FIXED INCOME AND FX WEEKLY

MBSB Strategy 16 November 2026

Week Ended 13 November 2026

- The UST benchmark 10-year yield ended higher last week at 5.14% (prior week: 4.86%) as investors reacted to the higher-than-expected October CPI data. The 10y-3y yield spread narrowed (yield curve flattened) to +23bp (prior week: +28bp) as short-end underperformed. At week close, the interest rate futures market implied (as per CME FedWatch aggregated probabilities) additional 1 hike (prior week: 1 hike) this year, and 2 hikes (prior week: 1 hike) next year.

- Medium-term inflation expectation (MTIE) ended the review week higher at 2.30% (prior week: 2.29%). The MTIE has remained above the US Fed's target level of 2.00% since September 2024. However, since mid-May this year, expectations of Fed rate hikes have arguably contributed to lower MTIE.

- The price of MGS benchmark issues ended the review week lower with the 3-year and 10-year yields added +2.1bp and +2.8bp to close at 3.42% and 3.86% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +45bp (prior week: +44bp) as long-end underperformed.

- MGS foreign holdings increased month-on-month to RM326b (all-time high) in October 2026 from RM318b in September 2026. Moreover, it increased year-on-year from RM292b in October 2025. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM9.3b. It declined from -RM8.5b registered a week ago. However, it increased year-on-year from -RM24.4b a year ago.

MBSB RESEARCH is a unit of MBSB INVESTMENT BANK
Kindly refer to the last page of this publication for important disclosures

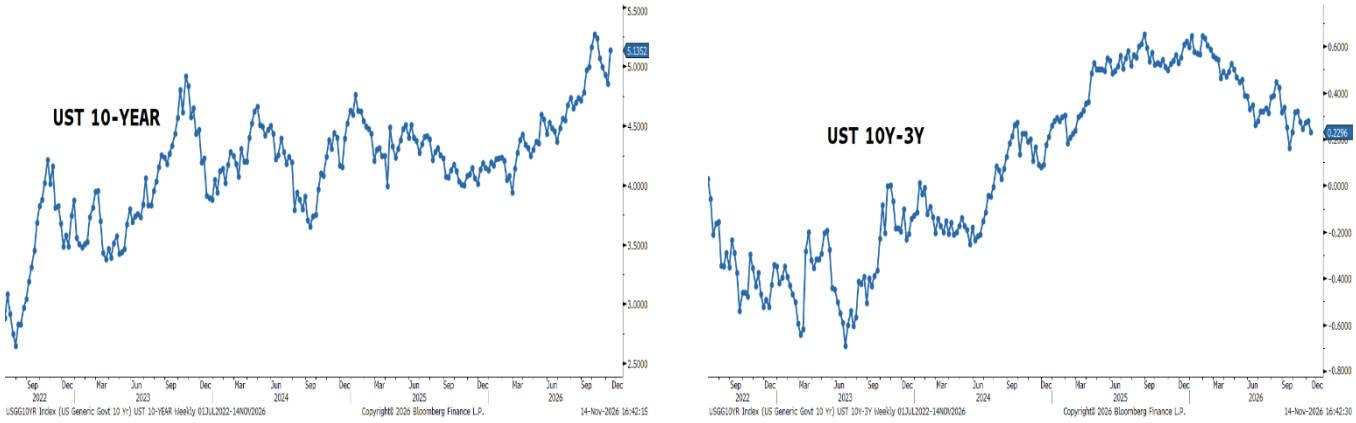
16 November 2026 | Strategy

Strategy Team | research@mbsb.com

FIXED INCOME AND FX WEEKLY REVIEW

A. FIXED INCOME

- The UST benchmark 10-year yield ended higher last week at 5.14% (prior week: 4.86%) as investors reacted to the higher-than-expected October CPI data. The 10y-3y yield spread narrowed (yield curve flattened) to +23bp (prior week: +28bp) as short-end underperformed. At week close, the interest rate futures market implied (as per CME FedWatch aggregated probabilities) additional 1 hike (prior week: 1 hike) this year, and 2 hikes (prior week: 1 hike) next year.



Source: Bloomberg, MBSBR (G8, G9)

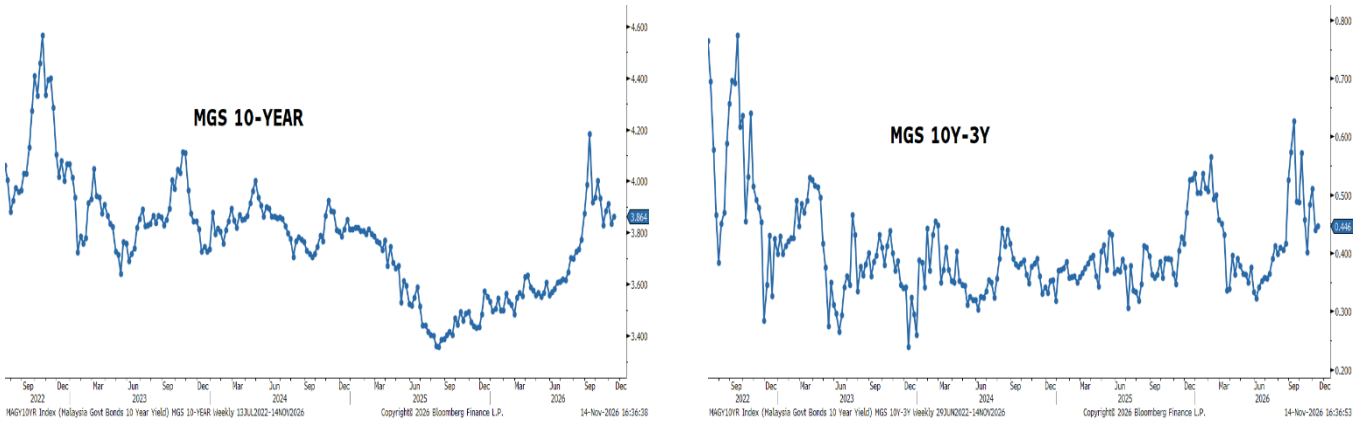
- Medium-term inflation expectation (MTIE) ended the review week higher at 2.30% (prior week: 2.29%). The MTIE has remained above the US Fed's target level of 2.00% since September 2024. However, since mid-May this year, expectations of Fed rate hikes have arguably contributed to lower MTIE.

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



Source: Bloomberg, MBSBR (G12)

- The price of MGS benchmark issues ended the review week lower with the 3-year, and 10-year yields added +2.1bp and +2.8bp to close at 3.42% and 3.86% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +45bp (prior week: +44bp) as long-end underperformed.

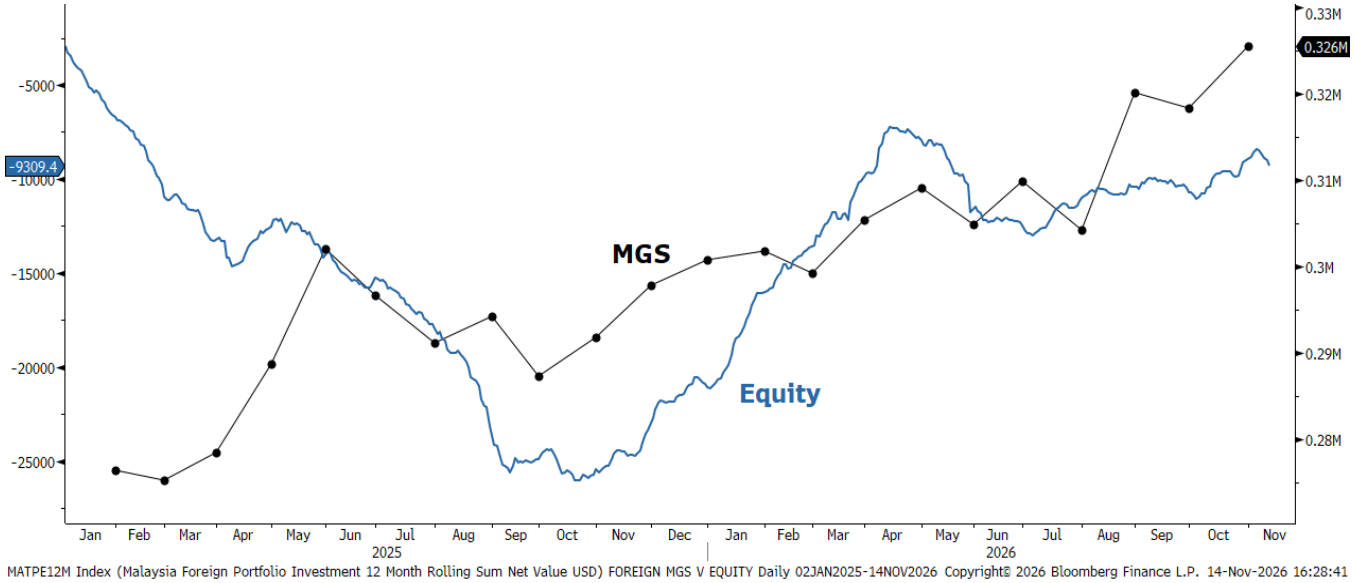


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) declined to RM22.4b in the review week compared to RM33.3b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 71% (prior week: 70%) 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 MGS 3.9% 11/30/26 at RM3.5b, MGS 3.502% 5/31/27 at RM2.9b, and MII 3.974% 7/16/40 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 02JAN2025-14NOV2026 Copyright© 2026 Bloomberg Finance L.P. 14-Nov-2026 16:28:41
Source: Bloomberg, MBSBR (G13)

- MGS foreign holdings increased month-on-month to RM326b (all-time high) in October 2026 from RM318b in September 2026. Moreover, it increased year-on-year from RM292b in October 2025. On Bursa Malaysia, the 12-month rolling sum of foreign net equities trade ended the review week at -RM9.3b. It declined from -RM8.5b registered a week ago. However, it increased year-on-year from -RM24.4b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) declined to RM2.1b in the review week compared to RM2.3b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues increased (lower trading breadth) to 54% (prior week: 32%) 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 RHB Bank 0% 5/10/27 at RM300m, PTPTN 4.85% 7/26/41 at RM200m, and Cagamas 3.9% 12/28/26 at RM200m.

B. FOREIGN EXCHANGE

- The US dollar index strengthened last week. The US dollar appreciated last week, with the DXY Index increasing by +1.1%wow to 103.4, hitting the highest level since Mar-25 after strengthening throughout the week. The latest data indicated persistently elevated inflation, and renewed geopolitical risks underpinned the greenback as markets priced in a +25 bps rate hike by the Fed at the Dec-26 FOMC meeting. Although Oct-26 US PPI rose slightly less than expected at +6.5%yoy (consensus: +6.6%) and +0.3%mom (consensus: +0.4%mom), it marked the sharpest annual increase since 2022, coupled with an earlier firm CPI print signaling broader energy price pass-through, resulting in a weekly surge in the 10-year UST. Concurrently, safe-haven flows triggered by President Donald Trump's remarks suggesting the US may forgo an agreement with Tehran provided additional tailwinds for the dollar. Although geopolitical shocks typically trigger a flight to safety towards the US dollar, any structural erosion in market confidence or global demand for USD-denominated assets could alter capital flows. As investors diversify their portfolios, gold, the Japanese yen and the euro could be the primary beneficiaries of safe-haven rotation over the medium term

- EUR and GBP weakened. On the back of a stronger US dollar, the euro depreciated by -1.1%wow to USD1.102, despite hawkish view expressed by the ECB Chief Economist Phillip Lane in support of another hike in Dec-26, as the euro zone inflation accelerated to +4.0%yoy in Oct-26. Meanwhile, the GBP weakened by -1.0%wow to USD1.321, despite the UK GDP growing stronger by +0.7%qoq or +1.9%yoy in 3Q26, within market expectations.

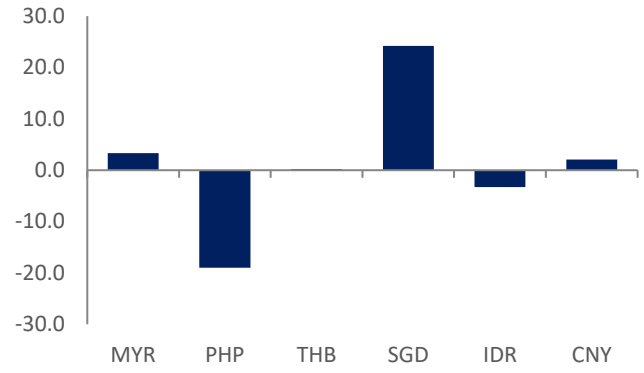
- The ringgit also weakened last week. Like other currencies, the ringgit depreciated by -0.7%wow to RM4.087 mainly due to strengthening of the US dollar. The local currency traded in a weaker trend, trading within the range of RM4.05 to RM4.089 during the week. The ringgit gradually weakened throughout the week although economic data releases pointed to more encouraging activities in Sep-26. The prevailing risk-off sentiment, alongside portfolio rebalancing as investors reassessed their exposure to AI and technology-related investments, also weighed on emerging-market currencies, including the ringgit. On a broader basis, the ringgit weakened against the currencies of Malaysia's trading partners, with the MBSB Trade-Weighted Ringgit Index declining by -0.3%wow to 98.66, mainly against the Korean won (-1.4%wow), Taiwan dollar (-0.9%wow), and Chinese yuan (-0.7%wow). Separately, foreign holdings of Malaysian government and corporate bonds recorded an inflow of +RM0.75b between the 2nd to 9th November, smaller than the previous weeks of +RM5.8b inflow. Consequently, foreign holdings of local bonds increased to RM327.5b.

Currencies Changes (Week Ended 13-Nov-2026) and Quarterly Forecasts

	Close 13/11	Prev. Close 06/11	Weekly Change	Weekly Change (%)	1QCY26	2QCY26	3QCY26	4QCY26f
DXY Index	103.41	102.30	+1.114	+1.09	98.5	101.1	101.5	100.5
EURUSD	1.102	1.114	-0.012	-1.1	1.18	1.14	1.13	1.15
GBPUSD	1.321	1.335	-0.014	-1.0	1.34	1.33	1.33	1.34
USDJPY	159.7	158.5	-1.230	-0.8	152.0	162.55	157.4	162.0
USDMYR	4.087	4.059	-0.028	-0.7	4.04	4.09	4.08	4.03
GBPMYR	5.408	5.433	+0.025	+0.5	5.45	5.41	5.42	5.40
JPYMYR	2.559	2.561	+0.002	+0.1	2.6	2.51	2.59	2.49
MBSB TWRI	98.66	98.97	-0.310	-0.31	98.6	99.65	98.2	102.00

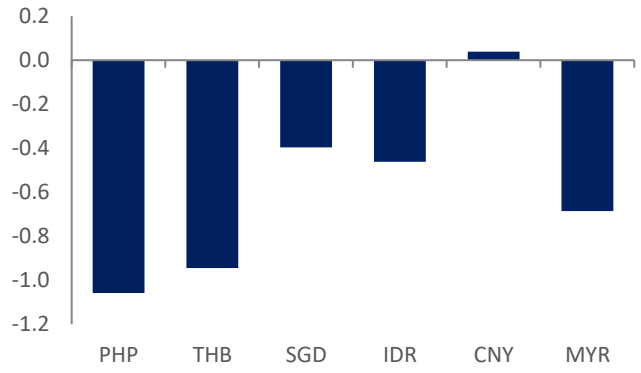
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR.
Source: Bloomberg, MBSBR

Yield Change in 10Y Government Bonds (bps)



Source: Bloomberg; Macrobond; MBSBR

Weekly Currencies Changes vs USD (%)



Source: Bloomberg; Macrobond; MBSBR

Central Bank Policy Rate by Selected Economies (%)

	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Malaysia	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Indonesia	4.75	4.75	5.25	5.75	5.75	5.75	5.75	5.75	5.75
Philippines	4.25	4.50	4.50	4.75	4.75	5.00	5.00	5.50	5.50
Thailand	1.00	1.00	1.00	1.00	1.00	1.00	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	2.75	3.00	3.00	3.00	3.00
India	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50
Japan	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
UK	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	4.00
Euro area	2.15	2.15	2.15	2.40	2.40	2.40	2.65	2.65	2.65
USA	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.75-4.00	3.75-4.00	3.75-4.00

Source: Bloomberg, MBSBR

Key Economic Data Releases Last Week

Economic Indicators	Period	Actual	Previous	Consensus
United States				
ADP Employment Change weekly	24- Oct	+19.75k	+16.75K	n.a
Initial Jobless Claims	Week Ending 24th Oct	200K	191K	195K
Inflation rate (mom)	Oct-26	+0.4	+0.6	+0.3
Core Inflation rate (mom)	Oct-26	+0.3	+0.3	+0.2
Producer Price Index (yoy)	Oct-26	+6.5	+6.3	+6.6
Core Producer Price Index (yoy)	Oct-26	+4.9	+5.0	n.a
ADP Employment Change weekly	24- Oct	+19.75k	+16.75K	n.a
Initial Jobless Claims	Week Ending 24th Oct	200K	191K	195K
Malaysia				
Industrial Production (yoy)	Sep-26	+6.3	+5.0	+5.8
Unemployment rate	Sep-26	2.9	2.9	n.a
Retail sales (yioy)	Sep-26	+6.9	+6.5	n.a

Source: Macrobond, MBSBR

C. BNM INTERNATIONAL RESERVES

- As of 30 October 2026, compared to previous fortnight, Bank Negara Malaysia's international reserves were higher at USD132.6b (15 October 2026: USD132.1b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MBSBR (G14)

- The main components of the international reserves comprised (1) Foreign currency reserves: USD116.8b, (2) IMF reserve position: USD1.3b, (3) SDRs: USD6.0b, (4) Gold: USD6.2b, and (5) Other reserve assets: USD2.3b.

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	6-Nov Fri	9-Nov Mon	10-Nov Tue	11-Nov Wed	12-Nov Thu	13-Nov Fri	Change (WoW bp)
MGS							
3-Y	3.397	3.397	3.386	3.438	3.416	3.418	2.1
5-Y	3.591	3.591	3.607	3.66	3.629	3.638	4.7
7-Y	3.773	3.773	3.782	3.808	3.835	3.835	6.2
10-Y	3.836	3.836	3.835	3.853	3.848	3.864	2.8
20-Y	4.203	4.203	4.218	4.288	4.242	4.292	8.9
RINGGIT IRS							
1-Y	3.605	3.605	3.577	3.623	3.635	3.64	3.5
3-Y	3.59	3.59	3.575	3.61	3.635	3.6475	5.75
5-Y	3.6175	3.6175	3.605	3.66	3.6635	3.6863	6.88
7-Y	3.6745	3.6745	3.6585	3.6875	3.7295	3.75	7.55
10-Y	3.785	3.785	3.78	3.8	3.84	3.855	7
KLIBOR							
1-M	3.02	3.02	3.02	3.02	3.02	3.02	0
3-M	3.56	3.56	3.56	3.56	3.57	3.58	2
UST							
3-Y	4.5802	4.6201	4.7805	4.7805	4.9369	4.9056	32.54
5-Y	4.6449	4.6767	4.8193	4.8193	4.9704	4.9616	31.67
7-Y	4.7366	4.767	4.8921	4.8921	5.0346	5.0374	30.08
10-Y	4.8574	4.882	4.9896	4.992	5.1271	5.1352	27.78
30-Y	5.2645	5.2783	5.3524	5.3524	5.4521	5.4655	20.1

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	6-Nov Yield	13-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	3.9	11/30/26	2.790	2.945	15.5	3,486.6
MALAYSIA GOVERNMENT	3.502	05/31/27	2.875	2.951	7.6	2,919.6
MALAYSIA INVESTMNT ISSUE	3.974	07/16/40	4.147	4.143	-0.4	1,824.4
MALAYSIA GOVERNMENT	3.92	10/31/36	3.836	3.864	2.8	1,796.9
MALAYSIA GOVERNMENT	3.899	11/16/27	3.100	2.971	-12.9	1,516.0
MALAYSIA INVESTMNT ISSUE	3.422	09/30/27	3.061	3.056	-0.5	1,332.1
MALAYSIA GOVERNMENT	4.232	06/30/31	3.591	3.638	4.7	943.7
MALAYSIA INVESTMNT ISSUE	3.447	07/15/36	3.850	3.910	6.0	803.4
MALAYSIA GOVERNMENT	3.766	01/15/41	4.095	4.156	6.1	687.2
MALAYSIA GOVERNMENT	3.844	04/15/33	3.773	3.835	6.2	555.0
TOTAL VOLUME (TOP 10)						15,864.9
TOTAL VOLUME (Overall)						22,367.5

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	6-Nov Yield	13-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
RHB BANK	ZERO	05/10/27	N/A	3.569	N/A	300.0
PERBADANAN TABUNG PENDI	4.85	07/26/41	4.509	4.549	4.0	200.0
CAGAMAS BERHAD	3.9	12/28/26	N/A	3.470	N/A	200.0
DANAINFRA NASIONAL	4.53	04/07/37	4.266	4.271	0.5	130.0
TENAGA NASIONAL BERHAD	4.69	10/25/41	4.670	4.659	-1.1	55.0
TM TECHNOLOGY SDN BHD	4.68	10/31/28	4.012	4.043	3.1	50.0
PERBADANAN TABUNG PENDI	4.27	03/01/29	3.730	3.720	-1.0	50.0
DANAINFRA NASIONAL	4.46	08/18/37	4.319	4.287	-3.2	50.0
DANAINFRA NASIONAL	4.1	10/28/33	N/A	4.098	N/A	50.0
DANAINFRA NASIONAL	4.95	03/19/32	4.071	3.986	-8.5	40.0
TOTAL VOLUME (TOP 10)						1,125.0
TOTAL VOLUME (Overall)						2,092.3

Source: Bloomberg

MBSB RESEARCH is part of MBSB Investment Bank Berhad
(197501002077 (23878-X)). (Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad. The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report. This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK BERHAD: GUIDE TO RECOMMENDATIONS	
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