



WEEKLY ECONOMIC UPDATE

11 NOVEMBER 2025

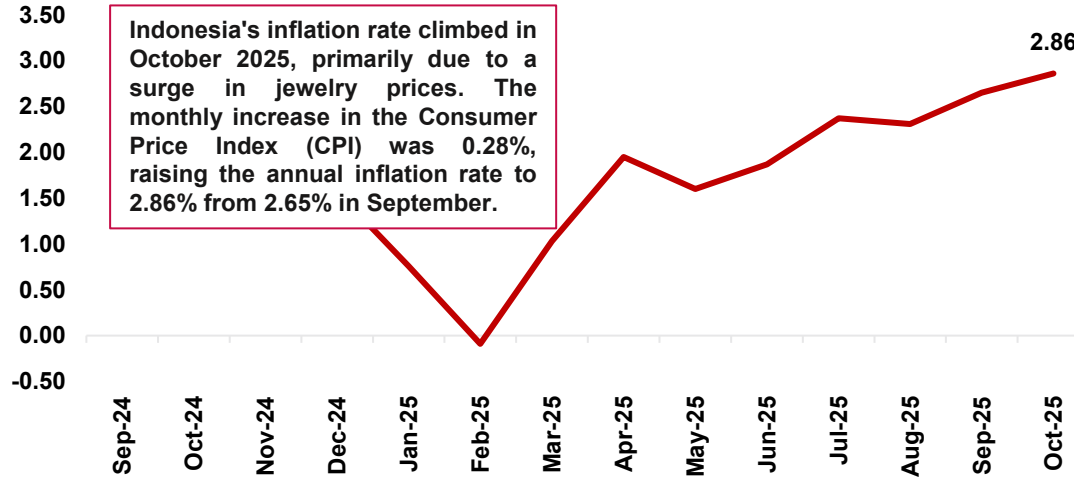
ECONOMIC RESEARCH

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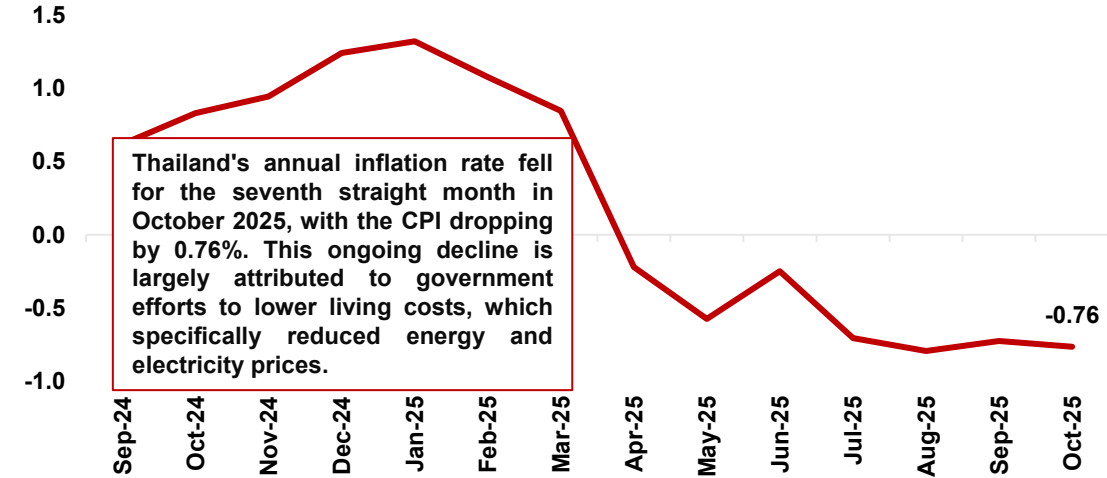
WEEKLY HIGHLIGHT: MALAYSIA'S CENTRAL BANK MAINTAINED OPR AT 2.75% AS ECONOMIC OUTLOOK REMAINS RESILIENT

GLOBAL

Indonesia - Consumer Price Index (CPI), y-o-y%



Thailand - Consumer Price Index (CPI), y-o-y%

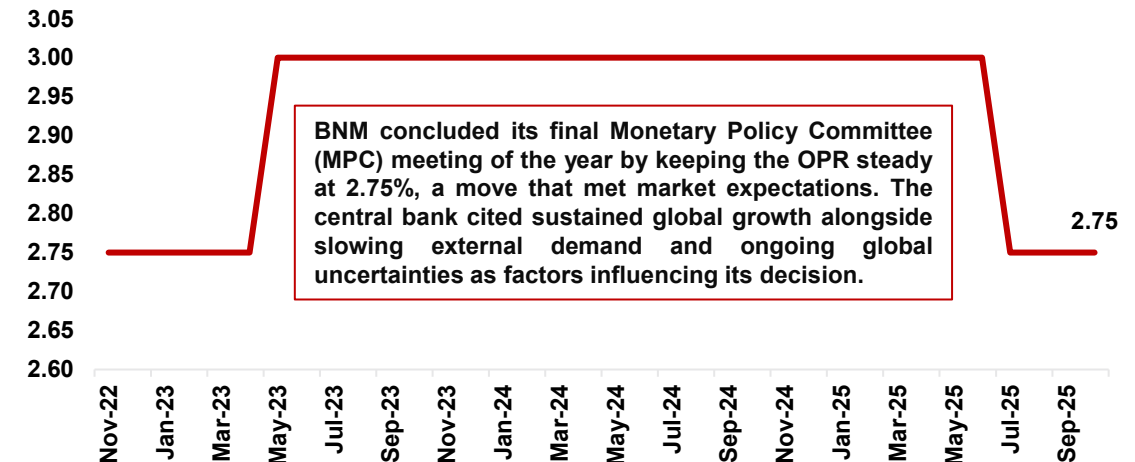


DOMESTIC

Malaysia - Manufacturing Purchasing Managers' Index (PMI), points

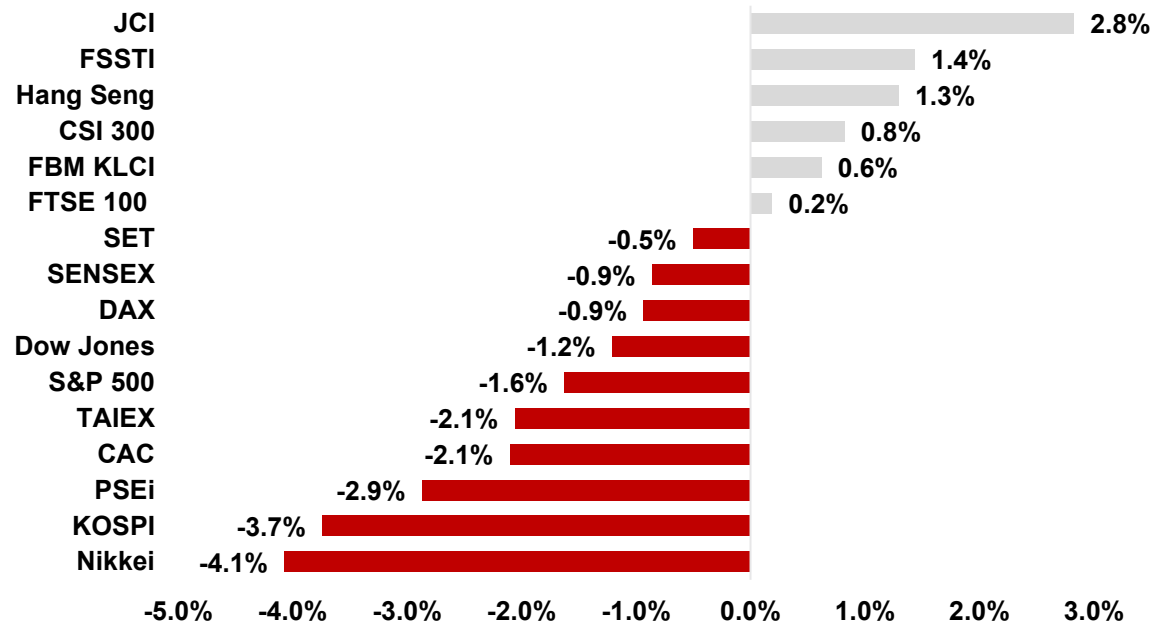


Malaysia - Overnight Policy Rate (OPR), %

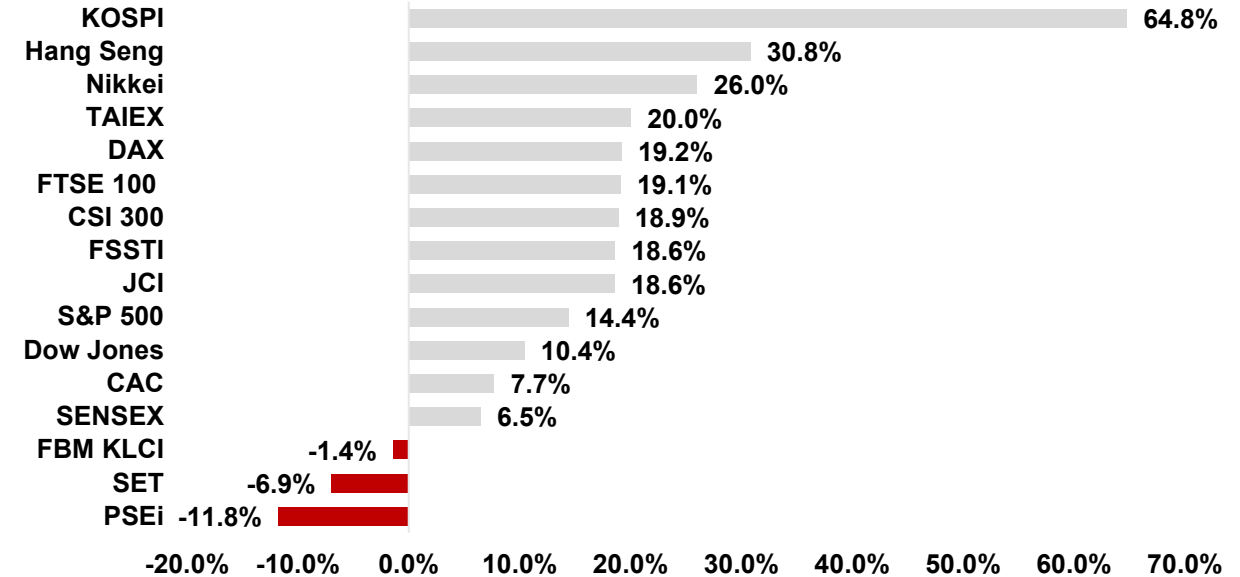


REGIONAL EQUITY: GLOBAL STOCKS SLUMPED, TRACKING THE TECHNOLOGY DRIVEN SELL-OFF IN THE U.S.

Weekly Gain/Loss of Major Equity Market, w-o-w%



YTD Gain/Loss of Major Equity Markets, %
(As of 7 November 2025)

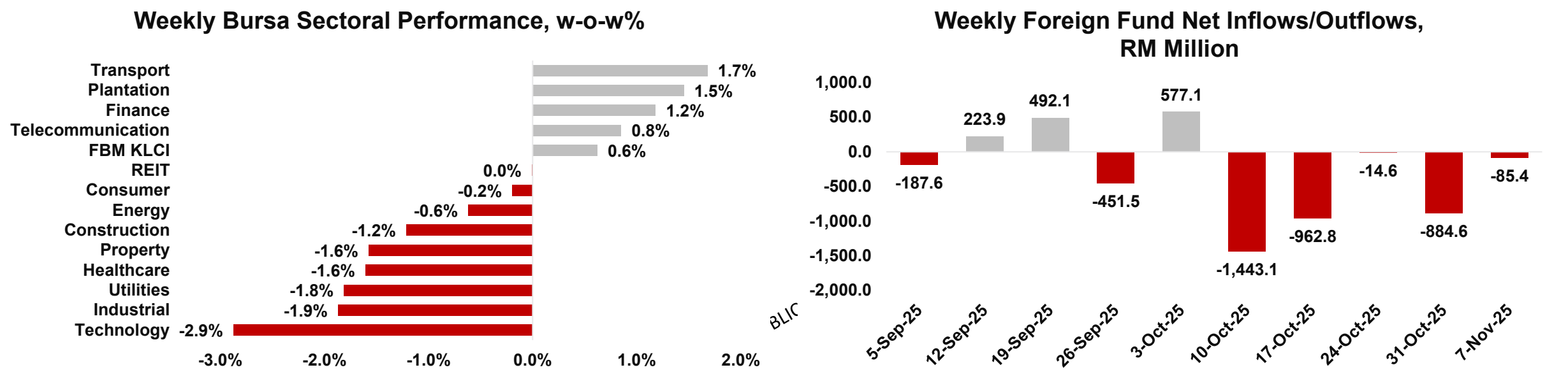


Sources: Bursa, CEIC Data

- The regional equity index were mostly in the red sea for the week ending November 7 with Japan's Nikkei as the major losers, declining by 4.1% following a technology-driven selloff on Wall Street overnight, the market reacted to heightened concerns about elevated A.I. stock prices and evidence of a cooling U.S. labor market.
- U.S. stocks – S&P 500 (-1.6%) and Dow Jones (-1.2%) dipped, fueled by anxiety over A.I. stock bubbles and the health of the U.S. economy. Investors remained cautious, largely due to ongoing concerns about A.I. stock valuations and uncertainty regarding the Fed's next rate move. Adding to this complexity were growing divisions among central bank policymakers and worries about the labor market. Critical economic releases, including the November 7 jobs report, continue to be delayed by the government shutdown, obscuring the economic picture.
- In contrast, Indonesia's JCI (+2.8%), Singapore's FSSTI (+1.4%) and Hong Kong's Hang Seng (+1.3%) were the biggest winners for the week ending November 7.

DOMESTIC EQUITY: LOCAL MARKET CLOSED MIX AS STRONG DOMESTIC FUNDAMENTALS LIFTED INVESTOR SENTIMENTS

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Sources: Bursa, CEIC Data

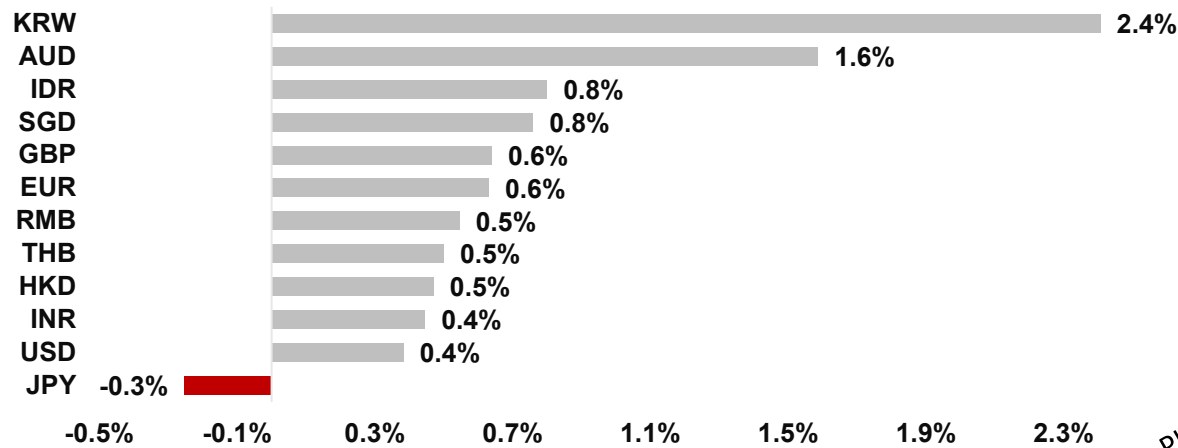
- The FBM KLCI rose by 0.6% w-o-w for the week ending November 7, underpinned by optimistic investor sentiments ahead of Malaysia’s 3Q2025 GDP figures, slated to be released this Friday.
- Preliminary estimates projected the economy to expand by 5.2% y-o-y (2Q2025: 4.4% y-o-y), supported by accelerations across the Services (3Q: 5.1% vs. 2Q: 5.1%), Manufacturing (3Q: 4.0% vs. 2Q: 3.7%), Construction (3Q: 11.2% vs. 2Q: 12.1%) and Agriculture (3Q: 0.4% vs. 2Q: 2.1%) sectors alongside a sharp rebound in the mining sector (3Q: 10.9% vs. 2Q: -5.2%). Such performance places the economy on track to achieve the official growth target between 4.0-4.8% in 2025, underscoring its resilience in the face of global headwinds and bolstering its prospects moving forward (2026 Target: 4.0-4.5%).
- Looking closer, the Transport indices topped the gainers as it surged by 1.7%, followed by the Plantation (1.5%) and Finance (1.2%) indices. Nevertheless, broader downbeat sentiments surrounding the global technology sector caused the Technology index to plunge by 2.9%, reflecting regional weakness. This is followed by the Industrial and Utilities indices, declining by 1.9% and 1.8%, respectively.
- Foreign investors remained as net sellers for the fifth straight week, shedding a total of RM85.4 million worth of equities. This had increased the cumulative net outflow thus far to RM19.8 billion.

ECONOMIC RESEARCH

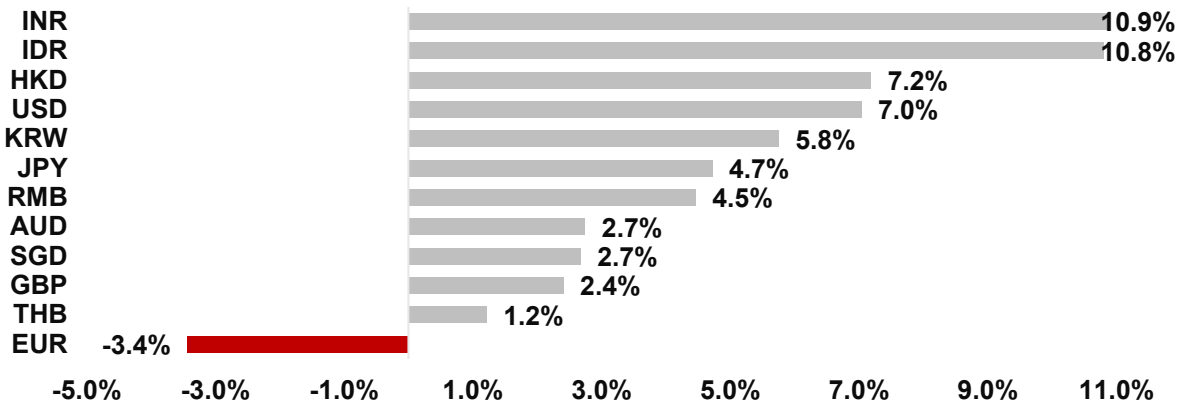
FX MARKET: RINGGIT MARKED STRONGEST LEVEL IN MORE THAN A YEAR AT RM4.18



MYR Against Regional Currencies, w-o-w%



MYR Against Regional Currencies, YTD%
(As of 7 November 2025)



Sources: BNM, Federal Reserve Board (Fed), CEIC Data

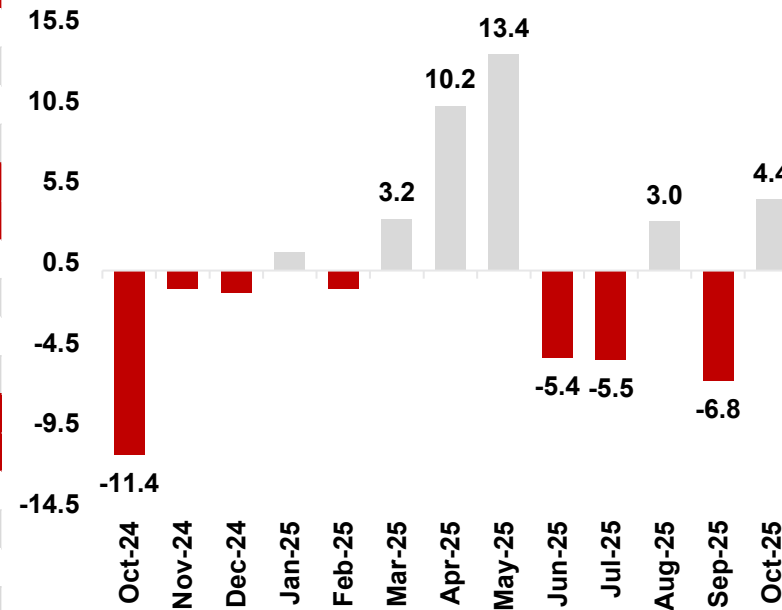
- The Ringgit appreciated by 0.4% w-o-w against the USD, marking the strongest level since October 2024 (7th November: RM4.176), as the USD index slipped by 0.2%.
- Such performance was underpinned by narrowing interest rate differentials between the Overnight Policy Rate (OPR) and U.S. Federal Funds Rate (FFR) as Bank Negara Malaysia (BNM) kept the OPR steady at 2.75% in its final meeting of the year while the Fed slashed its FFR by 25 bp in October, bringing it to the 3.75-4.00% range.
- Furthermore, investor confidence in Malaysia's outlook remained solid as the economy is anticipated to maintain its momentum, expanding by 5.2% in 3Q2025 amid expansions across all economic sectors.
- On the flipside, the USD is under pressure amid rising bets of another 25 bp Fed rate cut in December despite an uptick in private business hiring (October: 42K vs. September: -29K). While private hiring saw a rebound, the momentum remains sluggish while the prolonged U.S. government shutdown further delays key job market figures. As such, markets erred on the side of caution and expect the Fed to deliver another reduction to buffer against further softening in the job market and economic activities. At the time of writing, probabilities of a December cut had increased to almost 70.0% from 63.0% a week prior, according to the CME FedWatch tool.

FIXED INCOME: UST YIELDS DROPPED AS WEAK U.S. ECONOMIC DATA STRENGTHEN THE CASE FOR FED RATE CUTS

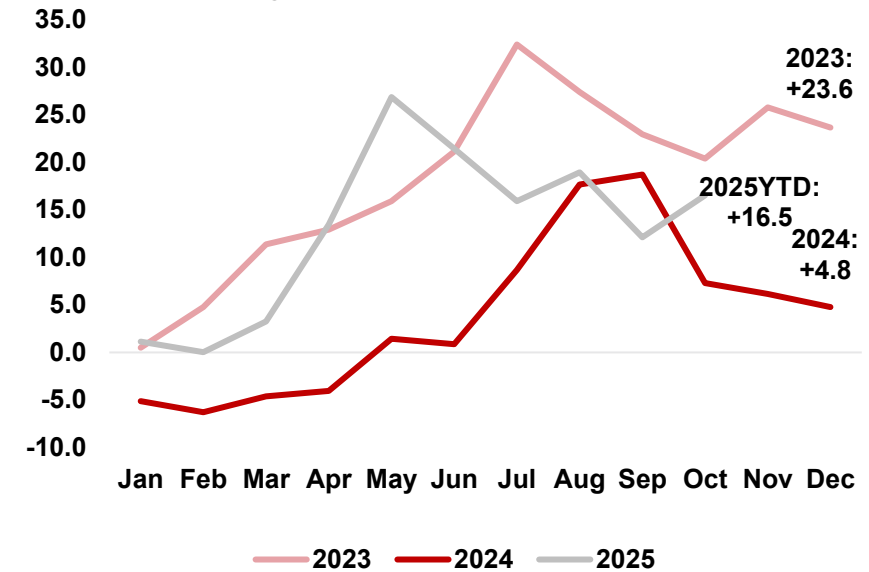
Weekly Changes, basis points (bps)			
UST	Yields (%) 31-Oct-25	Yields (%) 7-Nov-25	Change (bps)
3-Y UST	3.60	3.57	-3
5-Y UST	3.71	3.67	-4
7-Y UST	3.89	3.87	-2
10-Y UST	4.11	4.11	0
MGS	Yields (%) 31-Oct-25	Yields (%) 7-Nov-25	Change (bps)
3-Y MGS	3.12	3.11	-1
5-Y MGS	3.24	3.25	0
7-Y MGS	3.44	3.46	1
10-Y MGS	3.50	3.51	1
GII	Yields (%) 31-Oct-25	Yields (%) 7-Nov-25	Change (bps)
3-Y GII	3.13	3.14	1
5-Y GII	3.24	3.25	0
7-Y GII	3.37	3.38	1
10-Y GII	3.51	3.56	5

Sources: BNM, Federal Reserve Board

Foreign Fund Flows in Local Bond Market, RM Billion



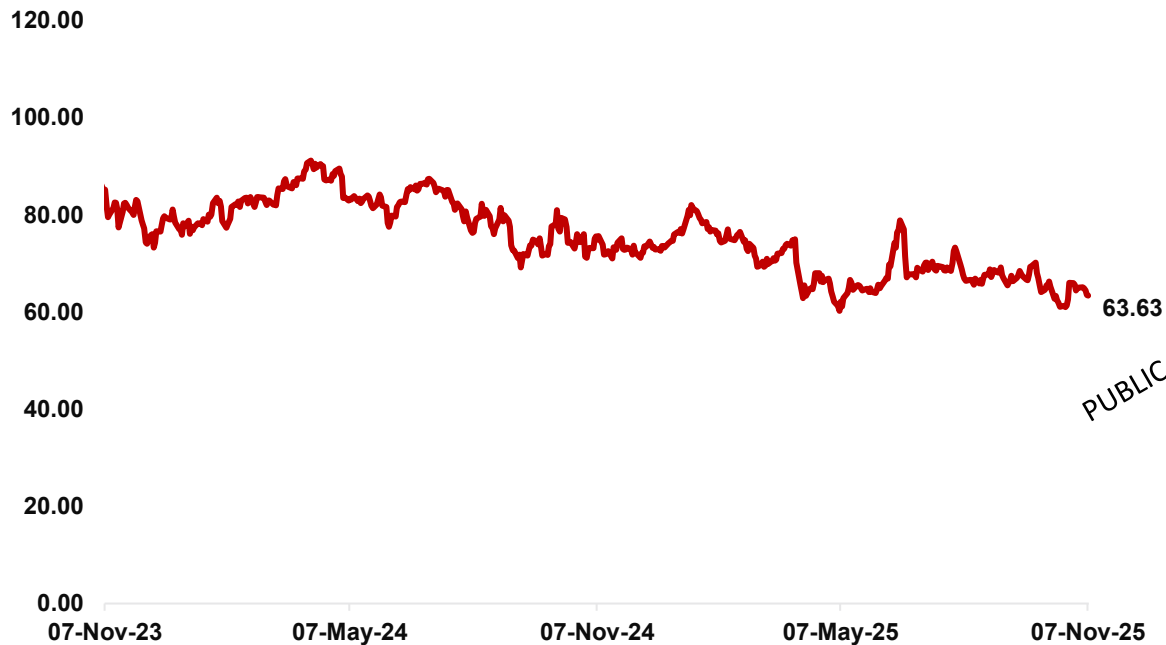
Cumulative Net Foreign Flows in Local Bonds (Yearly Comparison, RM Billion)



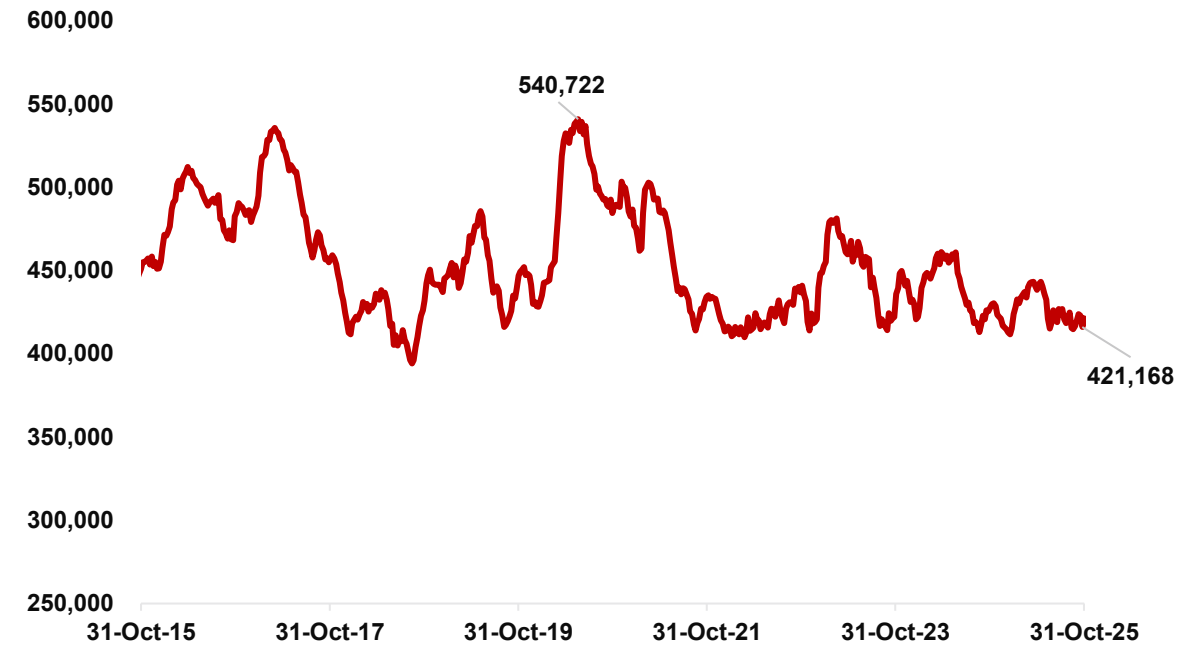
- The U.S. Treasury (UST) yields closed mostly lower by between 1bps and 4bps, as the accumulating signs of a slowing economy strengthen the case for the Federal Reserve (Fed) to cut interest rates in December. On the other hand, 10-Y UST yield plateaued at 4.11%.
- Meanwhile, Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields were mostly little changed, except for 10-Y GII which rose by 5bps to end at 3.56%.
- Foreign fund flows in the local bond market logged a net foreign inflow of RM4.4 billion in October (September: -RM6.8 billion). However, local govvs' foreign shareholdings to total outstanding remained at 21.6% in October as total local bonds outstanding grew at a faster pace.
- As of the first ten months of 2025, the local bond market recorded the cumulative net foreign inflows of RM16.5 billion, higher than the inflows of RM7.3 billion in the same period in the previous year.

COMMODITY: OIL PRICES UNDER PRESSURE AS OPEC SUPPLY RISES AND FURTHER WEAKENED IF CHINA SLOWS STOCKPILING

Brent Crude in USD per barrel



U.S. Crude Oil Inventory, '000 barrel - EIA

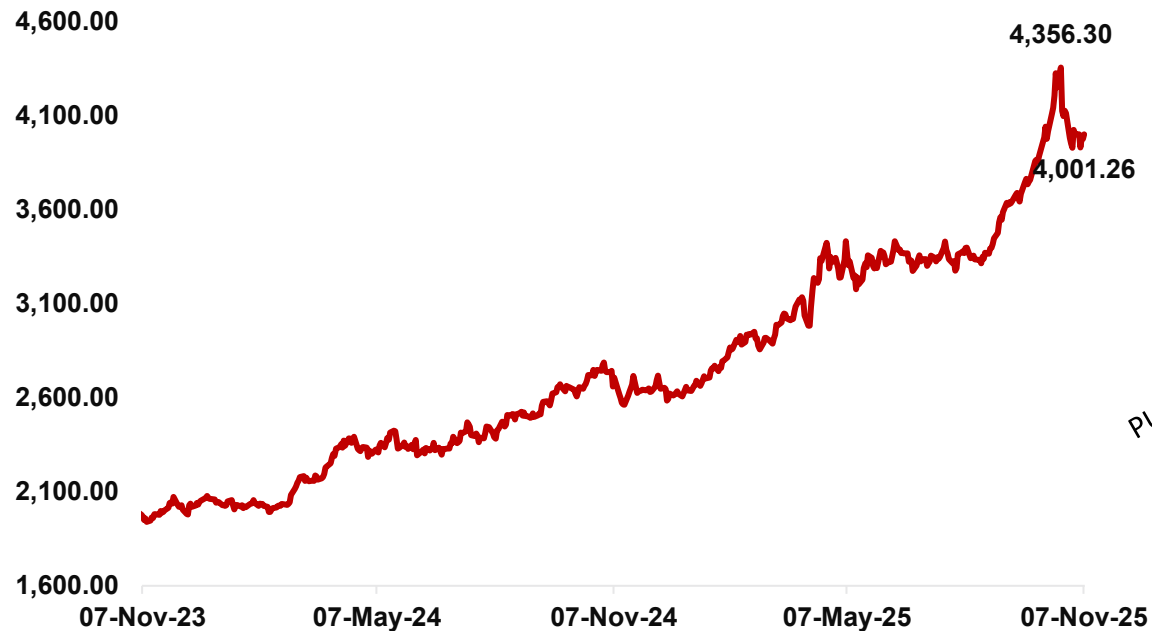


Sources: Bloomberg, Energy Information Administration (EIA)

- Brent oil prices slipped further by 2.2% w-o-w to close at USD 63.63 per barrel on November 7th as concerns over oversupply resurface, largely driven by increased production from OPEC+.
- Although China has been absorbing excess supply through aggressive stockpiling, estimated at 110 million barrels between April and August, there are growing worries that once this stockpiling slows, the global market could see a surplus of crude. This would likely push prices even lower, especially with signs that the market is becoming well-supplied. The sentiment remains bearish amid weakening demand signals and fragile global growth momentum.
- U.S. weekly crude inventories increased by 5.2 million barrels to 421.1 million barrels for the week ending October 31.

COMMODITY: GOLD PRICE ON TRACK FOR WEEKLY LOSS AMID PROLONGED GOLD FATIGUE

Gold in USD per ounce



U.S. Dollar Index (DXY)



Sources: Bloomberg, CEIC Data

- The bullion price was little changed against the USD last week despite the latter's weakness, trading range-bound amid extended profit-taking activities as investors cashed in ahead of further declines while bargain hunters stepped in on dips.
- Furthermore, demand for the bullion was subdued against a backdrop of easing geopolitical and global trade tensions as well as the U.S.-China trade agreement, increasing the investors' risk appetite and dimming the gold's shine.

WHAT TO LOOK OUT FOR IN THE MARKETS THIS WEEK

- This week, U.S. economic data such as CPI, jobless claims, and retail sales will be unavailable due to the ongoing government shutdown, the longest in U.S. history, surpassing the previous 35-day record. These reports typically help investors gauge the strength of the economy and anticipate Federal Reserve interest rate decisions. The shutdown is delaying official releases, making it harder to get a complete picture of economic conditions. The upcoming inflation report is expected to show prices rising slowly, though still above the Fed's target, while retail sales may indicate that consumer spending remains resilient but cautious. Several Fed officials, including Chair Jerome Powell, are scheduled to speak this week and may provide further guidance on future rate policy.
- In the UK, markets will focus on the upcoming 3Q2025 GDP estimate as a critical indicator of economic performance, alongside a labour market report that is expected to show further cooling. The Bank of England (BoE) held its policy rate unchanged at 4.00% at its November meeting, but the central bank acknowledged that economic activity is "below potential" and signaled a gradual downward path for interest rates should disinflation persist. Current projections, shaped by recent data, point towards sluggish GDP growth of approximately 0.2% q-o-q. This modest expansion is anticipated to be supported by household spending, though its momentum is expected to be constrained by significant headwinds in industrial and construction output. This overall outcome would reinforce the BoE's patient and data-dependent stance, affirming its view that premature monetary easing remains an unwarranted risk despite the prevailing disinflationary trend.
- Meanwhile in Malaysia, market focus this week will be on the upcoming release of 3Q2025 GDP data. The Department of Statistics Malaysia (DOSM) had earlier released an advance estimate of 5.2% y-o-y growth, surpassing expectations and significantly above the market consensus of 4.2%. This stronger-than-expected performance was largely driven by a rebound in the mining sector, particularly supported by higher crude oil and natural gas production, as well as sustained domestic demand. Based on the robust performance of key industrial indicators throughout the quarter, including positive readings in the IPI and trade figures, we anticipate actual GDP growth to come in above 5.0%, reinforcing the upside potential for Malaysia's full-year economic performance. However, momentum is likely to moderate in the final quarter of the year. The front-loading activities seen in recent months ahead of the 19% tariff imposed by the U.S. are expected to taper off. This shift, combined with potentially softer external demand and tightening global trade conditions, could weigh on Malaysia's export-oriented sectors moving forward. As such, while 2025 is set to record a commendable growth rate, the underlying risks heading into the end of the year and into 2026 particularly from global trade tensions and a weaker external environment warrant cautious optimism.

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