



From the Desk
of the
Chief Economist

BANK ISLAM

WEEKLY MARKET UPDATES

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ECONOMIC RESEARCH

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International

Country	Economic Indicators	Remarks
European Central Bank (ECB)	Monetary Policy	<ul style="list-style-type: none"> ✓ The ECB has decided to keep its interest rates remain unchanged on main refinancing operations, marginal lending facility, as well as deposit facility at 0.00%, 0.25% and -0.50% respectively. ✓ Monthly net purchases under the Asset Purchase Programme (APP) will amount to EUR40.0 billion in April, EUR30.0 billion in May and EUR20.0 billion in June. ✓ Any adjustments to the key ECB interest rates will take place some time after the end of the Governing Council's net purchases under the APP and will be gradual.
Singapore	Monetary Policy	<ul style="list-style-type: none"> ✓ Monetary Authority of Singapore (MAS) has decided to further tighten monetary policy in two ways. ✓ First, MAS will re-centre the mid-point of the exchange rate policy band at the prevailing level of the SGD NEER. ✓ Second, MAS will increase slightly the rate of appreciation of the policy band to exert a continuing dampening effect on inflation. There will be no change to the width of the policy band.
South Korea	Monetary Policy	<ul style="list-style-type: none"> ✓ The Monetary Policy Board of the Bank of Korea (BoK) decided to raise the Base Rate by 25 basis points (bps) from 1.25% to 1.50%. ✓ Consumer price inflation has risen significantly (March: 4.1% vs. February: 3.7%) due to soaring prices of petroleum products, as well as the accelerating increase in the prices of industrial products and personal services. ✓ The Board will appropriately adjust the degree of monetary policy accommodation as the Korean economy is expected to continue its recovery and inflation to run above the target level for a considerable time, despite underlying uncertainties in domestic and external conditions.

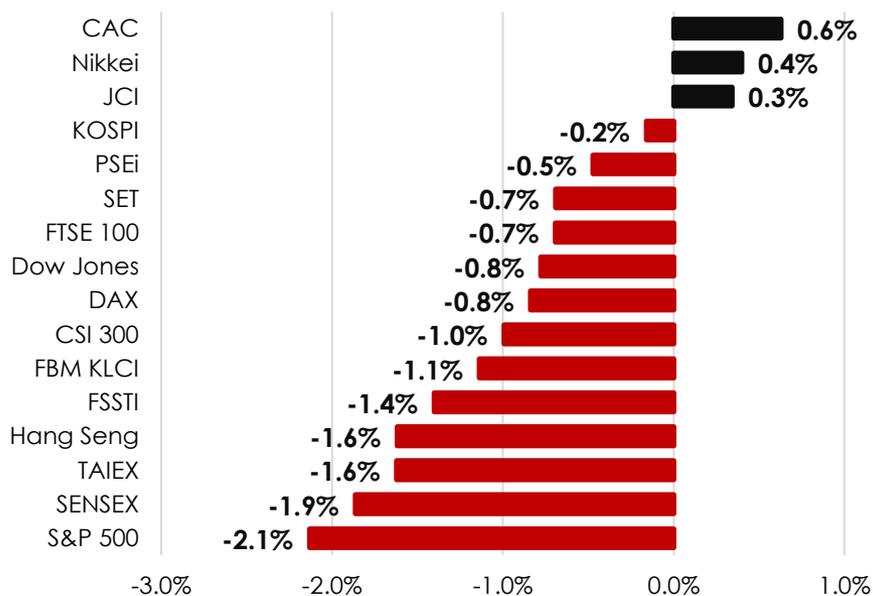
Domestic

Country	Economic Indicators	Remarks
Malaysia	Industrial Production Index (IPI)	<ul style="list-style-type: none"> ✓ Malaysia's IPI moderated by 3.9% year-on-year (y-o-y) in February after registering 4.3% growth in January. ✓ This was mainly due to slower growth in Manufacturing (February: 5.2% vs. January: 6.8%) and Electricity (February: 3.9% vs. January 6.9%). Meanwhile, Mining sector remained at the contractionary level of 0.4% in February (January: -5.1%).
	Wholesale & Retail Trade	<ul style="list-style-type: none"> ✓ Sales value of Wholesale & Retail Trade rose by 8.5% y-o-y in February compared to 7.5% in January. ✓ The upturn was mainly contributed by stronger performance in Wholesale Trade and Retail Trade, increasing by 6.2% (January: 5.7%) and 10.2% (January: 7.3%) respectively in February. ✓ Additionally, Motor Vehicles continued to record double-digit growth during February at 12.5% (January: 17.0%).

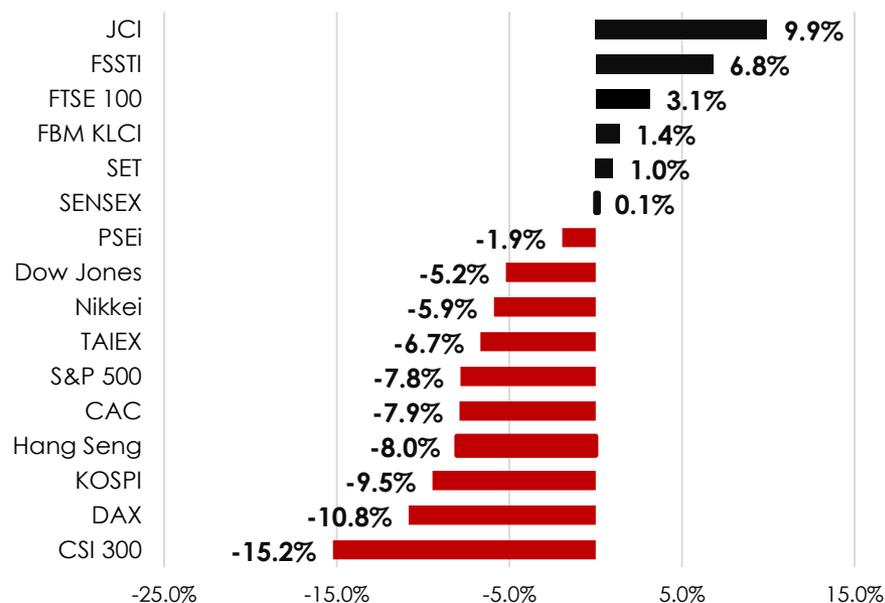
WEEKLY MARKET PERFORMANCE

- ✓ Decliners outnumbered gainers among major equity markets with the U.S. S&P 500 recording the biggest loss of 2.1% last week. The fall was attributable to the rising inflation outlook (March: 8.5% vs. February: 7.9%) and the mixed earnings results from major banks during 1Q2022.
- ✓ Meanwhile, France's CAC increased by 0.6% as investors reacted positively to ECB monetary policy decision to keep its benchmark rate and stimulus plans unchanged.
- ✓ On a Year-To-Date (YTD) basis, the ASEAN equity markets continued to outperform as the region is relatively insulated from rising geopolitical tensions in the Europe.

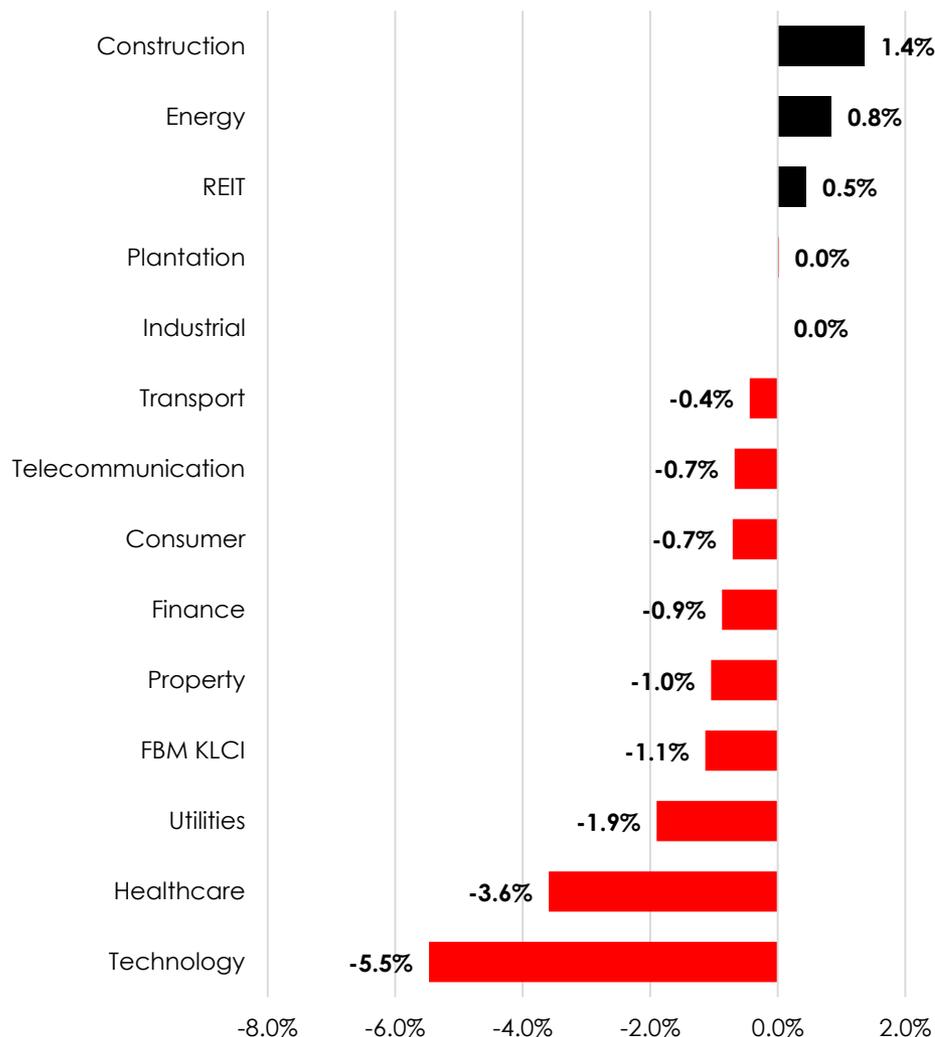
**Weekly Gain/Loss of Major Equity Markets, %
(Week Ending 15 April)**



**YTD Gain/Loss Of Major Equity Markets, %
(As at 15 April)**



Bursa Sectoral Performance, w-o-w%



Source: Bursa

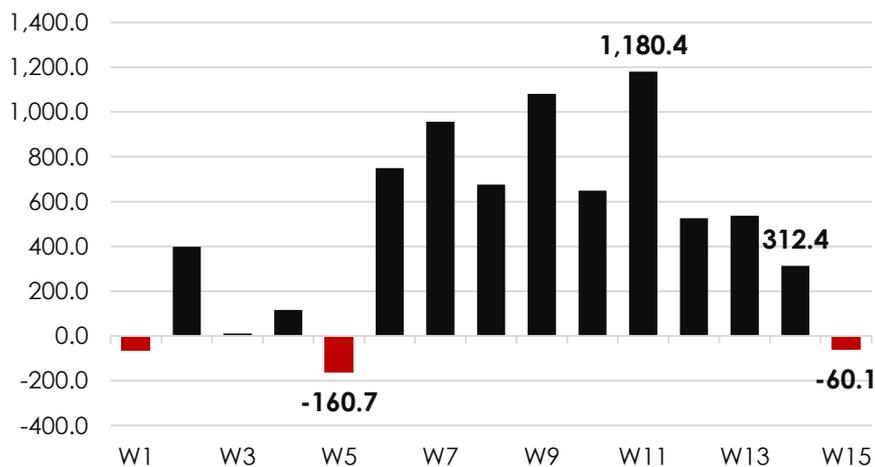
WEEKLY SECTORAL PERFORMANCE

- ✓ **Construction index** emerged as top gainer with a 1.4% increase recorded on 15 April.
- ✓ Nevertheless, Technology sector remained in the red with a 5.5% loss amid anticipation of higher interest rate environment that will weigh on the price valuation.
- ✓ **Looking forward, the FBM KLCI will be traded between 1,590.0 points and 1,610.0 points supported by border reopening that should bode well for consumer and aviation sector.**
- ✓ **Additionally, Employee Provident Fund's (EPF) Special Withdrawal facility which amounted RM40.1 billion** could bolster domestic consumption ahead of Hari Raya holidays.
- ✓ All in all, investors will remain cautious in view of weaker global growth following persistence raise in the global inflation, prolonged supply-chain disruptions, alongside unresolved geopolitical tensions.

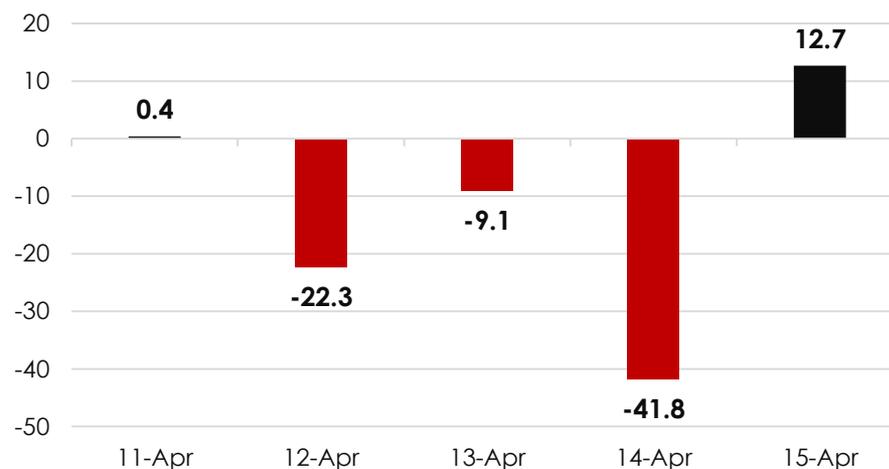
WEEKLY FOREIGN FUND FLOW

- ✓ Foreign investors turned to be net sellers, snapping the ninth straight week of inflows as they offloaded Malaysian equity funds worth a net of RM60.1 million last week (previous week: net inflows of RM312.4 million).
- ✓ Bursa started the week with net inflows of RM0.4 million before recording total net outflows of RM73.2 millions for the third straight day. The largest net outflows were registered on Thursday at RM41.8 million before turning to be net purchasers on Friday at RM12.7 million.
- ✓ However, on a YTD basis, international investors have acquired RM6.9 billion net of local equities in 2022 compared to RM2.0 billion net disposed during the same period in 2021.
- ✓ Moving forward, Bursa is expected to witness cautious trading this week amid lack of positive catalysts to influence investors' risk appetite.

Weekly Foreign Fund Flow in 2022 (RM Million)



Daily Foreign Net Inflow/Outflow from 11 to 15 April (RM Million)



Source: Bursa

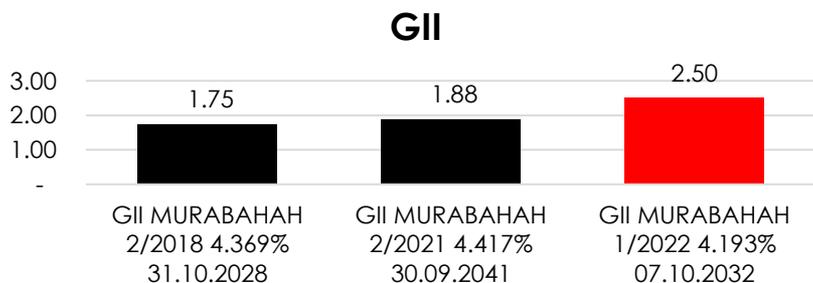
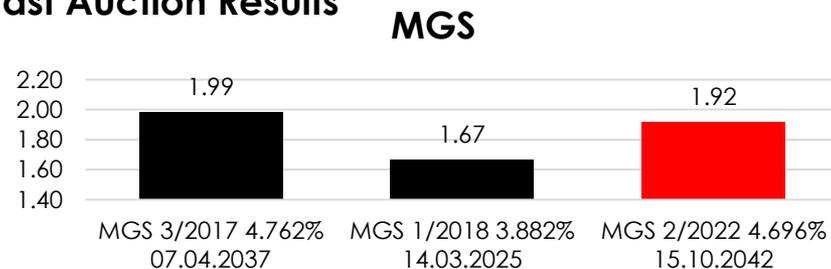
Bond Yields Weekly Change, basis points (bps)

UST	Yields (%) 8-Apr-22	Yields (%) 14-Apr-22	Change (bps)
3-M UST	0.70%	0.79%	9
2-Y UST	2.53%	2.47%	-6
5-Y UST	2.76%	2.79%	3
10-Y UST	2.72%	2.83%	11

MGS	Yields (%) 8-Apr-22	Yields (%) 15-Apr-22	Change (bps)
3-Y MGS	3.20%	3.34%	14
5-Y MGS	3.47%	3.57%	10
7-Y MGS	3.87%	3.95%	8
10-Y MGS	4.00%	4.09%	9

Sources: CEIC, BNM

Past Auction Results



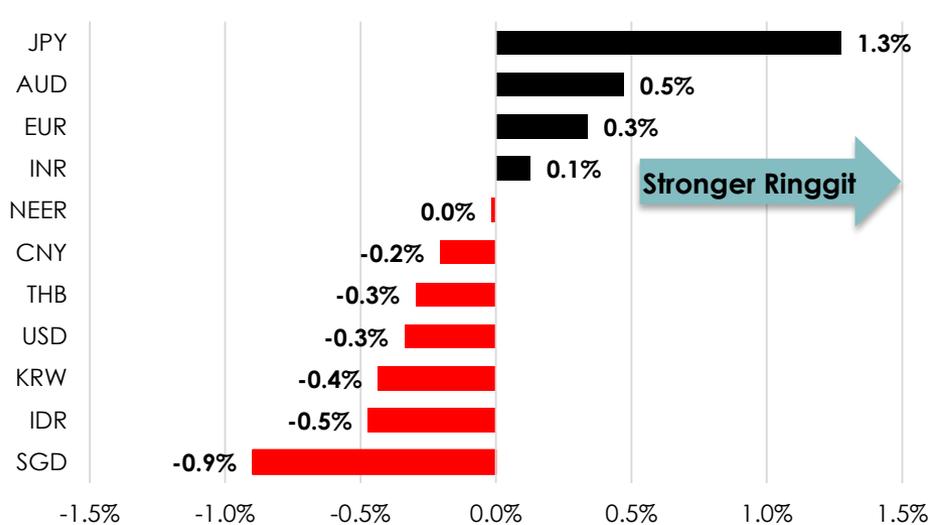
Source: CEIC

- ✓ As for the bond market, the U.S. Treasury (UST) yields were mostly higher between 3 and 11 bps. However, the 2-Y UST declined by 6 bps to settle at 2.47% on 14 April.
- ✓ On domestic front, the MGS bond yields continued to increase between 8 bps and 14 bps on 15 April in tandem with increasingly hawkish monetary stance by central banks across the world.
- ✓ As for the primary market, the auction of 20-Y MGS and 10-Y GII saw higher Bid-To-Cover (BTC) ratio of 1.92x (previous: 1.67x) and 2.50x (previous: 1.88x), suggesting the demand remained healthy.
- ✓ Looking forward, MGS yields are expected to trend higher as the Fed will deliver aggressive interest rate hike to curb inflation in the U.S.
- ✓ Hence, this could weigh on the foreign fund flows in the immediate term.

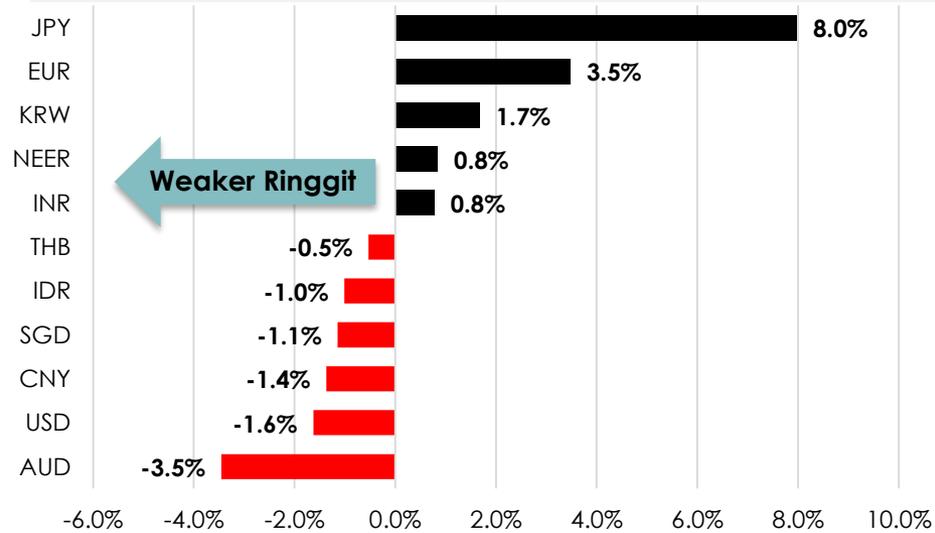
WEEKLY PERFORMANCE

- ✓ The Ringgit fell by 0.3% w-o-w to close at RM4.2330 against the U.S. Dollar on 15 April from RM4.2200 in the previous week.
- ✓ The U.S. inflation data in March which rose by 8.5% (February: 7.9%) has bolstered the case for the Fed to take an aggressive action by increasing the interest rate by half percentage points during upcoming meeting on 3-4 May.
- ✓ Apart from that, China's zero-Covid strategy could lead to delays in productions and higher prices, adding to global inflation thus, hampering the recovery.
- ✓ Taking the above matter into consideration, the Ringgit is likely to be on downward trend against the U.S. Dollar, hovering around the RM4.23 level.
- ✓ Meanwhile, the Singapore Dollar (SGD) led gains against the emerging Asian currencies when its central bank has tightened its monetary policy to curb the inflation on 14 April. Overall inflation is now forecasted at 4.5% to 5.5% this year (earlier projection: 2.5% to 3.5%).
- ✓ Following this, the local note is depreciated against the SGD on a weekly basis by 0.9% to close at RM3.1201 last Friday from RM3.0936 on 8 April.

MYR against regional currencies, w-o-w% (Week Ending 15 April)



MYR against regional currencies, YTD Gain% (As at 15 April)



BRENT

- ✓ Brent crude oil price recorded a 8.7% weekly increase to settle at USD111.70 per barrel on 14 April (8 April: USD102.78 per barrel) as investors weighed the prospect of a phased import ban by the European Union (EU) on Russian oil products.
- ✓ Meanwhile, the U.S. crude oil inventories continued to increase for the second straight week, suggesting a weakening global demand. The U.S. Energy Information Administration (EIA) reported that the crude oil stockpiles jumped by 9.4 million barrels to 421.8 million barrels in the week ending 8 April (1 April: 412.4 million barrels). Similarly, the American Petroleum Institute (API) mentioned that fuel inventories went up by 7.8 million barrels for the week which ended on 8 April from 11.1 million barrels increase in the previous week.
- ✓ Already, the Organization of the Petroleum Exporting Countries (OPEC) slashed its oil demand growth estimate for 2022 by 480,000 barrel per day (bpd) to 3.7 million bpd as the recent geopolitical developments in Eastern Europe and Covid-19 lockdowns in China have affected oil demand conditions.

Brent Crude in USD per barrel



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



Source: Bloomberg

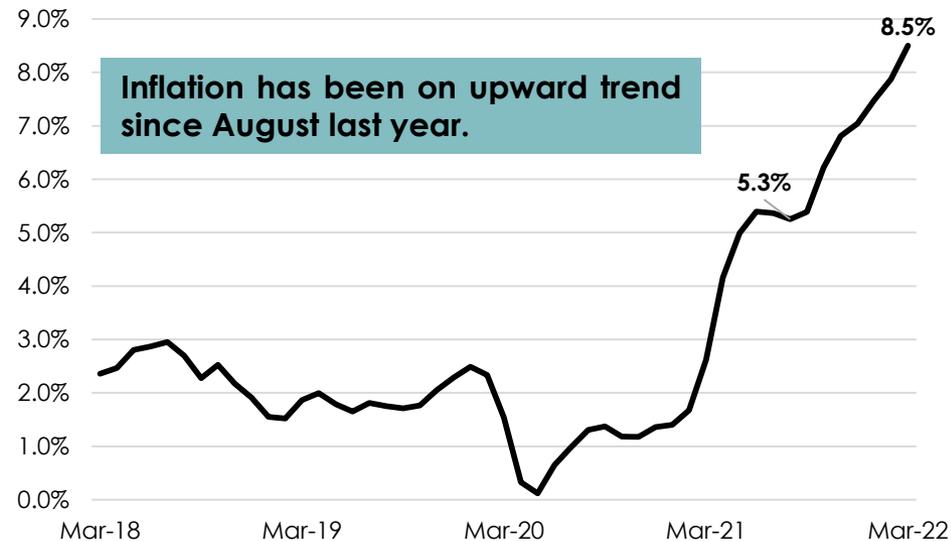
GOLD

- ✓ Gold price rose by 1.3% to reach USD1,972.95 on 15 April (8 April: USD1,947.54), posting its second weekly gain despite a stronger U.S Dollar (14 April: USD100.32 vs. 8 April: USD99.80).
- ✓ The escalation military conflict between Ukraine and Russia, as well as broadening inflationary pressure have boosted the demand for safe haven bullion.
- ✓ Thus far, the U.S. inflation rate has accelerated as it increased by 8.5% y-o-y in March (February: 7.9%), a level not seen since December 1981 at 8.9%.
- ✓ On the other hand, investors are cautious of the U.S.'s announcement for an additional USD800.0 million in military assistance to Ukraine in fight against Russian invasion.
- ✓ As long as the uncertainties over Ukraine war remain visible, this could push commodity prices to stay elevated, leading to a persistence of the inflationary environment.

Gold in USD per ounce



U.S. Headline Inflation, y-o-y%



Sources: Bloomberg, TradingView, CEIC

- ✓ Midway into April, concerns over geopolitical conflict remain at the top of investors' mind. With the Russia-Ukraine peace talks stalled, the war remains raging. As the West is looking into further sanctions, commodity prices continue to skyrocket.
- ✓ On 19 April, the International Monetary Fund (IMF) will release its World Economic Outlook (WEO) and the indication so far is they will downgrade the global growth projections for 2022 and 2023.
- ✓ On the flip side, investors will be closely watching on the Fed speak for the week which includes appearances from St Louis Fed President James Bullard, Chicago Fed President Charles Evan, San Francisco Fed President Mary Daly, as well as the Fed Chair Jerome Powell. They will be examining if, should members are concerned about economic growth due to the tightening of monetary policy, may lead to less aggressive tightening later in the year.
- ✓ Elsewhere, a number of flash Purchasing Manager's Index (PMI) data across major developed economies such as the U.S., the U.K., Eurozone, France and Germany will be released during the week. The April data will provide an insight to which degree of the said countries have been affected by the twins effect of Ukraine war and China's lockdown.
- ✓ In addition, consumer price index (CPI) figures from Canada, South Africa, Eurozone, New Zealand and Japan during the week will draw plenty of interest with a further pick up in the inflationary pressures. As for China, among other data that would be announced include first quarter of gross domestic product (GDP), March retail sales, as well as industrial production which offer clues on the impact of the stricter Covid-19 restrictions on economic activities. In the meantime, policymakers at Bank Indonesia (BI) are due to meet this week.
- ✓ Domestically, Department of Statistic Malaysia (DOSM) would be releasing the inflation figure for the month of March on 22 April. We foresee the figure could hit 2.6% y-o-y, higher than 2.2% recorded in the previous month.
- ✓ On the whole, Bursa Malaysia is expected to trade in a range between 1,590.0 points and 1,610.0 points during the week. Nevertheless, investors will remain cautious following the lingering uncertainties specifically on the heightening regional volatility. Thus far, the FBMKLCI slipped to 18.28 points to end the week to 1,589.01 points from 1,607.29 in the previous week in tandem with weaker regional market performance.

COVID-19 UPDATE: DAILY NUMBER OF CONFIRMED CASES

Date	Global	China	Germany	India	Indonesia	Italy	Japan	Singapore	South Korea	Spain	Thailand	United Kingdom	United States	France	Malaysia
14-Mar-22	1,354,691	14,835	92,378	2,503	9,629	50,079	52,002	9,701	309,780	9,273	22,130	61,983	12,112	60,422	22,030
15-Mar-22	1,517,761	15,717	198,888	2,568	14,408	29,698	35,846	9,042	362,322	8,868	19,742	75,632	9,095	9,986	26,534
16-Mar-22	2,069,635	13,947	262,593	2,876	13,018	86,414	45,649	15,851	400,730	20,440	23,945	99,716	61,309	113,572	28,298
17-Mar-22	2,218,158	15,861	294,931	2,539	11,532	74,147	57,922	11,278	621,328	19,464	25,456	93,501	24,388	107,225	27,004
18-Mar-22	2,059,196	11,180	297,845	2,528	9,528	82,368	55,147	10,713	407,017	19,665	27,071	91,481	37,800	100,519	24,241
19-Mar-22	1,765,577	10,269	260,239	2,075	7,951	78,577	49,246	10,594	381,329	17,874	25,804	82,748	33,077	92,516	22,341
20-Mar-22	1,718,503	9,391	131,792	1,761	5,922	75,768	45,733	10,244	334,708	18,286	24,996	75,213	30,745	98,104	19,105
21-Mar-22	1,179,726	8,024	92,314	1,549	4,699	61,564	42,151	7,859	208,914	9,288	23,441	67,329	9,897	81,228	17,828
22-Mar-22	1,340,272	6,958	222,080	1,581	7,464	33,445	27,701	7,538	353,806	9,137	21,382	80,989	10,002	23,602	21,483
23-Mar-22	2,011,055	7,052	283,732	1,778	6,376	96,904	21,420	13,166	490,872	22,826	25,164	109,212	38,560	168,907	22,491
24-Mar-22	1,821,259	6,401	318,387	1,938	5,808	78,358	36,605	8,940	395,480	22,896	27,024	98,979	25,051	144,951	24,316
25-Mar-22	1,725,489	7,237	296,498	1,685	4,857	82,648	49,063	8,478	339,514	21,105	26,050	94,066	45,083	148,243	21,839
26-Mar-22	1,630,646	6,049	252,026	1,660	4,189	76,397	48,228	7,584	335,479	17,195	26,234	82,785	36,180	139,188	20,923
27-Mar-22	1,369,824	5,241	111,224	1,421	3,077	74,616	47,047	6,434	318,130	15,327	25,821	72,379	28,538	139,000	16,863
28-Mar-22	984,174	5,033	67,501	1,270	2,798	60,612	43,565	4,848	187,033	6,813	24,635	61,410	12,411	110,174	13,336
29-Mar-22	1,435,676	4,647	237,352	1,259	3,895	31,560	32,916	4,925	347,441	4,853	21,678	68,274	9,720	19,699	15,215
30-Mar-22	1,728,595	4,889	268,477	1,233	3,840	100,296	41,473	8,164	424,573	6,601	25,389	92,679	32,503	216,341	15,941
31-Mar-22	1,552,877	4,995	274,901	1,225	3,332	71,411	52,765	5,729	320,657	8,793	27,560	79,935	24,073	169,024	18,560
1-Apr-22	1,468,162	4,925	252,530	1,335	2,930	74,364	48,047	5,605	280,273	9,732	28,379	73,476	48,797	167,760	17,476
2-Apr-22	1,316,551	5,108	196,456	1,260	2,300	77,040	53,544	5,010	264,097	8,862	28,029	54,570	40,573	143,972	14,692
3-Apr-22	1,029,539	4,195	74,053	1,096	1,933	71,412	47,377	4,563	234,301	8,292	26,840	47,283	27,689	132,114	12,380
4-Apr-22	805,866	3,517	41,129	913	1,661	55,009	48,245	3,743	127,050	8,522	24,892	37,453	11,417	102,266	10,002
5-Apr-22	935,706	3,097	180,397	795	2,282	31,329	33,834	3,334	266,084	9,676	21,088	42,002	10,468	16,652	12,017
6-Apr-22	1,317,542	3,354	214,985	1,086	2,400	88,914	42,315	6,341	286,235	9,784	24,252	53,403	27,650	201,995	12,105
7-Apr-22	1,219,609	3,171	201,729	1,033	2,089	69,885	54,142	4,467	224,776	10,695	26,081	48,689	33,582	161,950	11,994
8-Apr-22	1,169,664	3,475	175,263	1,109	1,755	70,123	55,044	4,269	205,333	9,321	25,140	44,298	42,321	157,718	14,944
9-Apr-22	1,051,497	3,079	150,675	1,150	1,468	67,641	52,104	4,014	185,495	9,524	25,298	38,027	34,164	145,117	10,177
10-Apr-22	861,967	2,826	55,471	1,054	1,071	64,421	52,162	3,259	164,481	7,977	25,139	31,916	43,733	141,375	8,112
11-Apr-22	624,798	2,646	30,789	861	1,196	53,920	47,876	2,573	90,849	8,005	22,387	26,850	10,503	107,654	7,739
12-Apr-22	759,578	2,600	162,790	796	1,455	28,705	33,136	2,568	210,706	8,152	19,982	28,952	14,517	25,492	9,002
13-Apr-22	1,032,459	2,868	176,303	1,088	1,551	84,056	51,331	4,552	195,393	7,451	23,015	24,151	40,784	177,974	10,052
14-Apr-22	948,865	4,687	165,368	1,007	833	62,586	56,704	3,535	148,443	-	24,134	35,836	28,845	146,307	10,413

Source: CEIC

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An aerial photograph of a city skyline at sunset, with a prominent pink bar at the bottom. The sky is filled with soft, golden light and scattered clouds. The city features numerous high-rise buildings, with a particularly tall, slender skyscraper on the left. A highway with traffic is visible in the foreground, winding through the city. The overall mood is warm and serene.

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