FIXED INCOME AND FX WEEKLY

MBSB Strategy 23 November 2026

Week Ended 20 November 2026

- The UST benchmark 10-year yield ended lower last week at 4.94% (prior week: 45.14%) as investors sought safety in govvies amid tumbling equities. Equity market sentiment was jittery as the S&P 500 Volatility Index jumped to 35.9 points, its highest level since April last year. The 10y-3y yield spread expanded (yield curve steepened) to +26bp (prior week: +23bp) as short-end outperformed. 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 1 hike (prior week: 2 hikes) next year.

- Medium-term inflation expectation (MTIE) ended the review week lower at 2.19% (prior week: 2.30%). 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 higher with the 3-year and 10-year yields shed -5.5bp and -4.2bp to close at 3.36% and 3.82% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +46bp (prior week: +45bp) as short-end outperformed.

- 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 was unchanged from -RM9.3b registered a week ago. However, it increased year-on-year from -RM24.7b a year ago.

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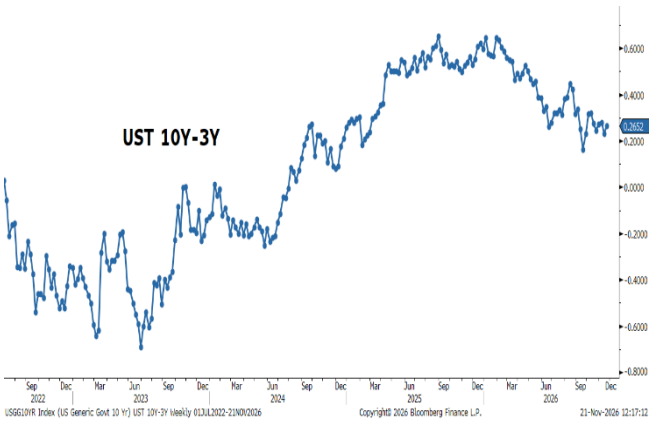
23 November 2026 | Strategy Strategy Team | research@mbsb.com

FIXED INCOME AND FX WEEKLY REVIEW

A. FIXED INCOME

- The UST benchmark 10-year yield ended lower last week at 4.94% (prior week: 45.14%) as investors sought safety in govvies amid tumbling equities. Equity market sentiment was jittery as the S&P 500 Volatility Index jumped to 35.9 points, its highest level since April last year. The 10y-3y yield spread expanded (yield curve steepened) to +26bp (prior week: +23bp) as short-end outperformed. 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 1 hike (prior week: 2 hikes) next year.





Source: Bloomberg, MBSBR (G8, G9)

- Medium-term inflation expectation (MTIE) ended the review week lower at 2.19% (prior week: 2.30%). 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.

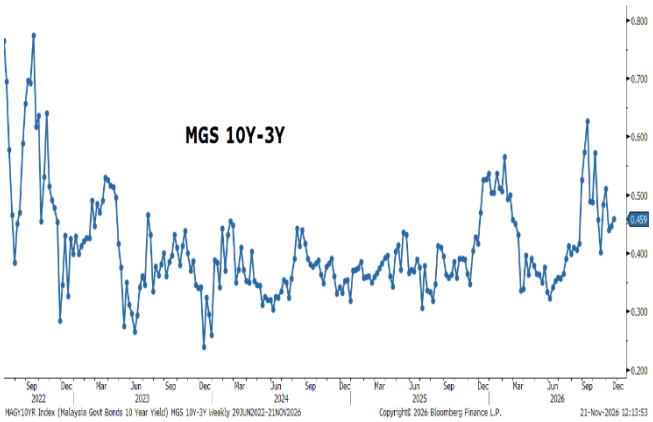
5Y UST-TIPS SPREAD: MEDIUM-TERM INFLATION EXPECTATION (MTIE)



Source: Bloomberg, MBSBR (G12)

- The price of MGS benchmark issues ended the review week higher with the 3-year, and 10-year yields shed -5.5bp and -4.2bp to close at 3.36% and 3.82% respectively. The 10y-3y yield spread expanded (yield curve steepened) to +46bp (prior week: +45bp) as short-end outperformed.



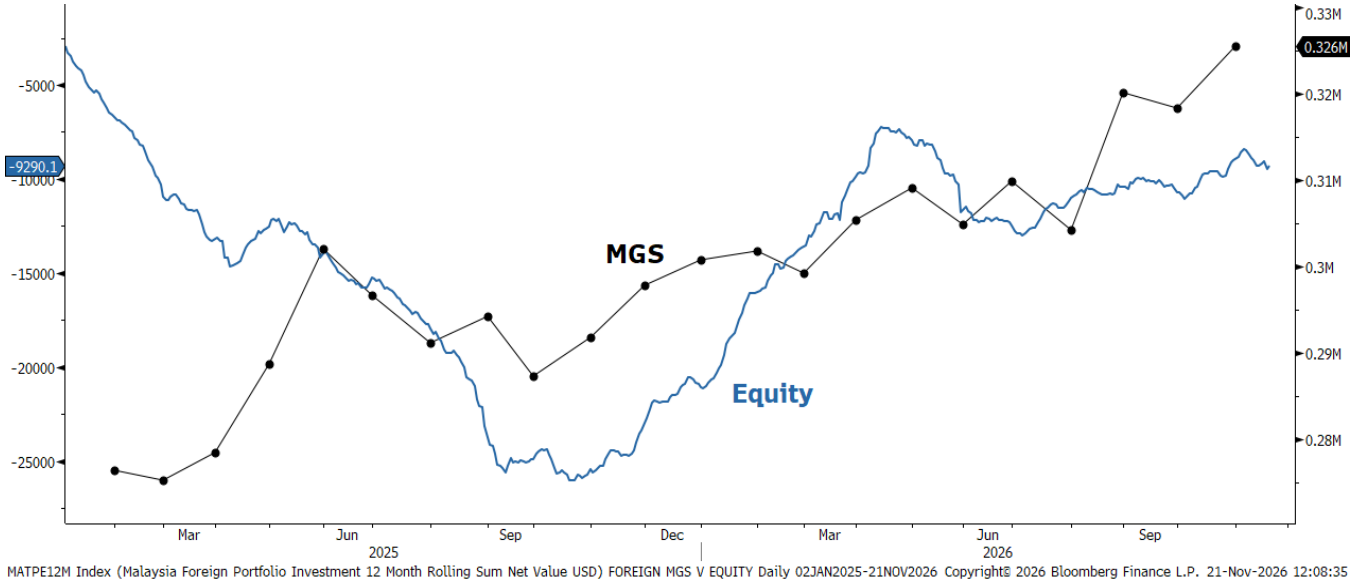


Source: Bloomberg, MBSBR (G10, G11)

- Total trading value for Government Bonds (MGS/MII) increased to RM35.1b in the review week compared to RM22.4b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 60% (prior week: 71%) of the overall Government Bonds trade. Moreover, 9 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 and long residual tenor. The top 3 most actively traded were MGS 4.054% 4/18/39 at RM4.6b, MGS 3.9% 11/30/26 at RM3.6b, and MGS 3.502% 5/31/27 at RM3.4b.

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 02JAN2025-21NOV2026 Copyright© 2026 Bloomberg Finance L.P. 21-Nov-2026 12:08:35
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 was unchanged from -RM9.3b registered a week ago. However, it increased year-on-year from -RM24.7b a year ago.

- Total trading value for Corporate Bonds (Conventional & Sukuk) increased to RM4.6b in the review week compared to RM2.1b in the prior week (based on Bloomberg data). The total trading value of the 10 most actively traded issues declined (higher trading breadth) to 52% (prior week: 54%) 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 Malayan Banking 0% 8/17/27 at RM500m, Danainfra Nasional 4.37% 5/25/27 at RM400m, and Cagamas 0% 8/17/27 at RM310m.

B. FOREIGN EXCHANGE

- US dollar slightly strengthened throughout the week. The US dollar index strengthened against major currencies last week, with the DXY index edging higher by +0.4%wow to 103.81. The greenback traded sideways within a tight range of 103.3 to 103.9 last week, while appreciated on the back of firming Fed rate hikes expectations. The October FOMC minutes also reinforced a hawkish policy outlook as nearly all policymakers projected further rate hikes to guide inflation back toward +2.0%. Reflecting this consensus, the CME Group's FedWatch Tool indicates that a +25bps rate hike in December is all but certain, while markets are pricing another hike in early 2027. Investors also fled to safe-haven assets, especially in the US dollar, on the back of the escalation in military activities in the Middle East due to concerns about Tehran's nuclear program. Meanwhile, towards the end of the week, US consumer sentiment improved alongside moderating inflation expectations. Although geopolitical shocks typically trigger a flight to safety supportive of the US dollar, any structural erosion in market confidence or global demand for USD-denominated assets could alter the global 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 -0.5%wow to USD1.097, weighed down by a sharper contraction in euro area industrial production (-1.5%yoy in Sep-26; Aug-26: -1.1%yoy) and easing inflationary pressures. Meanwhile, the pound sterling weakened by 0.1%wow to USD1.308, its weakest weekly closing since Apr-25, weighed down by the stronger US dollar and softer-than-expected UK inflation, which tempered expectations of further BoE tightening. Despite accelerating to +3.6%yoy in Oct-26 (Sep-26: +3.5%yoy), headline inflation undershot market expectations, while producer input prices surged by +10.8%yoy, highlighting persistent upstream cost pressures.

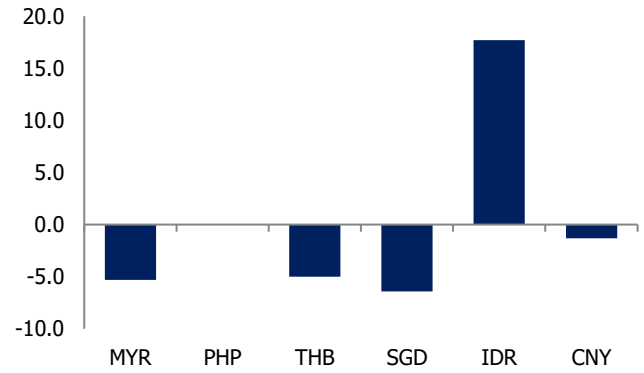
- Ringgit depreciated to the weakest level in 5 months. The ringgit exchange rate weakened by -0.5%wow to RM4.113, as the local currency was also affected by the strength in US dollar. The local currency traded within the range of RM4.087 to RM4.126 and saw during the mid-week hitting the weakest level since Jun-26. The local currency weakened aggressively during the early part of the week, hitting the RM4.126 level, but later strengthened towards the week's close, following encouraging domestic data releases, with GDP continuing to expand at +5.5%yoy in 3Q26, inflation remaining stable, and external trade continuing to expand robustly and recording higher trade surplus. On another note, the US government's intention to curb high-performance AI chips also impacted sentiment on the ringgit and raised concerns about threats on Malaysia's investment outlook. We expect that the ringgit will average around RM4.08 for this month and end the month within the RM4.09 to RM4.13 range. On a broader basis, the ringgit weakened against the currencies of Malaysia's trading partners, with our MBSB Trade-Weighted Ringgit Index declining by -0.6%wow to 98.08. The ringgit depreciated mainly against the Australian dollar (-0.8%wow), Japanese yen (-0.8%wow), and Philippine peso (-0.7%wow). Separately, foreign holdings of Malaysian government and corporate bonds recorded an outflow of -RM0.8b between 9th to 16th November, reversing the previous week's inflow of +RM0.7b. Consequently, foreign holdings of local bonds declined to RM326.7b.

Currencies Changes (Week Ended 20-Nov-2026) and Quarterly Forecasts

	Close 20/11	Prev. Close 13/11	Weekly Change	Weekly Change (%)	1QCY26	2QCY26	3QCY26	4QCY26f
DXY Index	103.81	103.41	+0.395	+0.4	98.5	101.1	101.5	100.5
EURUSD	1.097	1.102	-0.006	-0.5	1.18	1.14	1.13	1.15
GBPUSD	1.308	1.321	-0.013	-1.0	1.34	1.33	1.33	1.34
USDJPY	158.6	159.7	+1.140	+0.7	152.0	162.55	157.4	162.0
USDMYR	4.113	4.087	-0.026	-0.6	4.04	4.09	4.08	4.03
GBPMYR	5.389	5.408	+0.018	+0.3	5.45	5.41	5.42	5.40
JPYMYR	2.594	2.559	-0.035	-1.4	2.6	2.51	2.59	2.49
MBSB TWRI	98.08	98.66	-0.580	-0.59	98.6	99.65	98.2	102.00

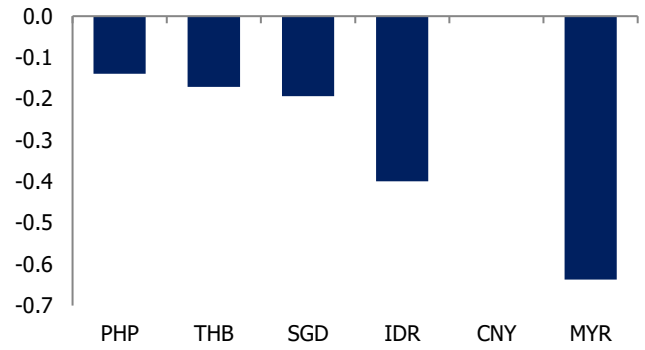
Note: "+" indicates appreciation, while "- "indicates depreciation. Quarterly figures are forecast by MBSBR.
Source: Bloomberg, MBSBR

Yield Change in 10Y Government Bonds (bps)



Source: Bloomberg; Macrobond; MBSBR

Weekly Currencies Changes vs USD (%)



Source: Bloomberg; 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	6.00
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	31- Oct	+23.75k	+19.75K	n.a
Initial Jobless Claims	Week Ending 14th Nov	203K	202K	197K
Retail sales (yoy)	Oct-26	6.8	6.6	n.a
Industrial production (yoy)	Oct-26	2.1	2.1	n.a
Manufacturing production (yoy)	Oct-26	2.2	1.1	n.a
Housing Starts (million)	Oct-26	1.309	1.191	1.250
Uni. of Mich. Consumer Sentiment Index	Oct-26	51.5	48.0	51.5
Monetary Policy Decisions: Benchmark Interest Rates				
Bank of Indonesia	Nov-26	6.0	5.75	Hike (+25bps)
People's Bank of China	Nov-26	3.00	3.00	Unchanged
Malaysia				
GDP (yoy)	3Q26	5.5	6.0	5.3
Inflation (yoy)	Oct-26	1.9	1.8	2.0
Exports (yoy)	Oct-26	61.1	54.9	46.0
Imports (yoy)	Oct-26	54.4	52.7	42.0

Source: Macrobond, MBSBR

C. BNM INTERNATIONAL RESERVES

- As of 13 November 2026, compared to previous fortnight, Bank Negara Malaysia's international reserves were lower at USD132.1b (30 October 2026: USD132.6b).

BNM INTERNATIONAL RESERVES



Source: Bloomberg, MBSBR (G14)

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

APPENDIX

WEEKLY INTEREST RATE MONITOR

Tenor	13-Nov Fri	16-Nov Mon	17-Nov Tue	18-Nov Wed	19-Nov Thu	20-Nov Fri	Change (WoW bp)
MGS							
3-Y	3.418	3.412	3.407	3.399	3.401	3.363	-5.5
5-Y	3.638	3.626	3.605	3.591	3.566	3.545	-9.3
7-Y	3.835	3.817	3.81	3.799	3.781	3.749	-8.6
10-Y	3.864	3.847	3.839	3.834	3.834	3.822	-4.2
20-Y	4.292	4.247	4.245	4.246	4.23	4.239	-5.3
RINGGIT IRS							
1-Y	3.64	3.627	3.61	3.615	3.629	3.64	0
3-Y	3.6475	3.623	3.575	3.547	3.579	3.575	-7.25
5-Y	3.6863	3.657	3.591	3.5975	3.6025	3.5765	-10.98
7-Y	3.75	3.725	3.675	3.6335	3.655	3.655	-9.5
10-Y	3.855	3.829	3.795	3.737	3.772	3.765	-9
KLIBOR							
1-M	3.02	3.02	3.02	3.02	3.02	3.02	0
3-M	3.58	3.59	3.6	3.61	3.62	3.63	5
UST							
3-Y	4.9056	4.883	4.8546	4.8434	4.8065	4.6786	-22.7
5-Y	4.9616	4.94	4.9147	4.8877	4.8571	4.7403	-22.13
7-Y	5.0374	5.0225	4.9982	4.9645	4.9363	4.8249	-21.25
10-Y	5.1352	5.1311	5.1068	5.0683	5.0461	4.9438	-19.14
30-Y	5.4655	5.4741	5.458	5.4099	5.4046	5.3298	-13.57

Source: Bloomberg

10 MOST ACTIVELY TRADED GOVERNMENT BONDS

Name	Coupon	Maturity	13-Nov Yield	20-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYSIA GOVERNMENT	4.054	04/18/39	4.129	4.101	-2.8	4,633.1
MALAYSIA GOVERNMENT	3.9	11/30/26	2.945	3.049	10.4	3,561.9
MALAYSIA GOVERNMENT	3.502	05/31/27	2.951	2.912	-3.9	3,404.2
MALAYSIA INVESTMNT ISSUE	3.447	07/15/36	3.910	3.865	-4.5	2,085.0
MALAYSIA GOVERNMENT	4.232	06/30/31	3.638	3.545	-9.3	1,640.8
MALAYSIA INVESTMNT ISSUE	3.227	10/15/29	3.452	3.410	-4.2	1,317.5
MALAYSIA GOVERNMENT	3.92	10/31/36	3.864	3.822	-4.2	1,290.8
MALAYSIA GOVERNMENT	3.237	03/15/29	3.418	3.363	-5.5	1,160.9
MALAYSIA GOVERNMENT	3.844	04/15/33	3.835	3.749	-8.6	1,151.0
MALAYSIA INVESTMNT ISSUE	3.422	09/30/27	3.056	3.046	-1.0	929.9
TOTAL VOLUME (TOP 10)						21,175.1
TOTAL VOLUME (Overall)						35,075.6

Source: Bloomberg

10 MOST ACTIVELY TRADED CORPORATE BONDS

Name	Coupon	Maturity	13-Nov Yield	20-Nov Yield	Change (WoW bp)	Weekly Volume (RM mn)
MALAYAN BANKING BHD	ZERO	08/17/27	N/A	3.554	N/A	500.0
DANAINFRA NASIONAL	4.37	05/25/27	N/A	3.303	N/A	400.0
CAGAMAS BERHAD	ZERO	08/17/27	N/A	3.624	N/A	310.0
PUBLIC BANK BERHAD	ZERO	05/18/27	N/A	3.601	N/A	289.0
YTL POWER INTERNATIONAL	5.05	05/03/27	4.059	4.124	6.5	249.0
DANAINFRA NASIONAL	4.65	10/20/36	N/A	4.215	N/A	175.0
DANAINFRA NASIONAL	4.72	04/01/43	N/A	4.579	N/A	160.0
BANK PEMBANGUNAN MALAY	4.75	09/12/29	N/A	3.757	N/A	120.0
JAMBATAN KEDUA SDN BHD	4.86	07/26/41	N/A	4.621	N/A	100.0
DANAINFRA NASIONAL	2.86	05/20/27	3.388	3.262	-12.6	100.0
TOTAL VOLUME (TOP 10)						2,403.0
TOTAL VOLUME (Overall)						4,602.6

Source: Bloomberg

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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