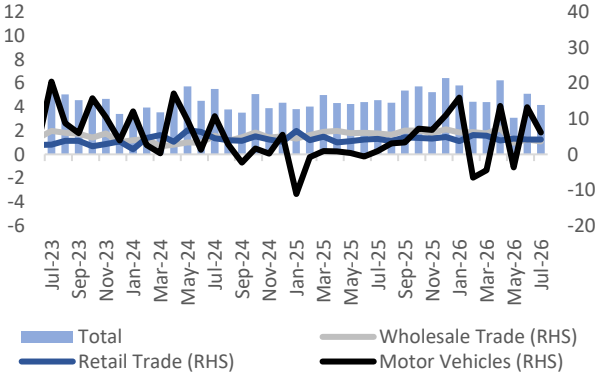
Growth Moderates Further but Remains Robust in Jul-26

Malaysia's distributive trade continued to expand robustly despite easing further to +9.0%yoy in Jul-26 (Jun-26: +10.1%yoy), slowing to below +10% after 3 months of double-digit expansion. Moderation was seen across the board, with slight easing for the wholesale and retail trade, and steeper moderation in motor vehicles. The moderation partly reflected slower consumption momentum following the fading impact of major festive spending, although overall distributive trade continued to be supported by resilient private consumption, healthy wholesale demand and sustained automotive-related activities.

Retail trade momentum eased slightly to +6.4%yoy in Jul-26, decelerating for the second consecutive month, due to easing growth across most sub-sectors. We also observed softer momentum in retail activity as monthly retail trade turned negative (-1.0%mom; Jun-26: +0.2%mom), mainly driven by weaker sales in non-specialised stores and food, beverages & tobacco outlets. Nevertheless, annual growth remained supported by ongoing promotional activities, continued expansion in online shopping, and steady household spending.

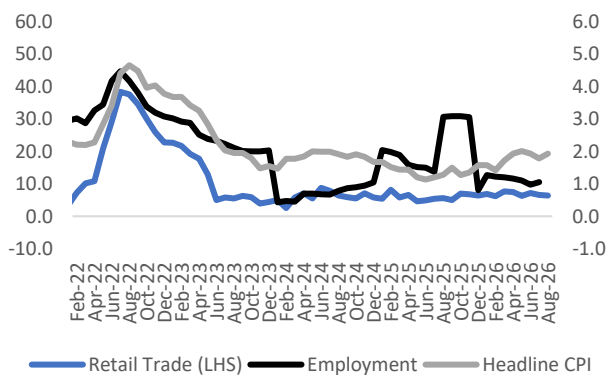
For 2026, we expect retail sales growth to moderate slightly to +5.5% (2025: +6.1%). Over the medium term, a healthy labour market and sustained income growth, including public-sector salary adjustments, should continue to support consumption. Resilient domestic demand is expected to remain an important buffer against external headwinds, including geopolitical tensions and softer global trade conditions. In addition, continued policy support measures and targeted financial assistance should help cushion household spending against rising living costs. The proposed extension of the Visit Malaysia campaign into 2027 is also expected to support tourism-related spending and benefit retail, transport and hospitality activities, underpinning domestic consumption going forward.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

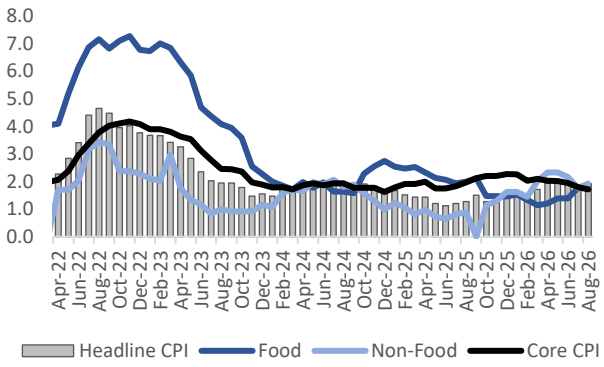
Headline CPI inflation increased on higher transport and food prices, while core inflation eased

Malaysia's headline CPI inflation increased slightly to +1.9%yoy in Aug-26 (Jul-26: +1.8%yoy), in line with our expectation and market consensus, as higher energy prices contributed to faster transport inflation at +2.0%yoy (Jul-26: +1.4%yoy). Food inflation also edged higher to +1.9%yoy (Jul-26: +1.8%yoy), mainly higher prices of food-at-home, particularly meat, fruits and vegetables. Meanwhile, non-food inflation increased slightly to +1.9%yoy (Jul-26: +1.8%yoy), despite slower inflation in information and communication services.

Core inflation eased further to +1.7%yoy in Aug-26 (Jul-26: +1.8%yoy), indicating that underlying price pressures remained generally manageable. Nevertheless, monthly core inflation increased by +0.3%mom after remaining flat in the previous month, suggesting some firming in underlying inflation momentum. By strata, urban inflation increased to +2.0%yoy, while rural inflation remained unchanged at +1.7%yoy.

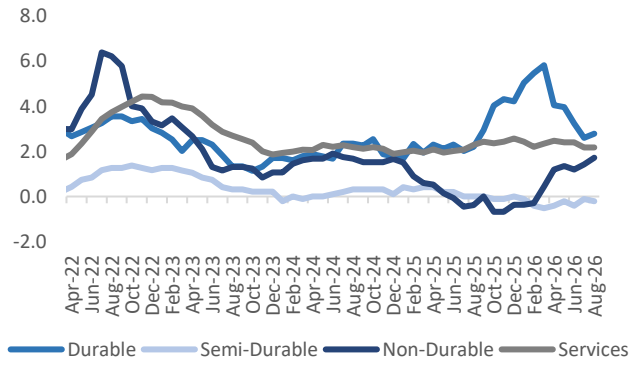
We maintain our headline inflation forecast at +2.0% for 2026 (2025: +1.4%), reflecting relatively contained inflation despite persistent upside risks. While domestic demand remains resilient and core inflation is broadly stable, elevated producer prices, volatile global energy costs, supply-chain disruptions and higher fuel and fertiliser prices could still pass through to consumer prices in the coming months. Government price controls and targeted fuel subsidies should continue to cushion some of these pressures, although renewed geopolitical disruptions remain a key upside risk to the inflation outlook.

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



Source: Macrobond, MBSBR

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



Source: Macrobond, MBSBR

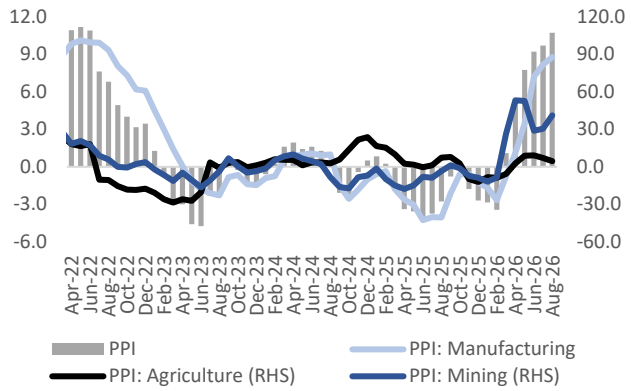
PPI inflation accelerated further on higher mining and manufacturing prices

Malaysia's producer price pressures intensified further in Aug-26, with the Producer Price Index (PPI) accelerating to +10.7%yoy (Jul-26: +9.7%yoy), marking the strongest increase in producer prices in recent months. On a monthly basis, PPI increased by +1.0%mom (Jul-26: +0.7%mom), indicating that upstream cost pressures remained elevated. The acceleration was driven mainly by the mining sector, reflecting higher crude petroleum and natural gas prices, while producer prices in the manufacturing sector also increased further, supported by petroleum-related products and electronics manufacturing.

Cost pressures remained broad-based across the production chain, with prices for crude materials, intermediate materials and components, as well as finished goods, all recording stronger increases compared with the previous month. Continued increases in electronics-related manufacturing prices were also consistent with the ongoing strength in E&E-related activities and resilient industrial demand.

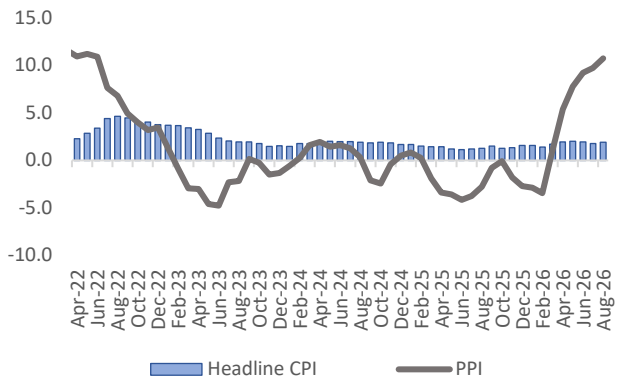
Looking ahead, elevated commodity and energy prices are expected to remain a key source of producer cost pressures. While the pass-through to consumer inflation has remained manageable thus far, sustained increases in input costs could gradually feed into downstream prices if producers become less able to absorb higher operating expenses. Nevertheless, continued strength in export-oriented manufacturing activities should continue to provide support to Malaysia's industrial sector in the near term.

Chart 13: PPI for Selected Sectors (YoY%)



Source: Macrobond, MBSBR

Chart 14: PPI vs CPI (YoY%)



Source: Macrobond, MBSBR

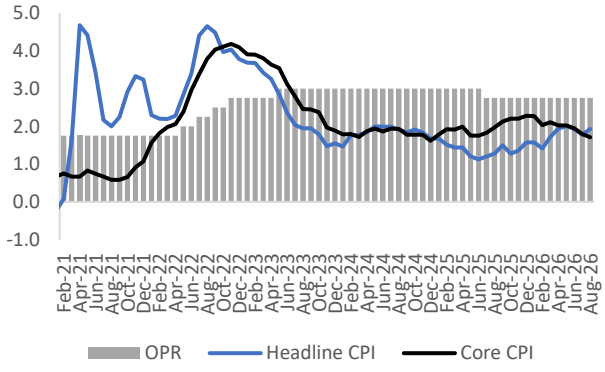
OPR Remained Unchanged Amid Resilient Growth and Stable Inflation

Bank Negara Malaysia left the Overnight Policy Rate (OPR) unchanged at 2.75% in its Sep-26 policy meeting, in line with our expectations and market consensus. BNM sees a broadly resilient in global technology growth, improvement in supply conditions and a stable labour market. At present, the MPC sees that the current monetary stance is "consistent with the outlook of continued price stability and sustainable economic growth". Overall, the policy statement remained largely unchanged from the previous meeting, although BNM appeared more confident on the domestic growth outlook following stronger-than-expected economic performance in 1H26 and sustained demand for E&E products.

At domestic level, BNM highlighted that Malaysia's economy demonstrated strong momentum with a +5.7% expansion in 1H26, navigating global headwinds through robust export performance and solid domestic consumption. Full-year 2026 growth is projected to anchor near +5.0%, with structural resilience carrying this momentum into 2027. Inflation remains manageable despite elevated cost pressures, supported by stable domestic demand conditions and containing pass-through effects.

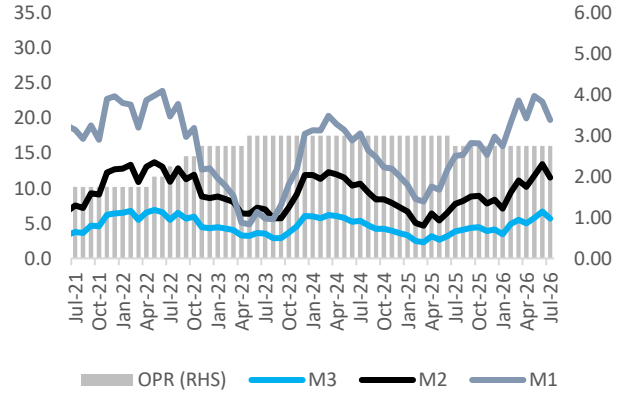
We reaffirm our expectation that Bank Negara Malaysia will maintain an extended OPR hold through 2026, a stance bolstered by steady economic fundamentals and contained price pressures. On growth, we revise our 2026 GDP forecast upward to +5.1% (previously +4.5%), pointing to sustained economic momentum even as output normalises slightly from the 5.2% pace registered in 2025.

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



Source: Macrobond, MBSBR

Chart 16: Money Supply (YoY%) vs OPR (YoY%)



Source: Macrobond, MBSBR

The ringgit depreciated against the dollar by -1.4%mom in Sep-26, closing weaker at RM4.080 (end-Aug-26: RM4.025). The ringgit was trading gradually weaker in the early part

Ringgit depreciated while the DXY edge higher

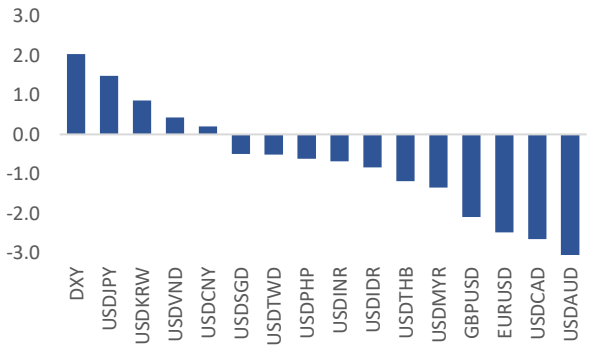
of the month until mid-month, which hit the weakest level of the month at RM4.098. The trend later reversed with the USDMYR rate trending lower towards the end of the month. The ringgit remained below the RM4.10 level.

In the early part of the month, the ringgit traded on a weaker footing between RM4.03 and RM4.099, while the DXY strengthened. The stronger US dollar was largely driven by increased expectations for a Fed rate hike ahead of the Sep-26 FOMC meeting, which subsequently pushed the DXY higher.

While Malaysia's domestic economic fundamentals remain firm, the ringgit's near-term trajectory continues to be influenced by broad US dollar movements. Hawkish signals from the FOMC and expectations for another rate hike this year continued to support the DXY. However, resilient domestic economic conditions helped support investor confidence, allowing the ringgit to stabilise around RM4.06–RM4.08 in the latter half of the month and recover slightly towards month-end.

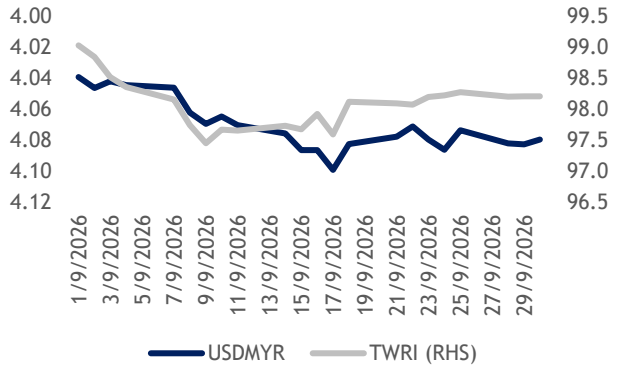
Although recent depreciation pressures on the ringgit have been closely linked to changing expectations for Fed rate hikes, we maintain our forecast for USD/MYR to average around RM4.01 in 2026 and settle around RM4.03 by year-end. A sustained recovery in the ringgit would depend partly on clearer US disinflation, which could temper expectations for prolonged Fed tightening and support a broader recovery in emerging-market currencies. A shift away from the Fed's hawkish stance would also improve global risk appetite and encourage foreign portfolio inflows, providing further support to the ringgit and regional currencies.

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



Source: Bloomberg, Macrobond, MBSBR

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



Source: Bloomberg, MBSBR

MGS10Y closed higher, tracking the uptrend in UST yields

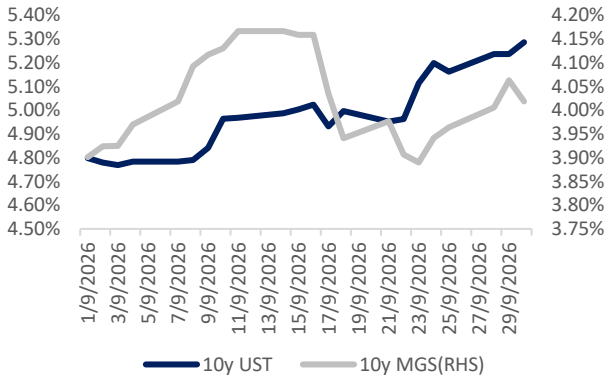
The MGS yield curve closed higher across all tenors in Sep-26, with the MGS10Y rising by +16bps to 4.02%. Yields faced gradual upward pressure in the early part of the month before moving higher in tandem with UST yields, which spiked after the FOMC meeting signalled a more hawkish-than-expected dot plot. The UST10Y subsequently breached the 5.0% threshold and rose by +54bps to 5.29%. Similarly, the longer end of the MGS curve moved higher, with the 30-year yield rising by +18bps to 4.44%. During the month, the MGS10Y traded within a range of 3.901% to 4.165%, while the UST10Y traded between 4.76% and 5.287%. The MGS3Y yield also increased, albeit by a smaller magnitude, ending Sep-26 at 3.47% (Aug-26: 3.36%), up +11bps.

Based on the latest available data, foreign holdings of Malaysian bonds increased strongly by RM15.8b to RM320.1b in Aug-26 (Jul-26: RM304.2b), lifting the foreign holdings ratio to 23.1% from 22.1%. This points to a positive turnaround, with renewed foreign inflows into the domestic debt market. Weekly flows were positive for most of the month, except in the third week, helping foreign holdings rise back above RM320b.

Meanwhile, the FOMC's hawkish stance, as reflected in the latest dot plot, is likely to keep expectations for further tightening elevated into year-end and potentially into next year. The latest projections pointed to a firmer US growth outlook, while inflation remains

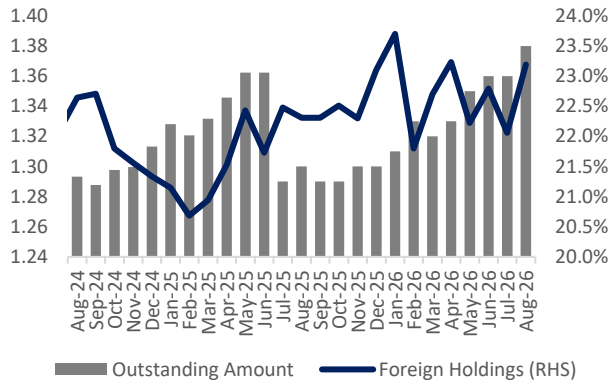
elevated. As such, markets are likely to remain sensitive to the possibility of another rate hike at the upcoming Oct-26 FOMC meeting. Against this backdrop, we see upside risk to our 10-year MGS yield forecast in the short to medium term, in line with recent movements in UST yields. Nevertheless, the outlook will remain sensitive to inflation developments, geopolitical tensions in the Middle East and changes in expectations for the Fed's policy path.

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 economic growth stays resilient with upside from stronger external trade

We maintain our projection for Malaysia's GDP growth at +5.1% in 2026 (2025: +5.2%), underpinned by the robust expansion recorded in 1HCY26 and continued resilience in domestic demand. Nevertheless, the stronger-than-expected performance of exports and imports represents a potential upside to our forecast, particularly given sustained demand for E&E and other manufactured products. The strength in external trade should also provide an important buffer against softer momentum elsewhere in the economy.

Recent government measures will also help to cushion cost pressures on households and support domestic spending. These include the increase in the monthly quota for BUDI95 and BUDI Diesel back to 300 litres from 200 litres effective 1st September, as well as the temporary expansion of electricity bill protection for domestic users consuming up to 800kWh per month through end-2026. Nevertheless, we remain cautious over downside risks to Malaysia's growth outlook from elevated input and energy costs, renewed global inflationary pressures, tighter trade policies and the possibility of weaker final demand.

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	5.2	5.2	5.1
Govt. Consumption	5.1	4.3	4.6	5.3	6.2
Private Consumption	11.3	4.6	4.8	5.3	5.0
Gross Fixed Capital Formation	6.8	5.4	12.1	9.6	6.5
Govt. Investment	5.3	8.5	11.1	10.3	7.6
Private Investment	7.2	4.5	12.4	9.4	6.2
Exports of goods & services;	14.5	(7.9)	8.6	4.9	8.9
Goods Exports	11.0	(12.5)	5.9	2.9	8.0
Services Exports	58.3	32.9	24.2	15.2	13.0
Imports of goods & services;	16.0	(6.8)	8.7	6.3	7.8
Goods Imports	14.4	(10.9)	9.6	6.6	7.9
Services Imports	25.7	16.1	5.0	5.0	7.2
Net Exports	(1.5)	(22.2)	6.7	(15.6)	31.4
Agriculture etc.	1.3	0.4	3.4	2.2	0.5
Mining & Quarrying	3.5	0.6	1.0	0.7	2.5
Manufacturing	8.2	0.7	4.2	4.5	6.2
Construction	5.1	5.9	17.7	12.2	7.2
Services	11.3	5.2	5.3	5.4	5.4
Exports of Goods (f.o.b)	24.9	(8.0)	5.7	6.0	22.0
Imports of Goods (c.i.f)	31.0	(6.4)	13.2	5.5	16.0
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	2.5
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	65.0
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	4,400
USD/MYR (Avg)	4.40	4.56	4.56	4.28	4.01
USD/MYR (End-period)	4.35	4.59	4.47	4.06	4.03
MGS 10-Yr Yield (Avg)	4.07	3.86	3.83	3.58	3.67
MGS 10-Yr Yield (End-period)	4.04	3.73	3.84	3.53	3.76
Overnight Policy Rate (%)	2.75	3.00	3.00	2.75	2.75

Source: Macrobond, Bloomberg, DOSM, MBSBR

SEPTEMBER 2026 KEY ECONOMIC EVENTS

1 Sep: Budi Madani monthly fuel eligibility raised back to 300 litres. The basic monthly eligibility limit under Budi Madani has been increased from 200 to 300 litres, effective Sept 1. The Finance Ministry said the adjustment covers Budi95 and Budi Diesel, with eligible recipients entitled to up to 300 litres monthly.

3 Sep: Penang manufacturing investments jump 38% to RM17.3bil in 1H2026. Penang recorded RM17.3bil in approved manufacturing investments in the first half of 2026, up 38% from the corresponding period last year and putting the state on track to surpass its 2025 record of RM22.4bil.

8 Sep: Bumiputera MSME contribution target to be reviewed by early 2027, says economy minister. The target to increase the contribution of Bumiputera micro, small and medium enterprises (MSMEs) from 15% of GDP to potentially double by 2035 will be reviewed in greater detail at the end of this year or early next year, said Economy Minister Akmal Nasrullah Mohd Nasir.

14 Sep: Retailers want 2027 Budget to level playing field with foreign e-commerce. Malaysia Retail Chain Association (MRCA) is calling for 2027 Budget to tackle what it sees as an uneven playing field between local retailers and foreign e-commerce platforms, while easing rising operating costs. MRCA called for stricter enforcement of the sales tax on low-value goods and equal treatment of cross-border online sellers.

16 Sep: Fed approves interest rate hike, signals one more to come this year. The Federal Reserve on Wednesday approved its first-interest rate hike in more than three years and indicated another is to come, as part of an effort aimed at combating inflation brought on by spiralling oil prices and other factors.

18 Sep: BOJ rate hike signals faster pace of tightening amid inflation risks, weak yen. We're wrapping up our live coverage of the Bank of Japan's decision to raise interest rates to a 31-year high of 1.25 per cent. Governor Kazuo Ueda signalled the central bank has entered a new phase focused on preventing inflation from overshooting its target, opening the door to further rate hikes.

23 Sep: ADB slightly lifts 2026 growth outlook, trims inflation forecast. The Asian Development Bank (ADB) raised Malaysia's economic growth forecasts to 4.9% for 2026 and 4.7% for 2027. The upward revision was supported by the global semiconductor upcycle, continued data centre investments and resilient domestic demand.

24 Sep: Malaysia secures over RM28 bil potential investments from China visit. Malaysia has secured more than RM28 billion in potential investments following trade talks with major Chinese industry players, said Prime Minister Datuk Seri Anwar Ibrahim. The commitments were secured during a three-day working visit to Shanghai and Hangzhou.

26: China, US agree to AI dialogue, tariff cuts on $30 billion in goods during Xi visit. The United States and China have agreed to reduce tariffs on $30 billions of goods and launch a dialogue on AI, both countries said following President Xi Jinping's visit to Washington.

28 Sep: S&P affirms Malaysia's A- sovereign rating, outlook stable. Malaysia's consistently strong economic growth and high degree of monetary policy flexibility underpin the sovereign ratings, the rating agency said in a statement.

29 Sep: China unveils rate cut, mortgage subsidies to spur growth. China unveiled measures designed to steer cheaper credit into a range of sectors including infrastructure and technology, as well as expanding support for home buyers, in a fresh bid to shore up its slowing economy.

3 Sep: Bank Negara maintains OPR at 2.75%. Bank Negara Malaysia (BNM) has maintained its overnight policy rate (OPR) at 2.75%, following its latest monetary policy committee meeting. The central bank last adjusted the OPR in July 2025, when it lowered the rate from 3% as a pre-emptive measure to spur growth.

4 Sep: Malaysia declares emergency in Serian district in Sarawak state due to haze. Malaysia declared an emergency in the district of Serian, in Sarawak state, after thick haze caused by forest fires in neighbouring Indonesia pushed air pollution up to hazardous levels on Friday.

10 Sep: ECB hikes rates to 2.5% as energy shock pushes inflation higher. The European Central Bank's governing council lifted the deposit facility rate from 2.25% to 2.5% on Thursday. It is the second hike since 11 June, when the ECB moved for the first time in three years. The decision follows an August inflation reading of 3.3%, up from 2.9% in July and the highest since September 2023.

16 Sep: Sarawak completes RM1.8-billion Bintulu Port takeover. Sarawak's RM1.8-billion takeover of Bintulu Port has been formally completed today (September 16) following the handover of four legal instruments governing its transfer from federal to state control. The legal transfer itself took effect on September 1, marking Bintulu Port's change in status from a federal port to a Sarawak state port

17 Sep: Threshold for domestic user electricity subsidies raised to 800kWh. Domestic consumers will now enjoy electricity bill subsidies for usage of up to 800kWh a month, up from 600kWh, until Dec 31, says Datuk Seri Anwar Ibrahim. The measure is an immediate step to address the current cost-of-living pressures.

23 Sep: US, China agree to extend trade truce by two months, work on bigger deal, Bessent says. The United States and China have agreed to extend by two months a trade truce that was due to expire on November 10, allowing more time to work on a potentially bigger trade deal, US Treasury Secretary Scott Bessent said on Wednesday.

24 Sep: Malaysia, China agree on proposed ECRL extension to Rantau Panjang. Malaysia and China have agreed on the proposed extension of the East Coast Rail Link (ECRL) project from Kota Bharu to Rantau Panjang, Kelantan, said Prime Minister Datuk Seri Anwar Ibrahim. He said the project would stimulate economic activity in Kelantan and establish a direct transport link with Thailand.

25 Sep: Anwar wraps China visit with RM36.8b in trade, investment pledges. Prime Minister Datuk Seri Anwar Ibrahim's three-day working visit to Shanghai and Hangzhou, China, is not just a routine diplomatic trip, but rather a new benchmark for the continuation of strategic relations that strengthen cooperation in various fields between the two countries.

28 Sep: RM2,000 minimum wage decision rests with Budget 2027. Any decision on a possible increase in the minimum wage to RM2,000 should be left to Prime Minister Datuk Seri Anwar Ibrahim's announcement when tabling Budget 2027, Economy Minister Akmal Nasrullah Mohd Nasir said.

28 Sep: Oil up, stock futures slip as Iran offer rejected. Oil advanced and US equity futures slipped after President Donald Trump rejected Iran's latest proposal to reopen the Strait of Hormuz, while saying negotiations may resume this week.

30 Sep: MSMEs temporarily exempted from new minimum wage hike. Micro, small and medium enterprises (MSMEs) will be temporarily exempted from any new minimum wage increase, Entrepreneur and Cooperatives Development Minister Steven Sim Chee Keong said.

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