BANK ISLAM

MONTHLY ECONOMIC UPDATE

3 AUGUST 2026

ECONOMIC RESEARCH

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KEY TAKEAWAYS

- **Geopolitical tensions resurfaced during July as hostilities involving the U.S, Iran and the Houthi movement intensified, renewing concerns over energy security in the Middle East.** The increased threat to shipping activity around the Red Sea has heightened market sensitivity to potential supply disruptions. Oil prices surged beyond USD100/barrel during the month, reinforcing concerns that higher energy costs could slow the ongoing disinflation process globally. While diplomatic efforts continue, the situation remains fluid and vulnerable to further escalation. Any prolonged disruption to regional shipping routes could have broader implications for global trade, freight costs and inflation expectations. Consequently, geopolitical developments are likely to remain an important source of market volatility in the near term.

- **The Federal Reserve (Fed) left interest rates unchanged at 3.50%–3.75% at July meeting, but the meeting carried a markedly hawkish tone.** Notably, three policymakers voted for an immediate rate hike, signalling that concerns over inflation remain strong despite recent progress. Chair Kevin Warsh stressed that the Fed still needs greater confidence that inflation is moving sustainably back to its 2.0% target before considering any policy easing. While the statement changed little, officials continued to emphasise that future decisions will depend on incoming economic data. Markets interpreted the meeting as reducing the likelihood of near-term rate cuts, with Treasury yields edging higher after the announcement. The Fed also acknowledged that tariffs, elevated energy prices and geopolitical developments could keep inflation under pressure over the coming months.

- **Malaysia's GDP growth advance estimate expanded by 5.8% y-o-y in 2Q26, accelerating from 5.4% in 1Q26.** The stronger performance was mainly driven by faster growth in the manufacturing and mining sectors, while the services and construction sectors continued to provide solid support albeit with a moderating growth. In contrast, the agriculture sector contracted, reflecting continued challenges faced by the industry. On a quarter-on-quarter basis, GDP grew 1.7% after falling by 4.4% q-o-q in 1Q26, signalling renewed economic momentum. For 1H26, Malaysia's economy expanded by 5.6%, highlighting its resilience despite ongoing global uncertainties. Looking ahead, the stronger-than-expected advance estimate could prompt some economists to revise their full-year GDP forecasts higher, although external risks such as weaker global demand and trade uncertainties remain key factors to monitor.

- **Malaysia's banking sector financing growth moderated to 5.47% y-o-y in June from 5.69% in May, reflecting slower expansion in both household and non-household financing activities**. The slowdown was mainly driven by weaker growth in residential property financing and working capital financing, suggesting continued caution among households and businesses amid economic uncertainty and elevated cost pressures. Despite softer lending growth, asset quality remained broadly stable, with the Gross Impaired Financing Ratio (GIFR) edging up only marginally to 1.432% from 1.426% in May.

SECTION 1

Economic Pulse at a Glance

THE HEAT MAP OF KEY ECONOMIC INDICATORS

Period	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	3Q2025	4Q2025	1Q2026	2Q2026	2024	2025	2026f
Country	Industrial Production Index (IPI), y-o-y %						GDP, y-o-y %				GDP, y-o-y %		GDP Projection, IMF
U.S.	0.7	0.7	0.5	1.1	1.6	1.0	2.4	2.0	2.0	2.0	2.8	2.1	2.3
Euro	-1.1	-1.0	-2.8	0.4	-1.2	-	1.4	1.5	0.8	-	1.1	1.5	1.1
UK	-1.7	-0.6	2.1	0.3	-1.3	-	1.1	0.8	0.8	-	1.1	1.4	0.8
Japan	0.7	0.4	2.4	2.0	-2.1	4.2	0.5	0.3	0.4	-	-0.2	1.2	0.7
China	NA	NA	5.7	4.1	4.5	5.3	4.8	4.5	5.0	4.3	5.0	5.0	4.4
Singapore	9.3	6.7	5.8	12.8	17.8	7.2	4.5	5.7	6.3	5.7	5.3	5.0	3.5
Malaysia	5.9	3.1	3.1	8.2	8.4	-	5.3	6.2	5.4	-	5.1	5.2	4.7
Indonesia	13.2	5.9	-1.7	-	-	-	5.0	5.4	5.6	-	5.0	5.1	5.0
Thailand	1.6	-0.2	1.3	-0.9	-1.3	-3.1	1.2	2.5	2.8	-	2.9	2.4	1.5
Philippines	-5.4	3.5	10.2	11.7	10.2	-	4.0	3.0	2.8	-	5.7	4.4	4.1
Vietnam	19.4	0.6	6.9	9.3	8.8	12.7	8.3	8.5	7.9	8.4	7.0	8.0	7.1

Positive
Neutral
Negative

Sources: IMF, World Bank, CEIC, Bloomberg, Trading Economics, Bank Islam
Note: NA – Data not available, Indonesia's IPI is published on a quarterly basis

THE HEAT MAP OF KEY ECONOMIC INDICATORS

Period	Apr-26	May-26	Jun-26	Apr-26	May-26	Jun-26	Apr-26	May-26	Jun-26	Apr-26	May-26	Jun-26
Country	Manufacturing PMI			Exports, y-o-y %			Retail Sales, y-o-y %			Unemployment Rate, %		
U.S.	54.5	55.1	53.9	15.6	13.0	14.9	5.1	7.3	6.7	4.0	4.1	4.4
Euro	52.2	51.6	51.4	3.4	-1.1	-	0.9	1.6	-	6.3	6.3	6.3
UK	53.7	53.9	52.5	4.4	-	-	-2.1	3.3	3.9	4.9	4.9	-
Japan	55.1	54.5	54.8	14.8	16.8	19.3	2.8	5.1	0.4	2.7	2.6	2.5
China	52.2	51.8	51.7	14.0	19.3	27.0	0.2	-0.6	1.0	5.2	5.1	5.0
Singapore	50.7	51.0	51.3	31.7	36.0	48.9	3.0	-0.3		NA	NA	2.4
Malaysia	51.6	49.9	50.7	37.3	44.7	45.4	8.2	5.1		3.0	3.0	-
Indonesia	49.1	50.0	46.9	22.0	-5.7	-	-3.7	-3.9	-4.4	NA	NA	4.7
Thailand	52.7	52.6	53.6	19.1	6.8	19.6	-20.0	-14.5		1.0	1.0	0.9
Philippines	48.3	50.8	50.9	7.2	8.6	24.1	NA	NA	NA	4.7	4.8	-
Vietnam	50.5	52.8	51.8	22.2	18.0	28.1	16.2	14.0	14.7	NA	NA	2.2

Positive
Neutral
Negative

Sources: CEIC, Bloomberg, Trading Economics, Bank Islam
Note: NA – Data not available, Singapore and Vietnam unemployment rate are published on a quarterly basis
Indonesia's unemployment rate is published semiannually

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THE HEAT MAP OF KEY ECONOMIC INDICATORS

Period	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Country	Consumer Price Index (CPI), y-o-y %						Producer Price Index (PPI), y-o-y %					
U.S.	2.4	2.4	3.3	3.8	4.2	3.5	3.1	3.4	4.3	5.7	6.0	5.5
Euro	2.0	2.1	2.8	3.2	3.3	2.9	-1.5	-2.4	1.6	3.9	4.8	-
UK	3.0	3.0	3.3	2.8	2.8	2.6	2.5	1.7	3.0	4.0	3.7	3.4
Japan	1.5	1.3	1.4	1.3	1.5	1.7	2.4	2.1	2.9	5.4	6.6	7.1
China	0.2	1.3	1.0	1.2	1.2	1.0	-1.4	-0.9	0.5	2.8	3.9	4.1
Singapore	1.4	1.2	1.8	1.8	1.8	1.9	1.4	5.4	20.2	27.5	30.9	31.1
Malaysia	1.6	1.4	1.7	1.9	2.0	1.9	-2.9	-3.4	1.1	5.4	7.8	9.2
Indonesia	3.5	4.8	3.5	2.4	3.1	3.3	1.7	2.4	2.3	3.8	5.8	6.5
Thailand	-0.7	-0.9	-0.1	2.9	2.8	2.4	-1.6	-0.5	6.0	9.1	8.5	7.2
Philippines	2.0	2.4	4.1	7.2	6.8	6.4	1.2	1.2	2.6	2.7	3.1	3.0
Vietnam	2.5	3.4	4.7	5.5	5.6	4.7	NA	NA	0.7	NA	NA	3.1

Positive
Neutral
Negative

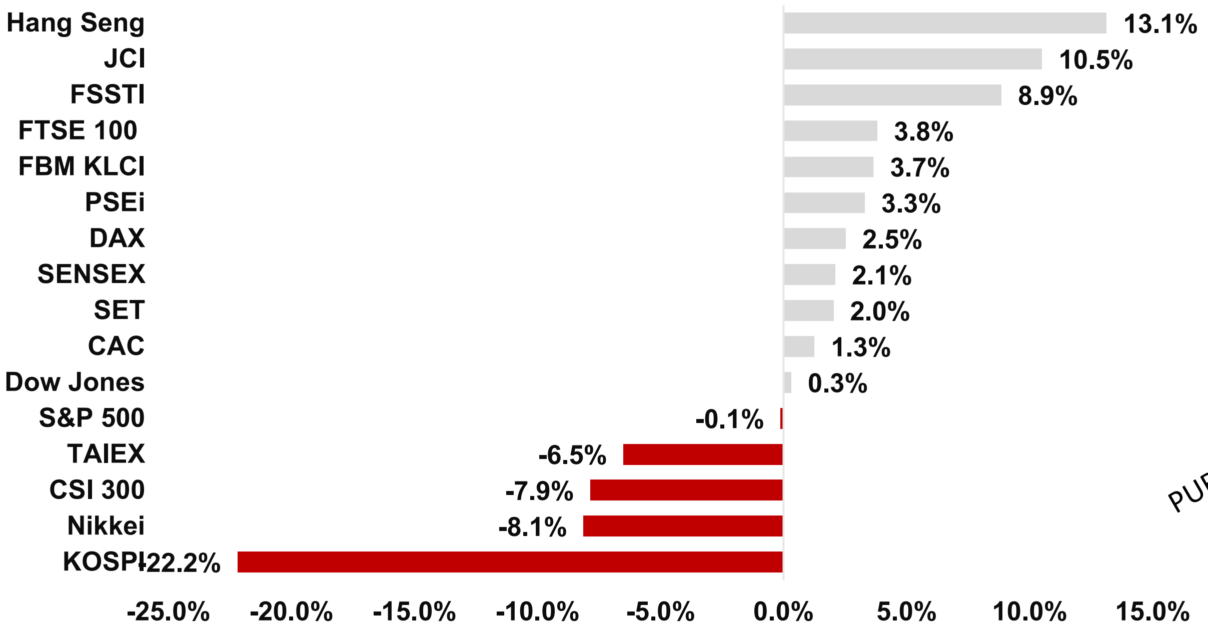
Sources: CEIC, Bloomberg, Trading Economics, Bank Islam
Note: NA – Data not available, Vietnam's PPI is published on a quarterly basis

SECTION 1

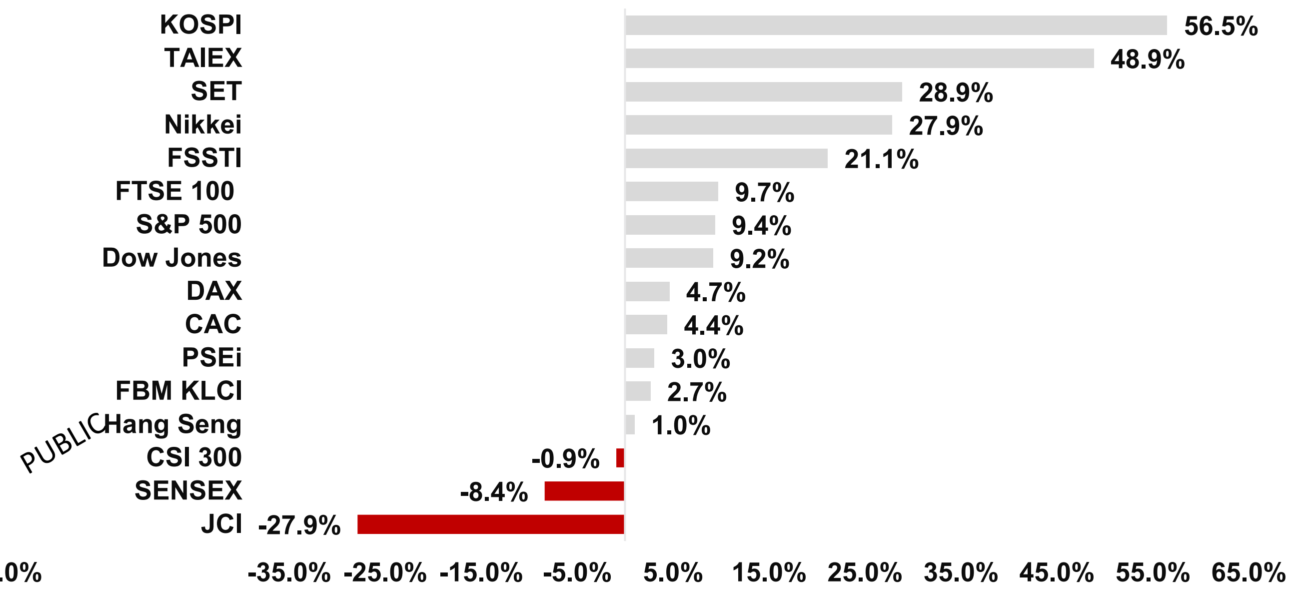
Malaysia’s Financial Market

REGIONAL EQUITY: INVESTORS GREW INCREASINGLY CAUTIOUS ON THE ONGOING AI RALLY, RENEWED MIDDLE EAST VOLATILITY WEIGHED ON RISK APPETITE

Monthly Gain/Loss of Major Equity Market, m-o-m %



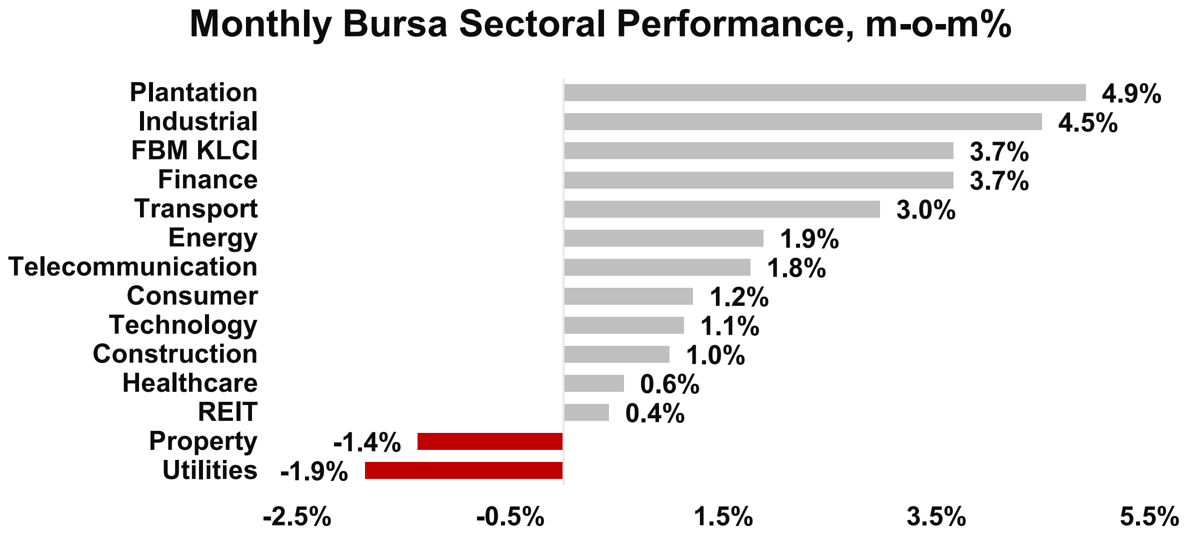
YTD/ Gain/Loss of Major Equity Markets, %
(As of 31 July 2026)

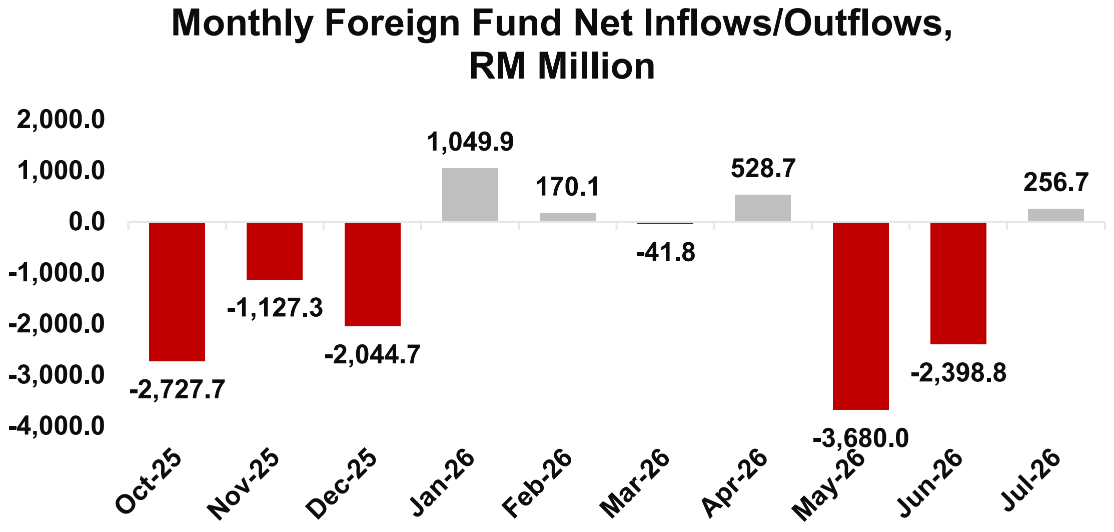


Sources: Bursa, CEIC data

- Regional equity markets came under renewed pressure in July as risk sentiment deteriorated amid escalating geopolitical tensions in the Middle East. Adding to investor concerns, a drone strike on a U.S.-owned vessel at an Egyptian port marked the first such incident involving Egypt, raising fears that the conflict could spread further across the region and intensify broader geopolitical risks.
- Hong Kong's Hang Seng emerged as the top performer (+13.1%) amid sustained buying interest across technology and semiconductor-related stocks, supported by growing confidence in China's domestic semiconductor capabilities following recent progress in developing strategic technologies, including deep ultraviolet (DUV) lithography equipment.
- In contrast, intensifying competition from China has weighed on sentiments surrounding Korean technology firms, extending capital outflows from South Korea's KOSPI which plunged by 22.2% m-o-m. The sell-off was further amplified by aggressive deleveraging, particularly among major memory chip giants such as Samsung and Sky Hynix, as investors increasingly reassessed the sustainability of the ongoing Artificial Intelligence (AI) boom.

DOMESTIC EQUITY: INVESTOR SENTIMENTS TURNED OPTIMISTIC ON MALAYSIA'S GROWTH, SUPPORTED BY GLOBAL AI DEMAND





Sources: Bursa, CEIC Data

- The FBM KLCI rebounded by 3.7% m-o-m in July as Malaysia's resilient macroeconomic fundamentals reinforced optimism surrounding its 2026 growth prospects.
- While sustained geopolitical volatility continued to weigh on broader risk appetite, investor focus had shifted back towards Malaysia's domestic economic landscape amid a slew of solid data. The economy expanded by 5.8% y-o-y in 2Q2026, supported by accelerations in the Mining, Manufacturing, Services and Construction sectors, which offset the contraction in the Agriculture sector. In particular, Malaysia greatly benefitted from stronger technology-related demand amid the ongoing AI adoption, resulting in solid manufacturing output (2Q26: 7.5% vs. 1Q26: 5.9%) and a robust export momentum (June: 45.4% vs. May: 45.3%).
- Most Bursa indices closed in the green with the Plantation index (+4.7%) topping the gainers, followed closely by the Industrial index (+4.5%).
- In contrast, the Utilities and Property were the only losers, declining by 1.9% and 1.4%, respectively.
- Foreign investors turned net buyers last month with a net inflow of RM256.7 billion. This has reduced the cumulative net foreign outflows for 2026 to RM4.0 billion.

FIXED INCOME: UST YIELDS RISE ON INFLATION CONCERNS AND HIGHER-FOR-LONGER FED OUTLOOK

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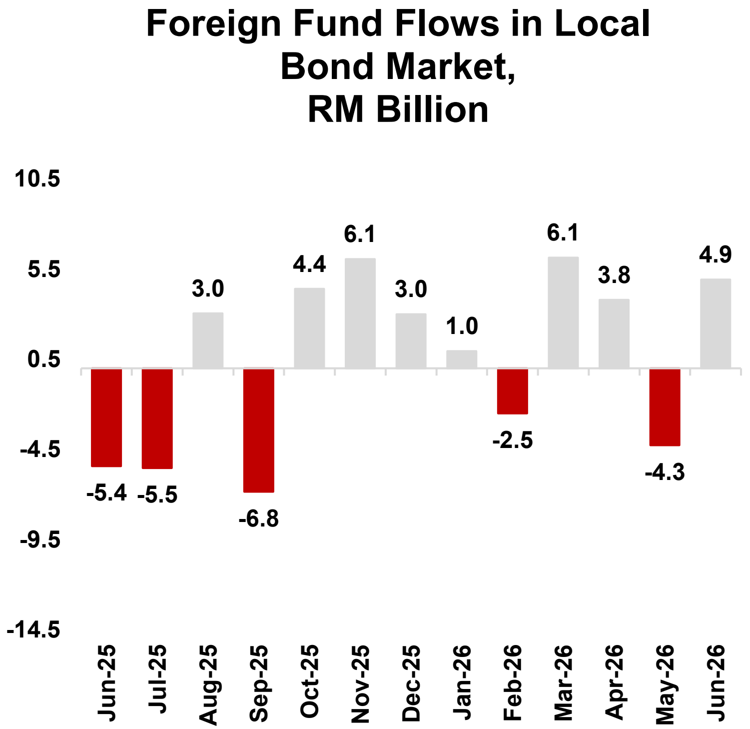
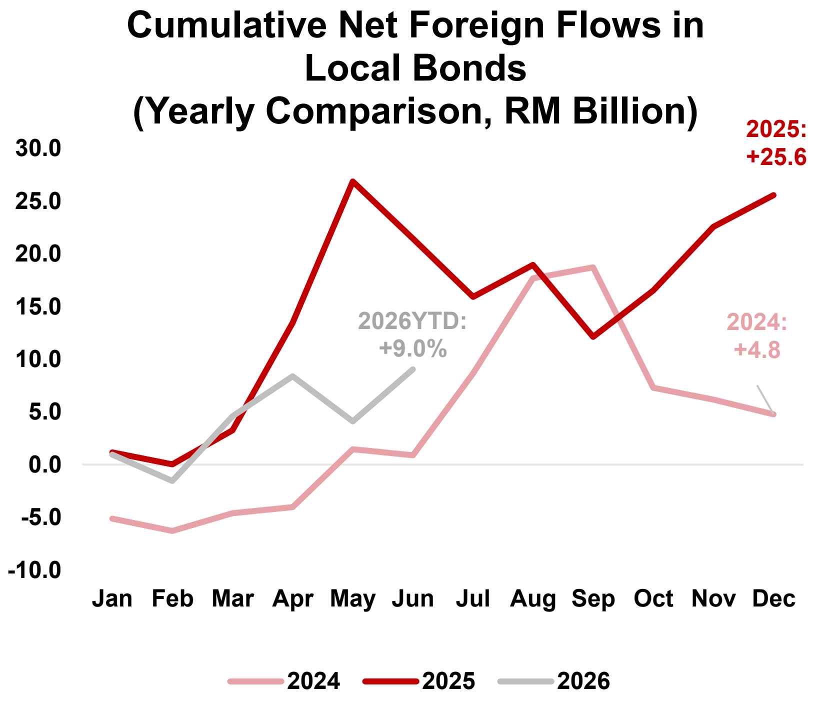
Monthly changes, basis points (bps)

UST	Yields (%) 30-Jun-26	Yields (%) 31-Jul-26	Change (bps)
3-Y UST	4.15	4.34	19
5-Y UST	4.19	4.45	26
7-Y UST	4.30	4.59	29
10-Y UST	4.44	4.75	31
MGS	**Yields (%) 30-Jun-26**	**Yields (%) 31-Jul-26**	**Change (bps)**
3-Y MGS	3.25	3.31	6
5-Y MGS	3.40	3.50	10
7-Y MGS	3.54	3.64	10
10-Y MGS	3.61	3.71	10
GII	**Yields (%) 30-Jun-26**	**Yields (%) 31-Jul-26**	**Change (bps)**
3-Y GII	3.25	3.35	10
5-Y GII	3.39	3.49	11
7-Y GII	3.54	3.63	8
10-Y GII	3.61	3.70	9

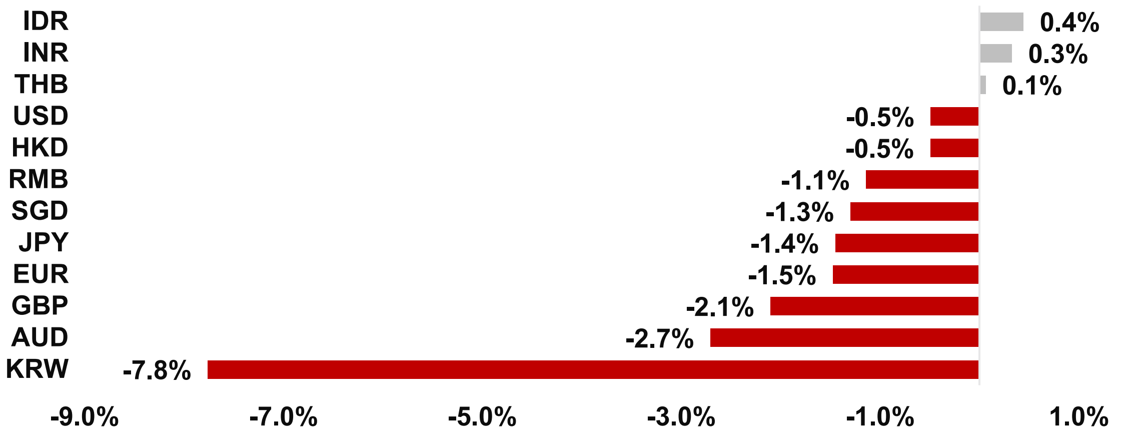
Sources: BNM, Federal Reserve Board

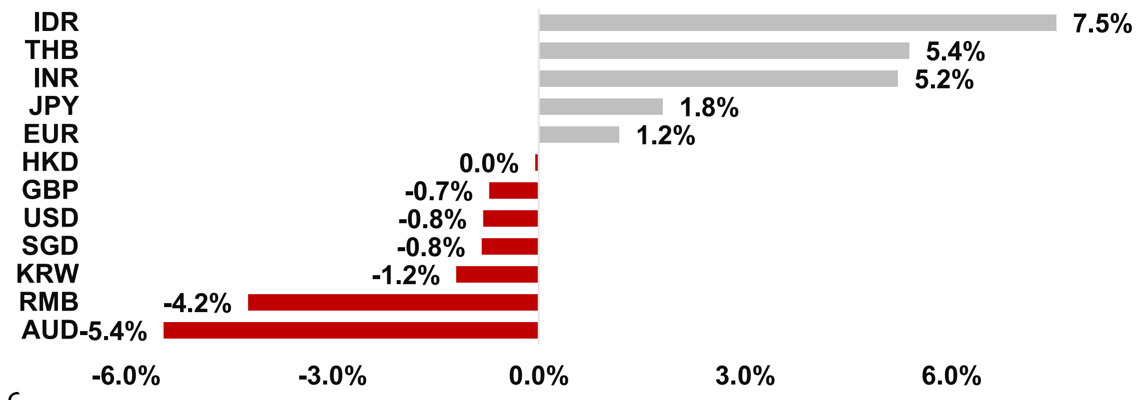




- The U.S. Treasury (UST) yields climbed sharply in July, ranging between 19ps and 31bps. The 10-year yield ending the month at 4.75%, its highest level since early 2025. The move reflected rising inflation concerns from higher oil prices, resilient U.S. economic data, and expectations that the Federal Reserve may keep interest rates higher for longer with the central bank leaving its policy rates unchanged at its July meeting.
- Inflation concerns resurfaced as oil prices climbed above USD100/barrel amid escalating tensions in the Middle East, prompting investors to demand higher bond yields to offset the expected erosion of future purchasing power. At the same time, U.S. labour market conditions remained resilient, with jobless claims staying low, reinforcing expectations that interest rates could remain elevated for longer.
- Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields also ended higher in July by between 6bps and 11bps.
- Foreign fund flows in the local bond market recorded a net foreign inflow of RM4.9 billion in Jun (May: -RM4.3 billion). Local govvies' foreign shareholdings to total outstanding remained at 20.6% for a second consecutive month in June.
- As of the first six months of 2026, the local bond market recorded the cumulative net foreign inflows of RM9.0 billion, lower than the inflows of RM21.4 billion in the same period in the previous year.

FX MARKET: RINGGIT DEPRECIATED AS STEADY FUNDAMENTALS OFFER LIMITED UPSIDE CATALYSTS, THE USD STAGED A SHARP REVERSAL TOWARDS MONTH-END





Sources: Bank Negara Malaysia (BNM), Federal Reserve, CEIC Data

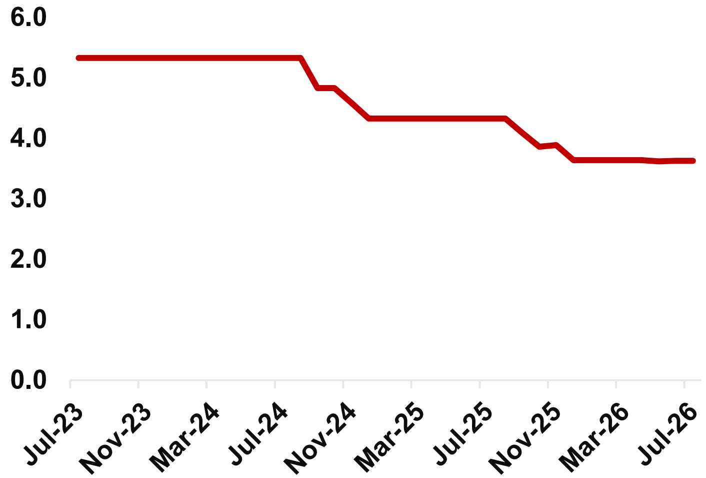
- The Ringgit underperformed against a basket of currencies in July as Bank Negara Malaysia (BNM)'s steady guidance and Malaysia's stable growth prospects failed to generate bullish catalyst for the local note. In particular, the Ringgit depreciated by 0.5% m-o-m against the USD despite a last-minute pullback in the greenback (-1.3% m-o-m).
- Initially, the USD traded with a bullish bias, supported by its safe-haven status and relatively attractive yield advantage. More recently, reports of a drone strike on a U.S.-owned vessel at an Egyptian port, marking the first such incident involving Egypt, heightened concerns over a potential widening of the Middle East conflict. Meanwhile, President Trump signalled a willingness to cancel planned military action against Iran should a peace agreement be reached. These mixed and rapidly evolving developments underscore the fragile geopolitical backdrop, sustaining demand for defensive assets and providing modest support to the USD.
- Additionally, concerns over potential energy supply disruptions triggered a sharp rebound in oil prices, with Brent crude rising above USD100/bbl and WTI surpassing USD90/bbl during the month. The renewed surge in energy prices fuelled fears of resurgent inflationary pressures, reinforcing expectations that the Fed may need to maintain a tighter monetary policy stance. Against this backdrop, the USD remained broadly supported above the 100.0 level before breaking decisively through the 101.0 resistance mark in the lead-up to the July FOMC meeting.
- However, the USD soon retraced its gains. While the policy statement itself was rather hawkish, investors were largely disappointed by the absence of stronger conviction regarding the Fed's strategy to curb inflation by Fed Chair Kevin Warsh. As a result, the USD broke decisively below the 101.0-support level on Wednesday before slipping under 100.0 in the next session, closing the month at 99.91.

SECTION 2

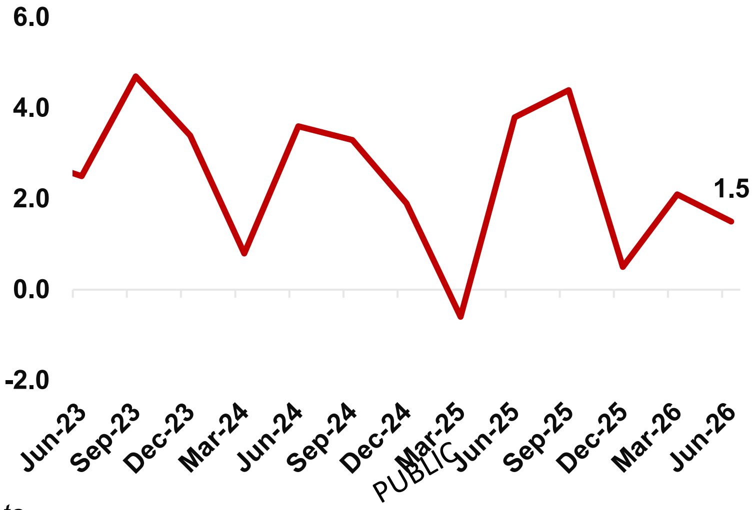
The Global Economy

U.S. FEDERAL RESERVE APPEARED INCREASINGLY HAWKISH AMID A 9-3 VOTE TO KEEP ITS KEY INTEREST RATE UNCHANGED

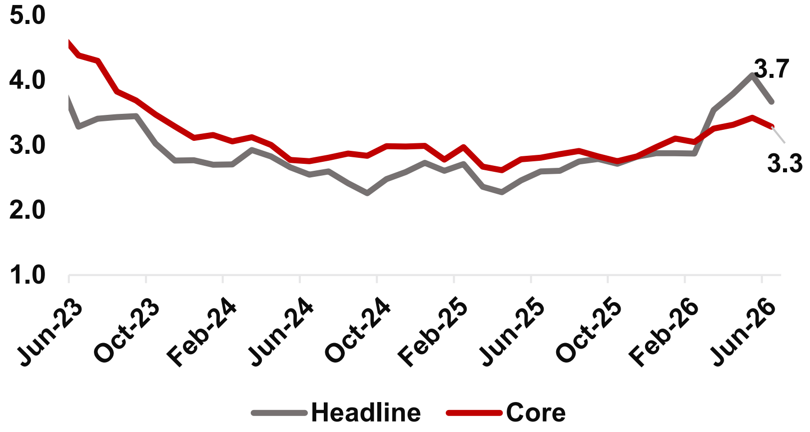
Effective Federal Funds Rate, %



Real GDP, q-o-q%



Personal Consumption Expenditure (PCE) Price Index, y-o-y%



Sources: Federal Reserve, Bureau of Labor Statistics, CEIC Data

- The U.S. Fed maintained its FFR at 3.50-3.75% in July, consistent with broader market expectations. However, the policy decision underscored an emerging divide within the Board. Three policymakers, namely Beth Hammack, Neel Kashkari and Lorie Logan, dissented in favour of a 25-bp hike, suggesting growing concerns over inflation risks.
- Overall, the monetary policy statement struck a relatively hawkish tone, highlighting that inflation has remained above the 2.0% target as energy supply shocks stemming from the Middle East geopolitical conflict have exacerbated an environment of already elevated price pressures.
- In June, Personal Consumption Expenditure (PCE) inflation declined by 0.1% m-o-m (May: 0.5% m-o-m), bringing the annual inflation rate down to 3.7% (May: 4.1%). Similarly, core PCE inflation rose by a marginal 0.1% m-o-m with the annual figure easing to 3.3% (May: 3.4%).
- Despite signs that price pressures has remained contained thus far, upside risks to the inflation outlook remain acute. The June inflation report predates the fresh escalation in U.S.-Iran tensions, which saw oil prices rebounding sharply. As such, the Fed is likely to maintain a sufficiently restrictive monetary policy stance, with bias tilted towards additional tightening.
- Looking ahead, the next policy decision in September provides the Fed room to assess July and August's macroeconomic data, which will likely reflect renewed energy-driven concerns, barring any significant downside should U.S.-Iran tensions are resolved. This reinforces expectations of a September hike, which has risen to almost 65.0% from 55.0% a week ago.

EUROPEAN CENTRAL BANK (ECB) MAINTAINED A WAIT-AND-SEE APPROACH, 2Q2026 GDP GROWTH POINTS TOWARDS A BROADLY STABLE ECONOMY

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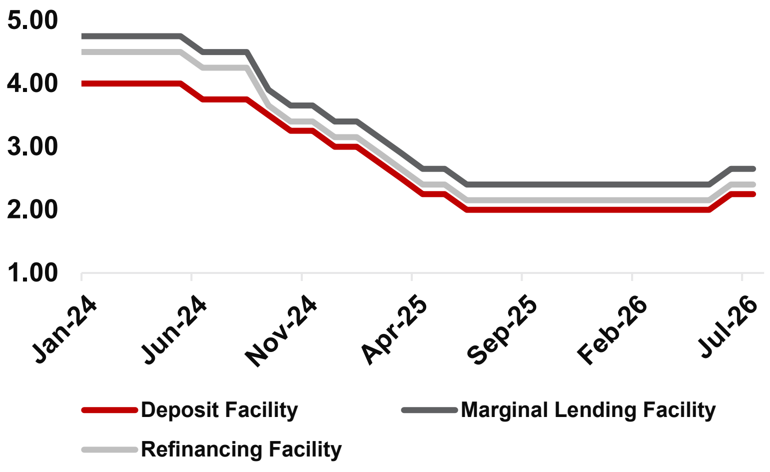
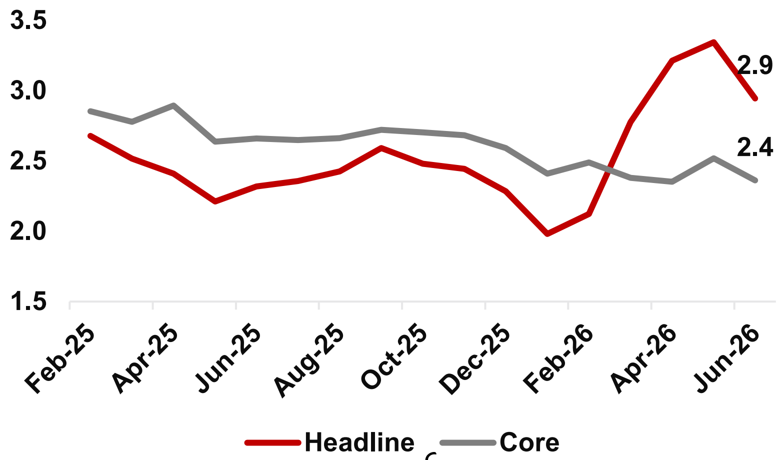
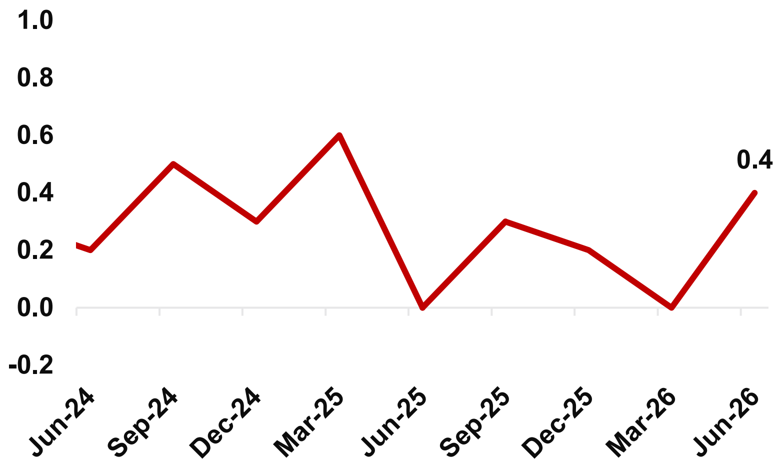
Key Interest Rates, %



Inflation Rates, y-o-y%



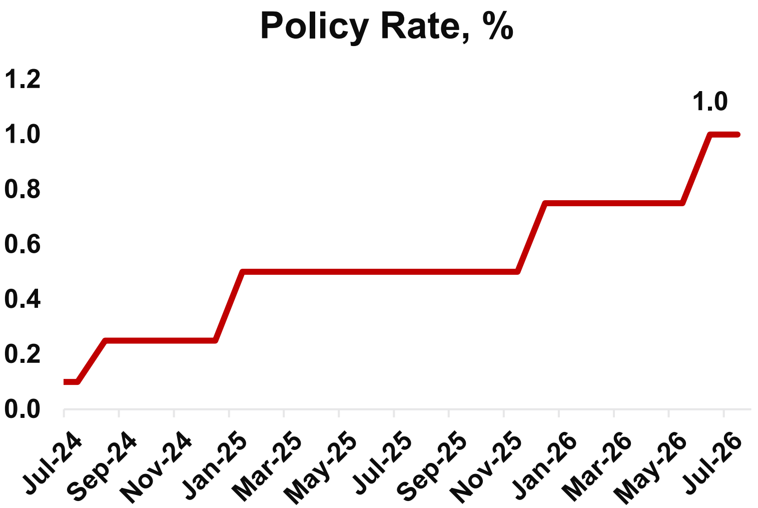
Real GDP swda, q-o-q%

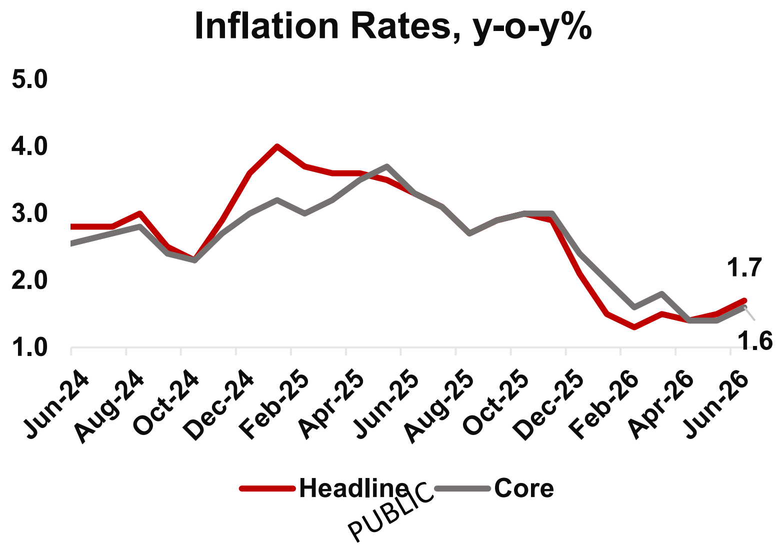


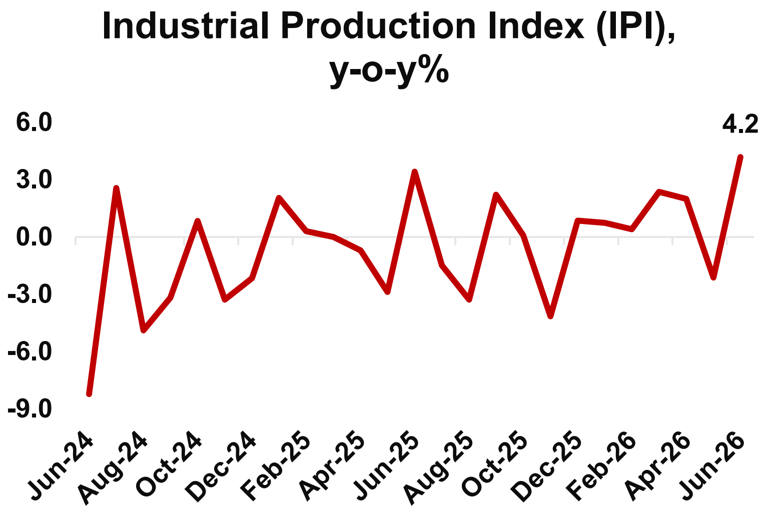
Sources: European Central Bank (ECB), Eurostat, CEIC Data

- The European Central Bank (ECB) maintained its key interest rates at current levels in its July meeting, citing that the outlook for energy prices remains broadly consistent with the baseline staff projections in June.
- Evidently, inflationary pressures across the region eased in June, supporting the assessment. Headline inflation moderated to 2.9% y-o-y (May: 3.3%) while core inflation also eased to 2.4% (May: 2.5%), indicating that underlying price pressures remained broadly contained. Taken together, the moderations suggested that the disinflation progress towards the ECB's target remain on track.
- Nevertheless, the ECB highlighted that indirect and second-round effects remain as key upside risks to the inflation outlook. Given the lagged pass-through of higher input costs, consumer prices may gradually increase in the coming months. Recent escalation of U.S.-Iran tensions have also revived concerns over global energy supply, adding a layer of uncertainty to the outlook. Against this backdrop, the ECB is expected to maintain a cautious and data-dependent policy stance.
- Meanwhile, the economy grew at a five-quarter high of 0.4% q-o-q in 2Q2026 (1Q26: 0%), supported by robust AI-related investment and government spending. The expansion suggested that economic activity proved more resilient than expected despite heightened supply-side pressures, higher costs and tighter financial conditions, providing the ECB ample space to pause and assess the evolving balance of risks and episodic volatility in the Middle East.

BANK OF JAPAN (BOJ) WARNED THAT UNDERLYING INFLATION COULD SURPASS THE 2.0% TARGET, JUNE'S INFLATION CONTINUED TO RISE







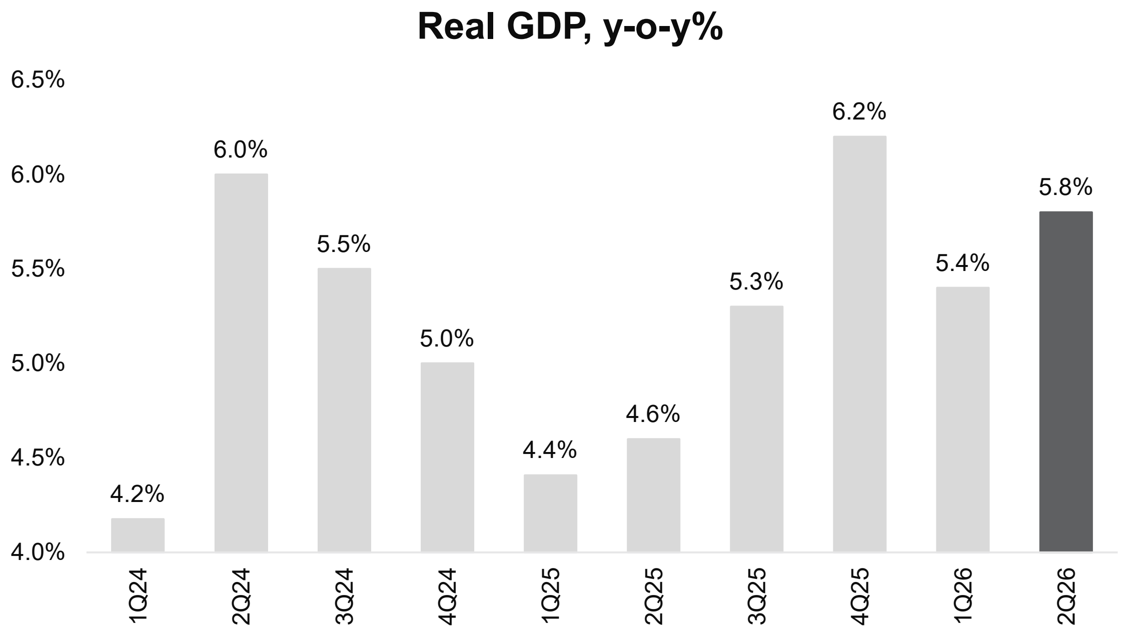
Sources: Bank of Japan (BoJ), CEIC Data

- The Bank of Japan (BoJ) kept its policy rate unchanged at 1.0% in July, in line with expectations. The Board cautioned that underlying inflation could overshoot the 2.0% target and reiterated that risks to economic activity remain broadly balanced, which provides the central bank greater flexibility in calibrating its monetary policy settings.
- Additionally, the 8-1 vote split, with Board member Hajime Takata favouring a 25-bp hike, further reinforces expectations that the BoJ remains on a gradual policy normalization path.
- Japan's inflation evidently diverged with the broader disinflation trend observed across most advanced economies in June. While inflationary pressures in those economies have eased amid the earlier decline in energy prices, Japan's inflation instead accelerated, suggesting that elevated price pressures are increasingly broadening across domestic price dynamics.
- Headline inflation rose to 1.7% y-o-y in June (May: 1.5%), the highest level since December 2025, amid increases across key segments including transport (June: 2.4% vs. May: 1.9%), housing (June: 1.0% vs. May: 0.9%), household goods (June: 2.4% vs. May: 2.2%) and healthcare (June: 1.3% vs. May: 0%). Furthermore, core inflation had also increased to a three-month high of 1.6% (May: 1.4%).
- Nevertheless, the BoJ's latest quarterly economic outlook introduced some uncertainty over the pace and magnitude of additional hikes. The 2026 inflation forecast was downgraded to 2.5% from 2.8% initially, signaling that while inflation is expected to remain above target, upside risks may be less severe than feared.

SECTION 3

Domestic Landscape & Banking Sector Update

MALAYSIA'S GDP GROWTH ACCELERATES IN 2Q26 ON ROBUST EXPORTS AND REBOUND IN MINING ACTIVITY



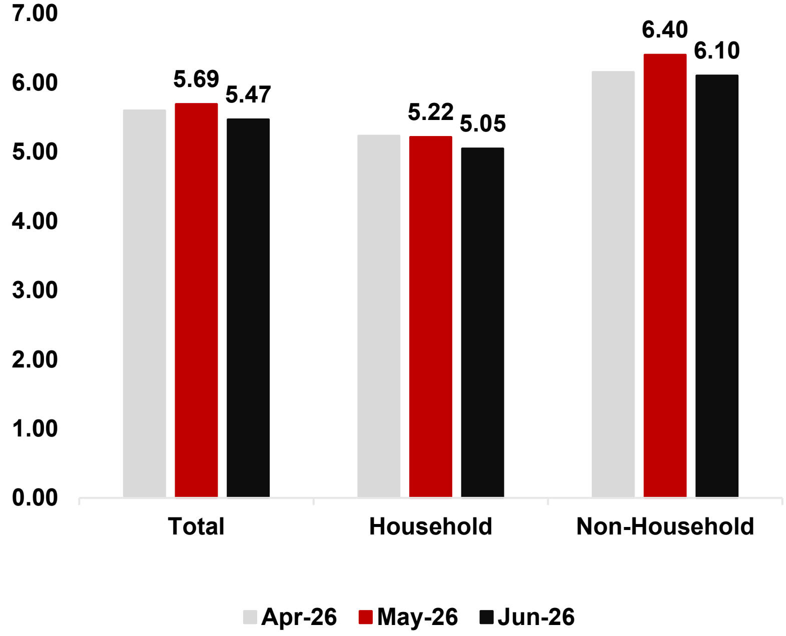
Sources: DOSM, CEIC Data, Bank Islam

- Malaysia's economy performed better than expected in 2Q26, with the advance estimate GDP growth accelerated to 5.8% from 5.4% in 1Q26. The economy was driven by broad-based improvements in all sector except for agriculture. The stronger GDP growth was largely attributed to faster expansion in the manufacturing (7.5%; 1Q26: 5.9%) and a sharp rebound in mining sector (10.2%, 1Q26: -2.1%), while the services (5.4%; 1Q26: 5.6%) and construction (6.6%; 1Q26: 7.7%) sectors continued to contribute positively to overall economic activity. Conversely, the agriculture (-3.7%; 1Q26: 2.6%) sector contracted, highlighting the continued headwinds facing the industry.
- Manufacturing benefited from sustained demand for E&E exports, while mining activity rebounded on higher production levels. The services sector remained supported by healthy consumer spending and business activity, whereas construction continued to benefit from ongoing infrastructure and private-sector projects.
- Export-oriented industries remained a key driver of economic growth in 2Q26. The manufacturing sector benefited significantly from strong external demand, with manufactured exports expanding by over 40.0% y-o-y for three consecutive months, supported primarily by E&E products. At the same time, stronger energy exports helped lift mining output, reinforcing the sector's recovery and contributing to the acceleration in overall GDP growth.

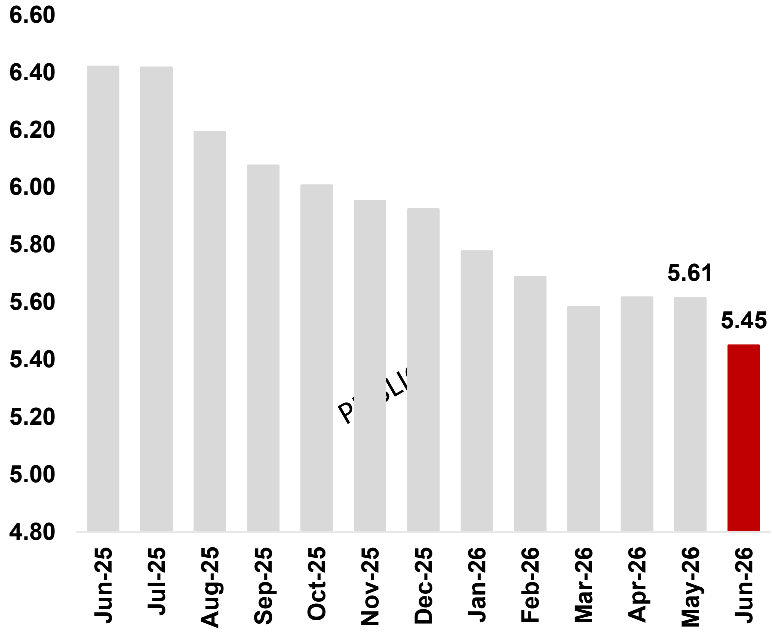
BANKING SECTOR: BANKING FINANCING GROWTH MODERATES AFTER FOUR MONTHS OF ACCELERATION

BANK ISLAM

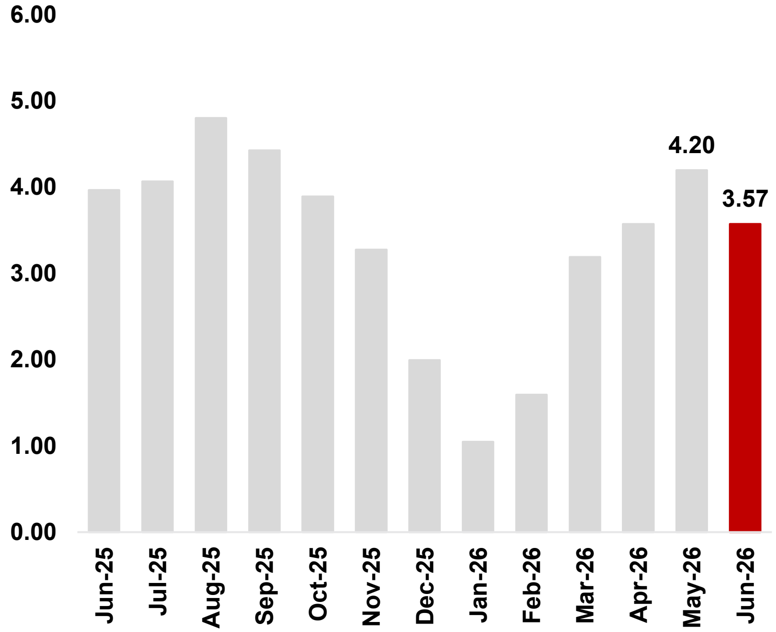
Financing Growth by Sector, y-o-y%



Purchase of Residential Property, y-o-y%



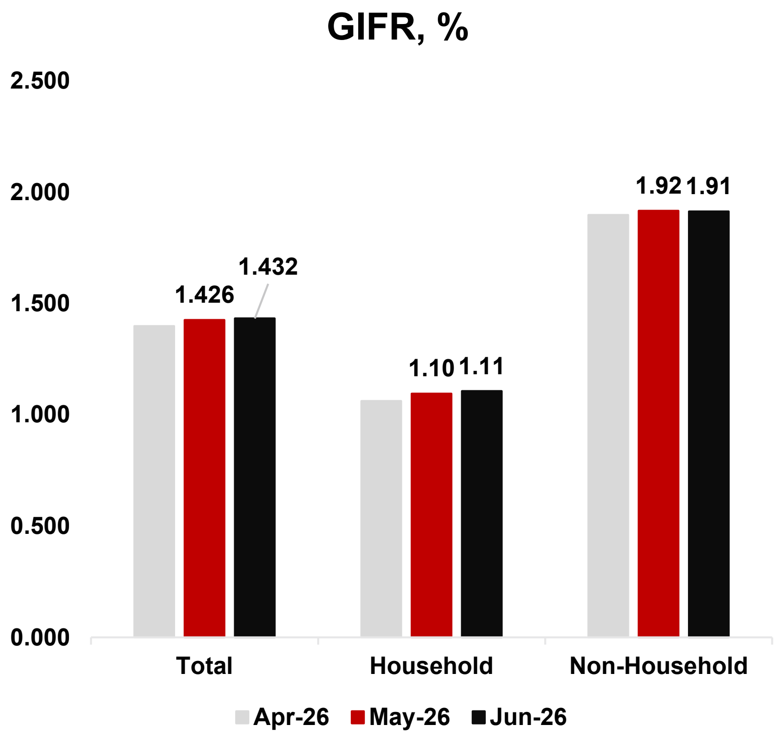
Working Capital, y-o-y%

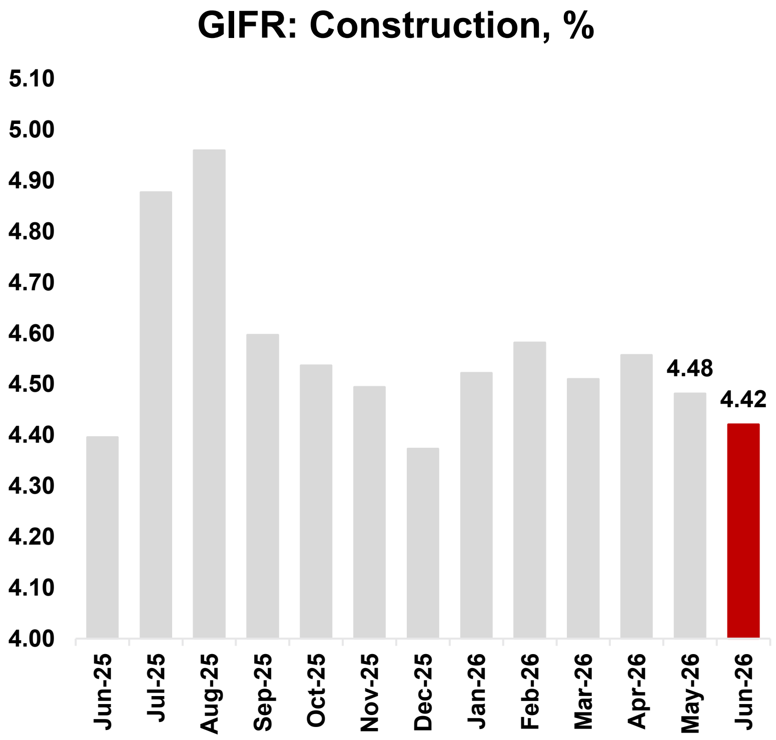


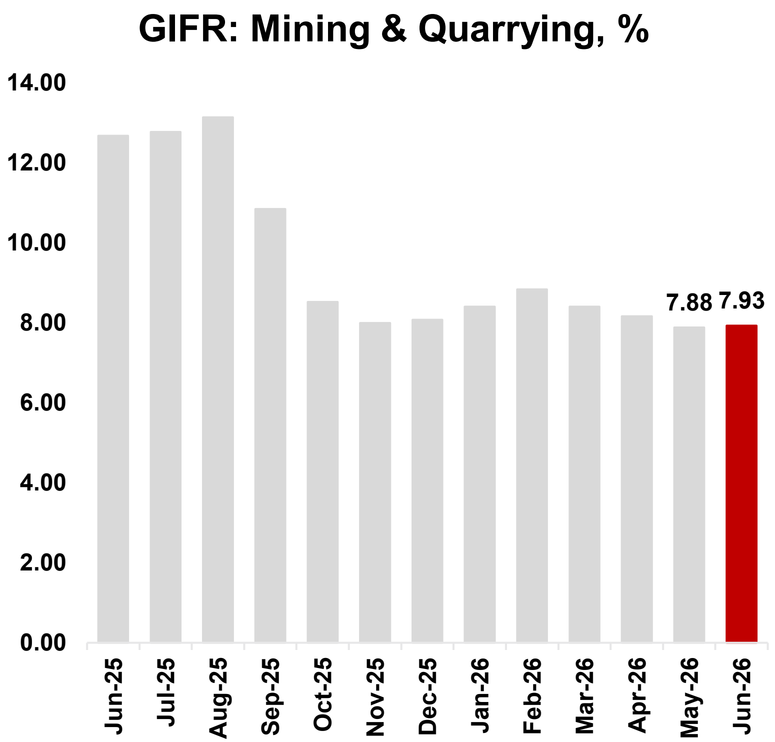
Source: BNM

- Banking sector financing growth moderated in June after four consecutive months of acceleration. Slower growth in both household financing (5.05% y-o-y; May: 5.22%) and non-household financing (6.10%; May: 6.40%) led overall financing growth to ease to 5.47% from 5.69% in May.
- Financing for the purchase of residential property, which accounts for the largest share of total banking system financing, slowed to 5.45% in June (May: 5.61%). This suggests continued caution among households in undertaking large-ticket purchases amid economic uncertainty, elevated living costs, and a preference to avoid long-term financial commitments.
- Similarly, working capital financing growth decelerated notably to 3.57% (May: 4.20%) following stronger expansion in the previous month. Heightened economic and business uncertainties may have prompted banks to adopt a more cautious lending approach and tighten credit assessment standards to mitigate potential credit risks and asset impairments.

BANKING SECTOR: ASSET QUALITY REMAINS STABLE DESPITE MIXED SECTORAL PERFORMANCE







Source: BNM

- The banking sector's asset quality remained broadly stable in June, with the Gross Impaired Financing Ratio (GIFR) edging up marginally to 1.432% from 1.426% in May.
- The household segment recorded a slight deterioration in asset quality, with the GIFR increasing to 1.11% (May: 1.10%), while the non-household segment improved marginally, with the GIFR easing to 1.91% from 1.92% in the previous month.
- Asset quality in the construction sector continued to improve, as the GIFR declined to 4.42% in June from 4.48% in May. This suggests healthier cash flow positions and improving liquidity conditions, which helped offset cost pressures arising from higher construction material prices amid ongoing geopolitical uncertainties.
- In contrast, financing quality in the mining and quarrying sector weakened slightly, with the GIFR rising to 7.93% in June from 7.88% in May, indicating persistent challenges within the sector.

THANK YOU