



WEEKLY ECONOMIC UPDATE

24 NOVEMBER 2025

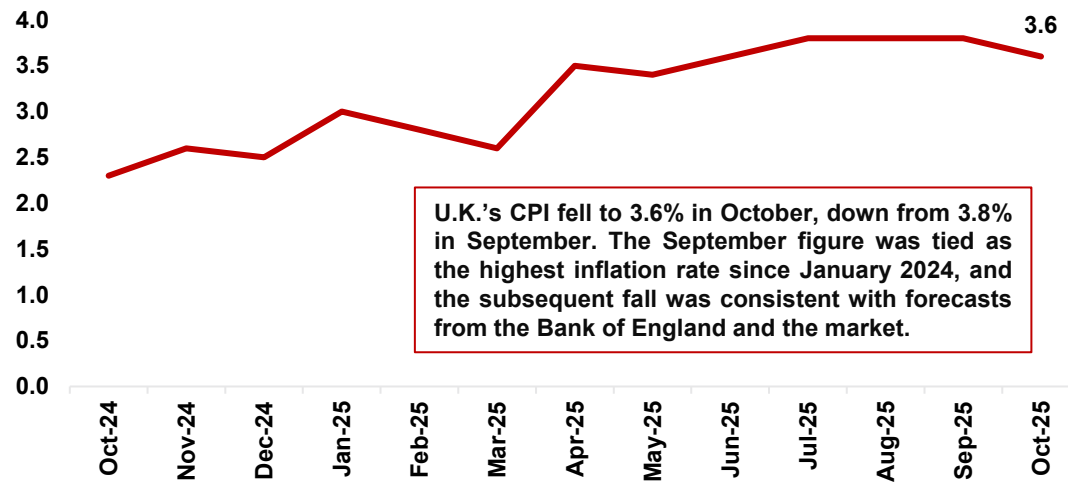
ECONOMIC RESEARCH

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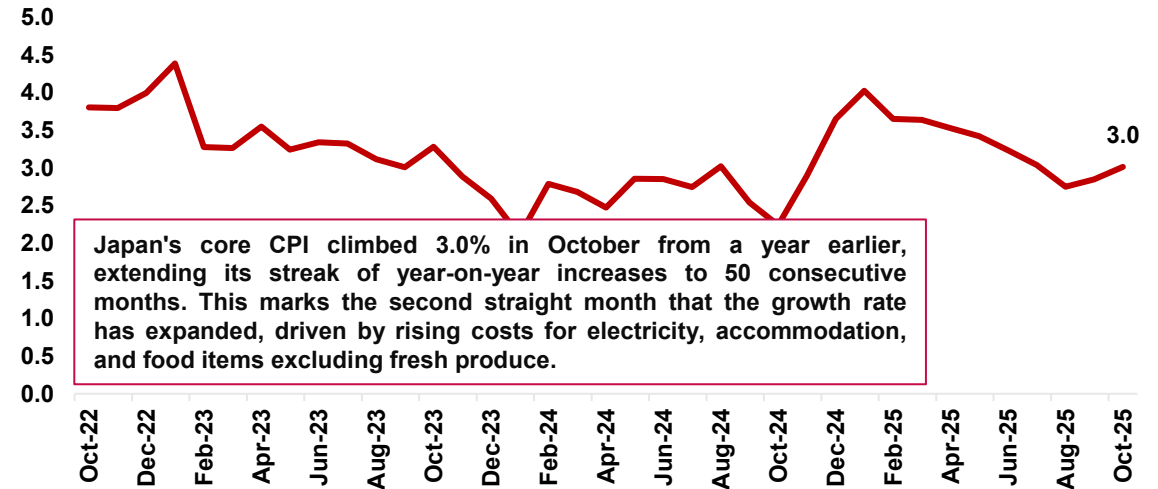
WEEKLY HIGHLIGHT: MALAYSIA'S EXPORT INCREASED BY 15.7% IN OCTOBER, DRIVEN BY TRADE WITH NON-U.S. COUNTRIES

GLOBAL

U.K. - CPI, y-o-y%

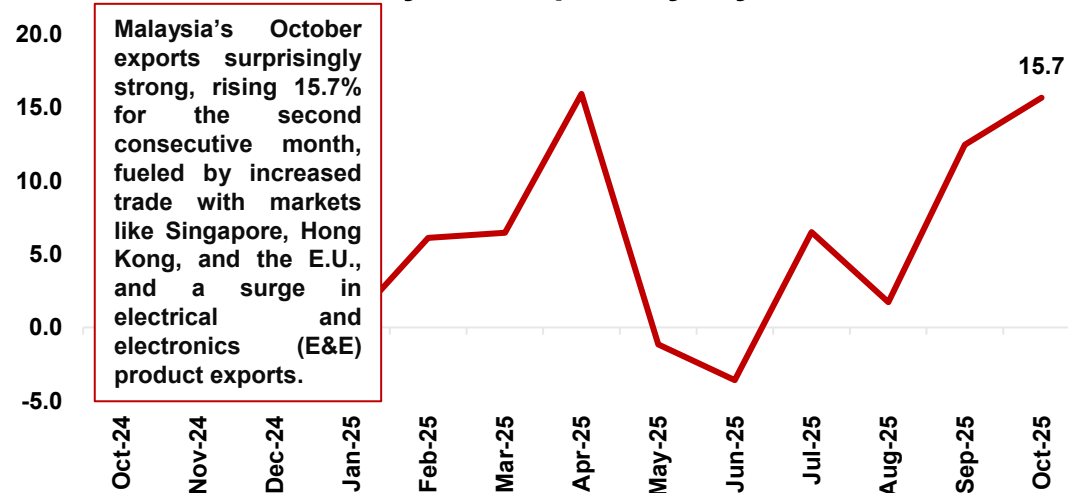


Japan - Consumer Price Index (CPI), y-o-y%

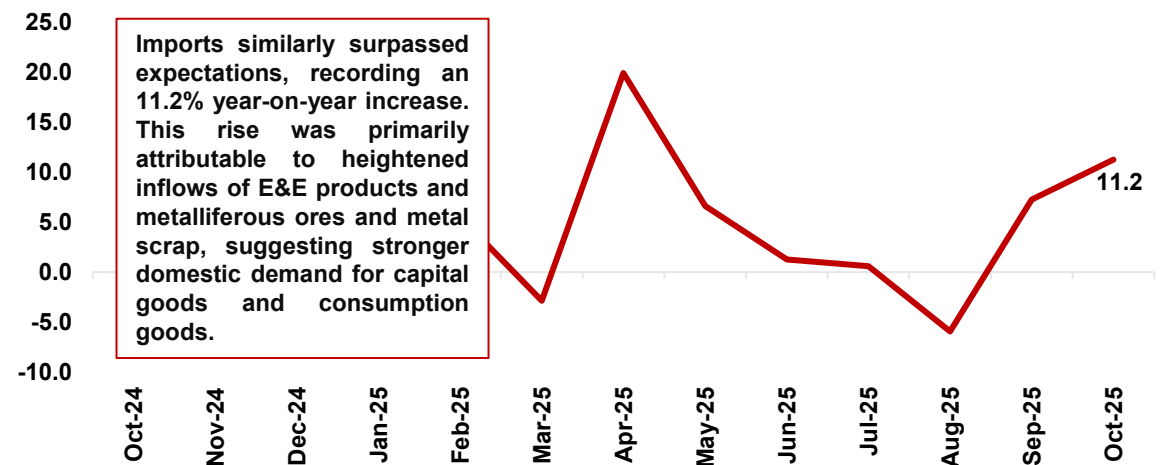


DOMESTIC

Malaysia - Exports, y-o-y%



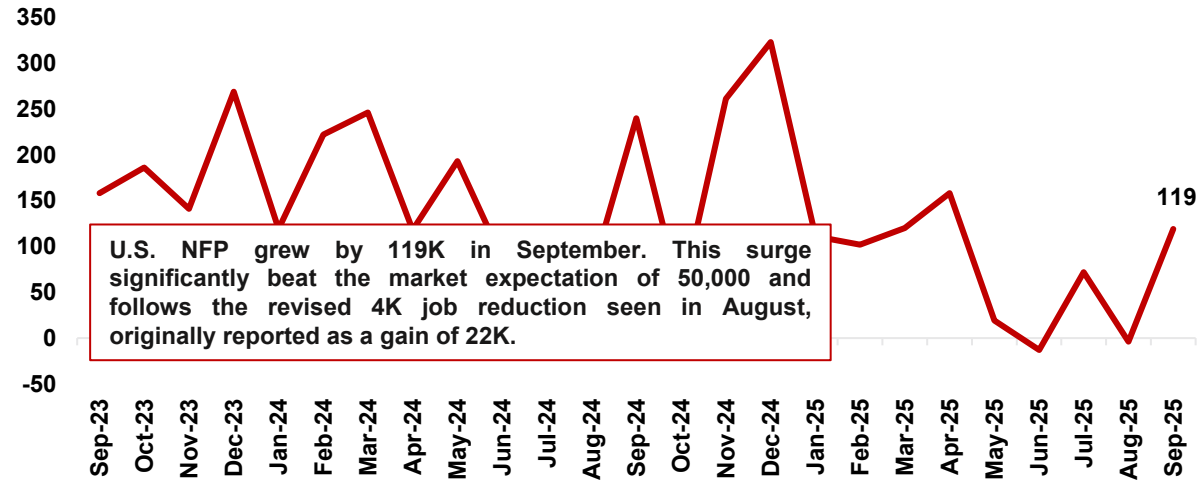
Malaysia - Imports, y-o-y%



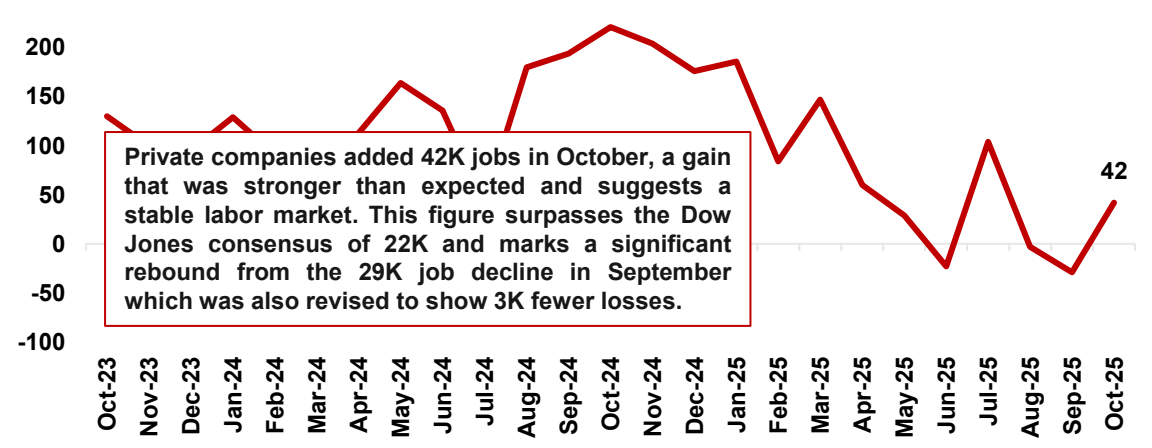
U.S. WEEKLY HIGHLIGHT: U.S. JOBS GROWTH SURPASSED EXPECTATIONS IN SEPTEMBER



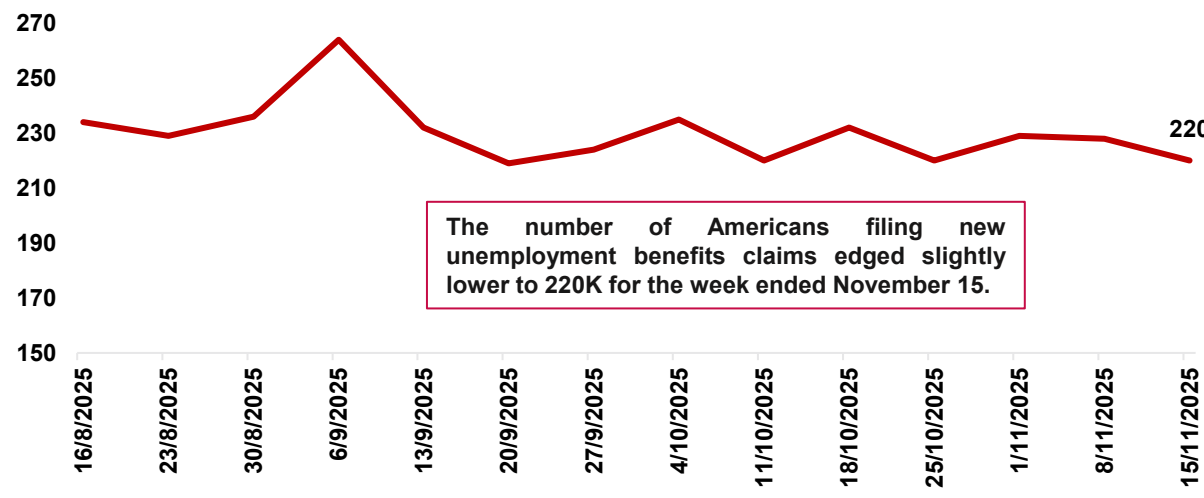
U.S. Non-Farm Payroll, m-o-m changes ('000)



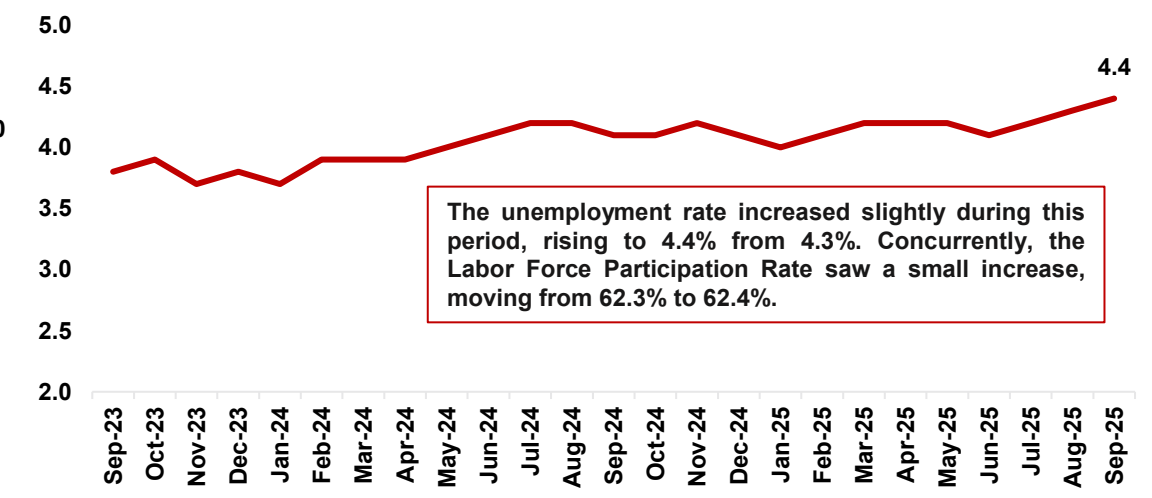
U.S. ADP Nonfarm Employment, m-o-m changes ('000)



U.S. Weekly Initial Jobless Claims (IJC), '000



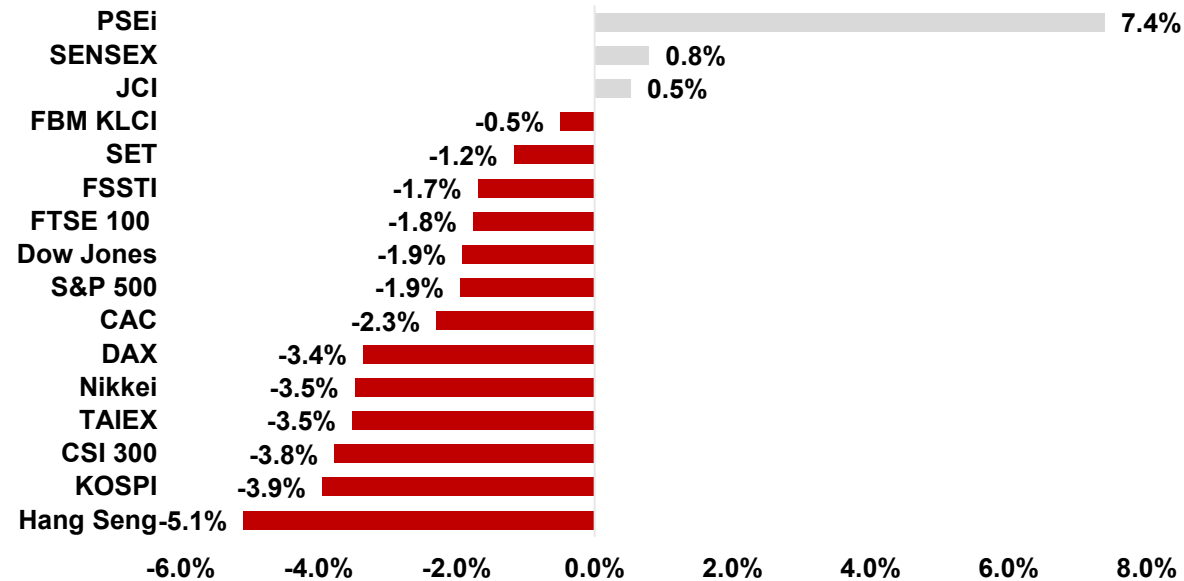
U.S. Unemployment Rate, %



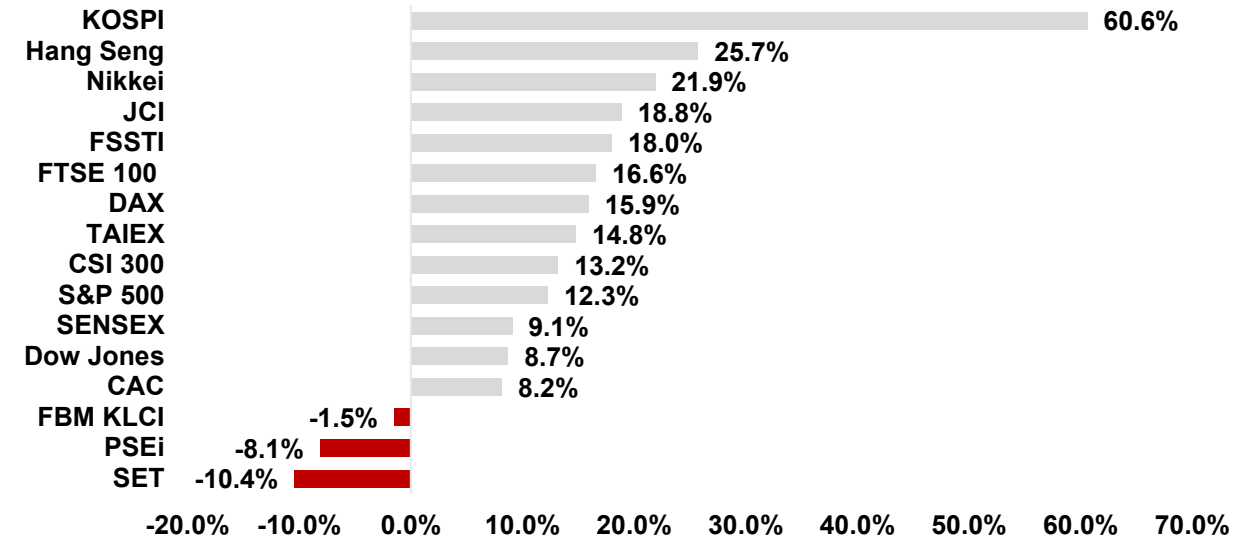
Sources: U.S Bureau of Labor Statistics, U.S. Department of Labor

REGIONAL EQUITY: A.I. SECTOR UNCERTAINTY TRIGGERS SLIDE IN U.S. AND ASIAN STOCK MARKET

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



YTD Gain/Loss of Major Equity Markets, %
(As of 21 November 2025)

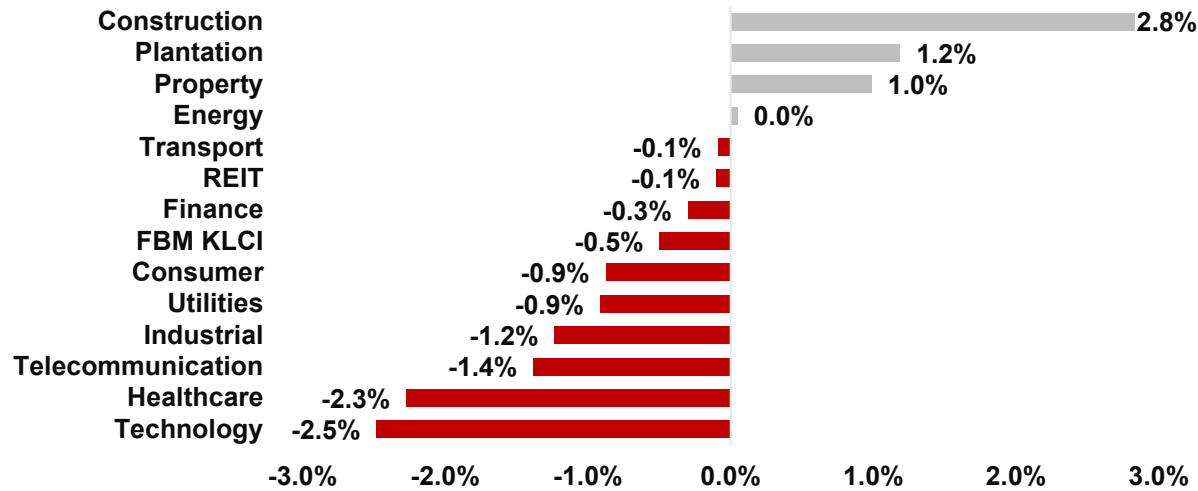


Sources: Bursa, CEIC Data

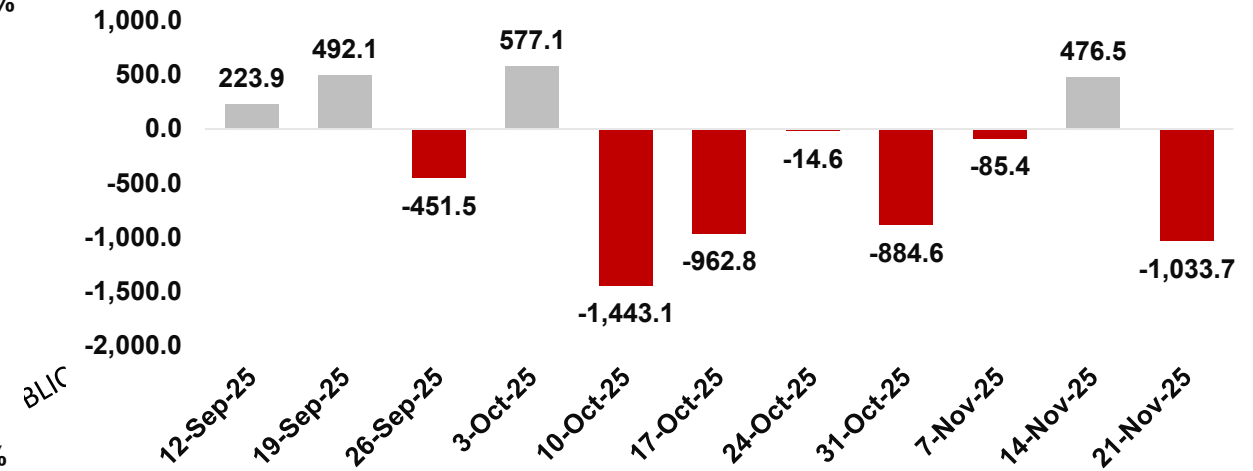
- Global equity markets largely ended the week to November 21 in negative territory, with Hong Kong's Hang Seng Index leading the declines after sliding 5.1%. The sharp drop reflected rising geopolitical tensions between Tokyo and Beijing, as Japan urged its schools in China to tighten security measures following China's suspension of Japanese seafood imports and the issuance of travel advisories.
- U.S. stocks – S&P 500 (-1.9%) and Dow Jones (-1.9%) dipped as markets exhibited volatility, simultaneously weighing the prospect of Federal Reserve (Fed) easing against ongoing fluctuations in major A.I. stocks.
- In contrast, Philippine's PSEi (+7.4%), India's SENSEX (+0.8%) and Indonesia's JCI (+0.5%) were the only winners for the week ending November 21.

DOMESTIC EQUITY: THE LOCAL MARKET ENDED IN A SEA OF RED AS INVESTORS' RISK APPETITE SHRUNK

Weekly Bursa Sectoral Performance, w-o-w%



Weekly Foreign Fund Net Inflows/Outflows, RM Million



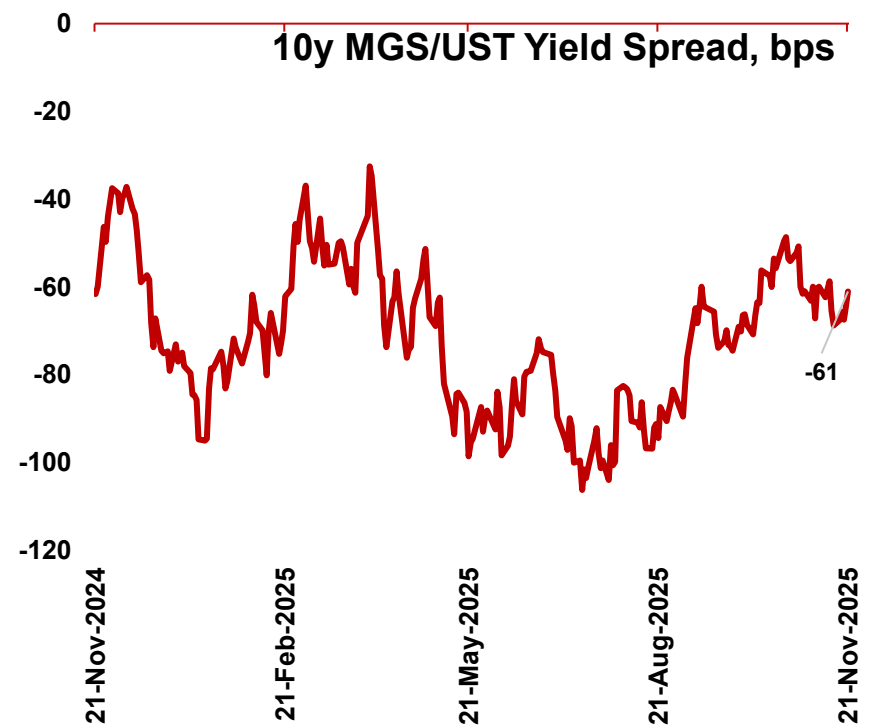
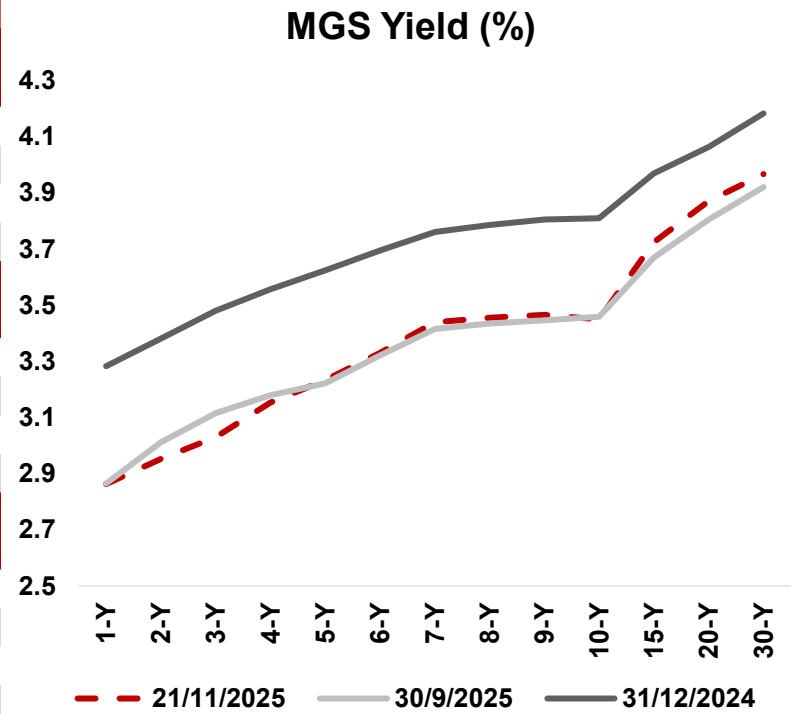
Sources: Bursa, CEIC Data

- The FBM KLCI declined by 0.5% w-o-w for the week ending November 21 amid rapid profit-taking activities as investors cashed in on their gains following a streak of positive performance.
- Furthermore, the local market mirrored regional weakness amid a broader risk-averse flight from emerging market assets following the rising geopolitical tensions between China and Japan in the past week.
- Looking closer, most Bursa indices closed in the red with the Technology index plunging by 2.5%, dragged by cautious sentiments surrounding the global Artificial Intelligence (AI) bubble. This was followed by the Healthcare index, extending its previous weakness to fall by 2.3%.
- On the flip side, the Plantation index climbed by 1.2%, bolstered by stronger buying interest across selected stocks. Among other gainers include the Construction (+2.8%) and Property (+1.0%) indices.
- Foreign investors emerged as net sellers last week, shedding a total of RM1.0 billion worth of equities to mark the steepest net outflow since early October. This had increased the cumulative net outflow thus far to RM20.4 billion.

FIXED INCOME: FED RATE CUT HOPES PUSHED UST YIELDS LOWER



Weekly Changes, basis points (bps)			
UST	Yields (%) 14-Nov-25	Yields (%) 21-Nov-25	Change (bps)
3-Y UST	3.61	3.50	-11
5-Y UST	3.74	3.62	-12
7-Y UST	3.92	3.82	-10
10-Y UST	4.14	4.06	-8
MGS	Yields (%) 14-Nov-25	Yields (%) 21-Nov-25	Change (bps)
3-Y MGS	3.04	3.03	-1
5-Y MGS	3.21	3.23	2
7-Y MGS	3.41	3.44	3
10-Y MGS	3.45	3.45	0
GII	Yields (%) 14-Nov-25	Yields (%) 21-Nov-25	Change (bps)
3-Y GII	3.10	3.11	0
5-Y GII	3.22	3.24	2
7-Y GII	3.33	3.35	2
10-Y GII	3.51	3.52	2



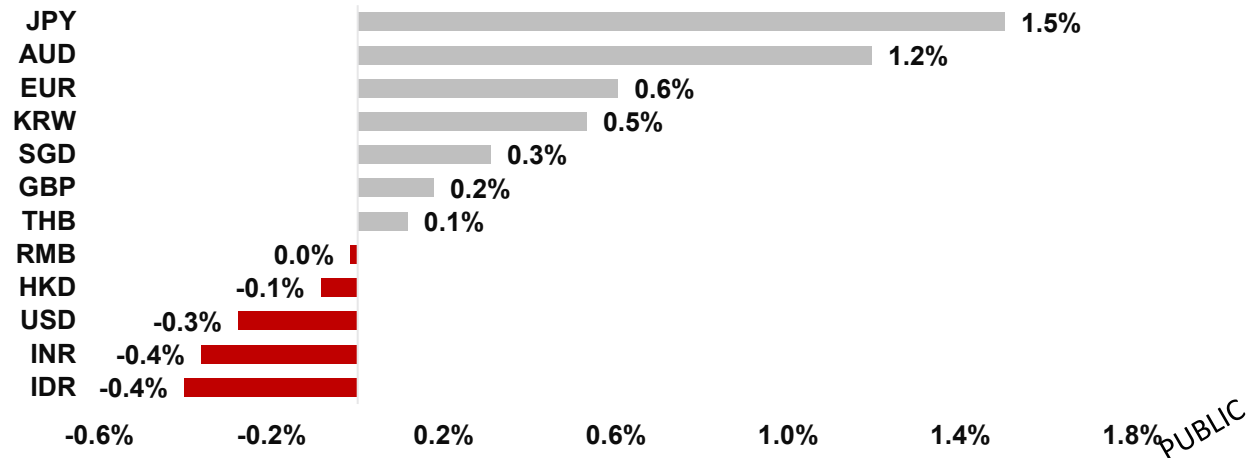
Sources: BNM, Federal Reserve Board

- The U.S. Treasury (UST) yields closed lower in the range of 8bps and 12bps for the week ending November 21. New York Fed President John Williams boosted market optimism for a December Fed rate cut by stating that there is "room for a further adjustment in the near term" to the federal funds rate, which would move policy closer to a "neutral" stance. After these remarks, the probability of the Fed easing rates next month skyrocketed from under 30% to approximately 71%.
- On the other hand, Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields were little changed, moving by between -1bp and 3bps.
- The 10y MGS/UST yield spread narrowed marginally in the negative territory at 61bps relative to -69bps in the previous week.

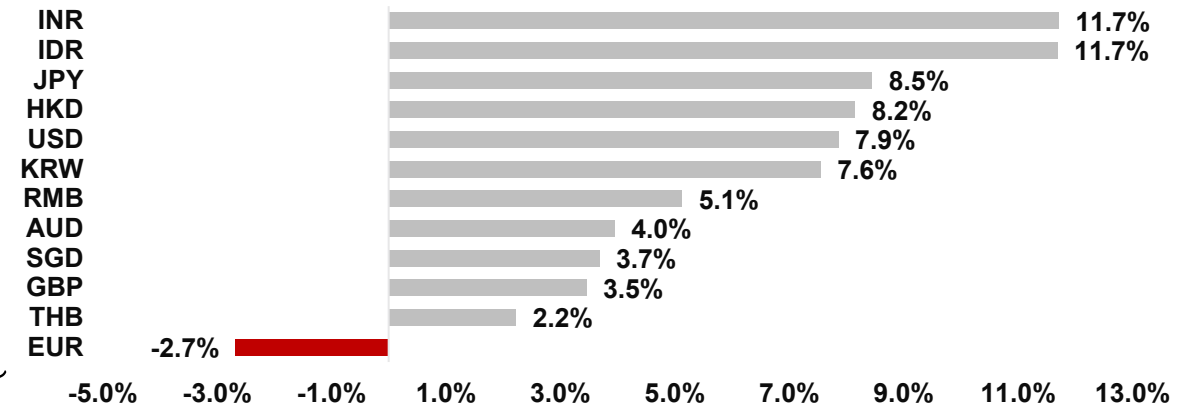
FX MARKET: RINGGIT ON TRACK FOR WEEKLY LOSS AS MARKETS WEIGHED IN ON RATE CUT EXPECTATIONS



MYR Against Regional Currencies, w-o-w%



MYR Against Regional Currencies, YTD% (As of 21 November 2025)

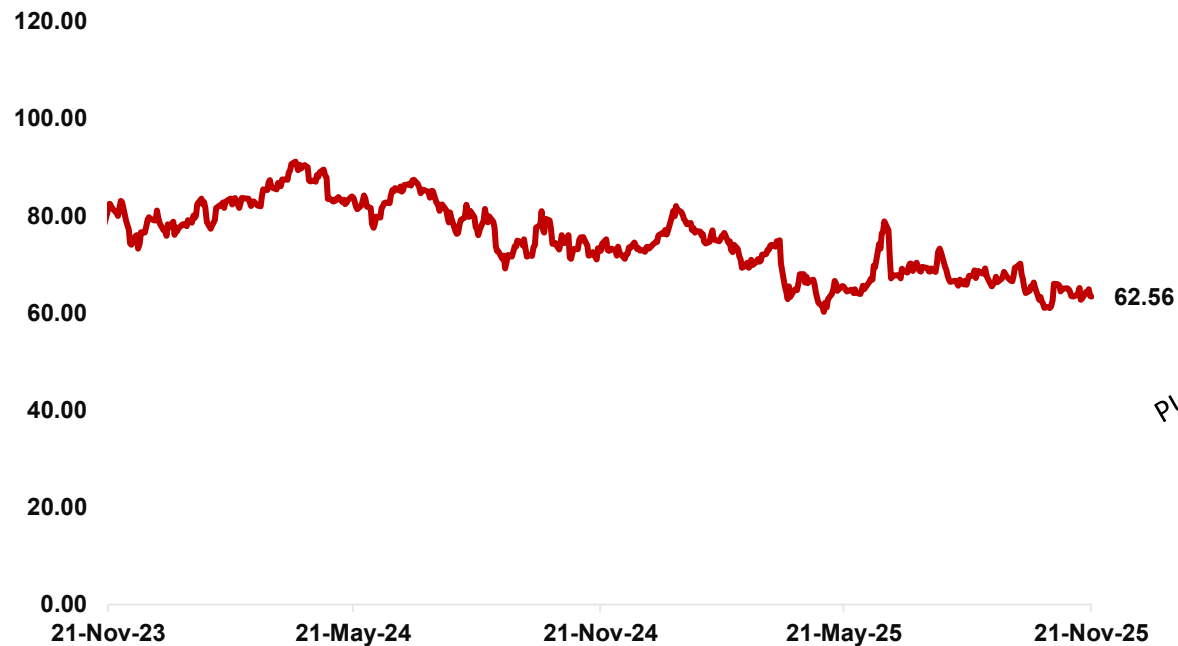


Sources: BNM, Federal Reserve Board (Fed), CEIC Data

- The Ringgit depreciated by 0.3% w-o-w against the USD last week as the USD index strengthened by 0.7%, climbing above the 100-level as markets repriced their rate cut expectations.
- The release of the Federal Open Market Committee (FOMC)'s October minutes revealed that policymakers held "strongly differing views" on a December move, underscoring a widening divide on the most suitable pace of easing ahead.
- The minutes note that "many" participants oppose another cut in December, suggesting that policymakers are highly cautious of taking premature action amid the limited data visibility during the government shutdown. However, "several" officials also foresee that a cut would be warranted if the economy evolves in line with their expectations, highlighting a flexible approach that will react to any material change on the risks to the economy. All in all, this emphasized the Fed's cautious, data-dependent stance.
- In another turn, delayed figures revealed that the economy added 119K jobs in September, more than double of the 53K consensus estimate, which signaled that job growth momentum has not slowed as much as feared. However, nonfarm payrolls for both July and August was slashed by 33K cumulatively, clouding the positive headline figure. This led to another swift market reaction with the probability of a 25 bp December cut surging above 70.0% compared to around 44.0% following the FOMC minutes release.

COMMODITY: OIL PRICES DROPS TO ONE-MONTH LOWS AS PEACE PUSH AND U.S. RATE UNCERTAINTY WEIGH ON MARKETS

Brent Crude in USD per barrel



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

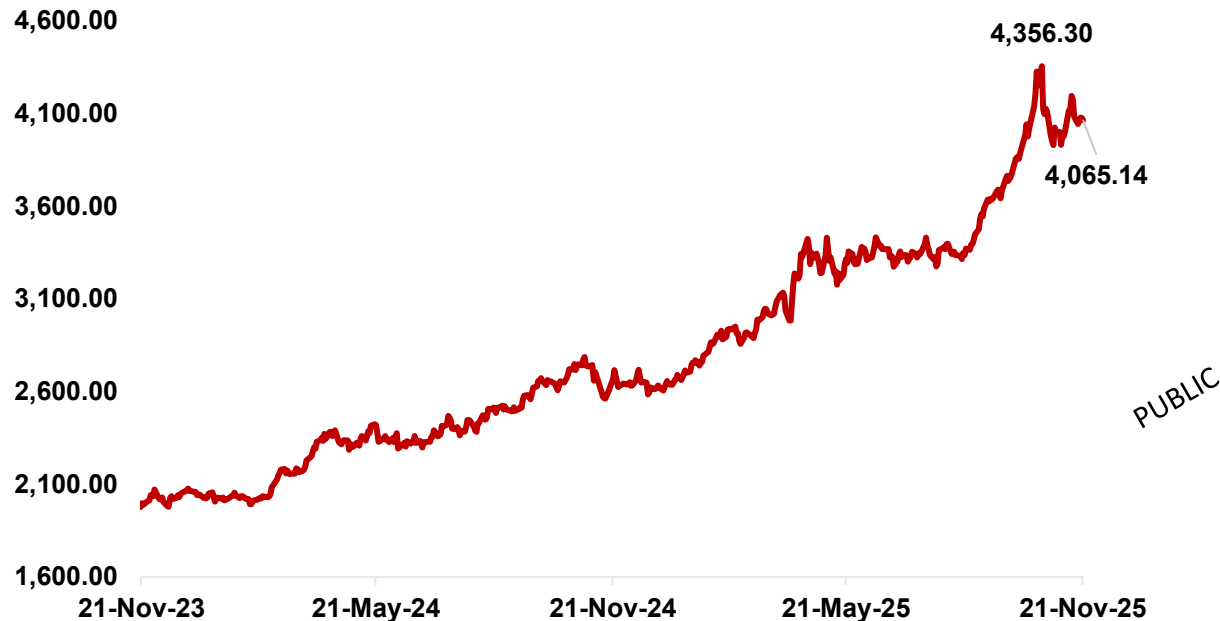


Sources: Bloomberg, Energy Information Administration (EIA)

- Brent oil prices dropped by 2.8% w-o-w to settle at USD 62.56 per barrel on Friday (November 21). The figure fell to a one-month low as renewed U.S. diplomatic pressure for a Russia-Ukraine peace plan sparked expectations of potential increases in Russian supply.
- Market sentiment also turned cautious amid ongoing uncertainty over U.S. monetary policy, with investors split on whether the Federal Reserve will deliver a rate cut or keep rates unchanged at the final FOMC meeting of the year. This policy ambiguity dampened risk appetite, while weaker U.S. factory data further amplified concerns about softer near-term fuel demand.
- U.S. weekly crude inventories decreased by 3.4 million barrels to 424.2 million for the week ending November 14.

COMMODITY: GOLD PRICE SLIPPED AS THE USD STRENGTHENS FOLLOWING THE RELEASE OF THE FOMC MINUTES

Gold in USD per ounce



U.S. Dollar Index (DXY)



Sources: Bloomberg, CEIC Data

- The bullion price declined by 0.5% for the week ending November 21 on the back of a stronger USD. Furthermore, following its retreat from its historical run, the XAU struggled to break above the technical resistance levels, trading range bound around USD4,040-USD4,080.
- Nonetheless, underlying support for the bullion emerges from sustained central bank buying and safe haven demand amid the rising geopolitical tensions between China and Japan.

WHAT TO LOOK OUT FOR IN THE MARKETS THIS WEEK

- In the U.S., all eyes will be on this week's data release, which carries outsized importance ahead of the December 9–10 FOMC meeting. With October CPI scrapped and November's major releases arriving too late, investors will treat September retail sales, PPI, durable goods, and the updated 3Q2025 GDP and PCE numbers as the Fed's final clean read on the economy. Retail sales will be watched for signs of fading consumer strength, while PPI will serve as a partial substitute for missing CPI inflation signals. Wednesday's flood of reports, especially Core PCE will be the decisive event, with expectations pointing to continued but gradual disinflation. If the figures support a soft-landing scenario, the dollar is likely to drift lower, and equities could find room to stabilise. But any hotter-than-expected inflation or activity data could quickly swing sentiment back toward the possibility of no rate cut in December. In short, markets are entering the week highly sensitive and data-dependent.
- The Reserve Bank of New Zealand (RBNZ) will take centre stage this week, with markets expecting another 25-bps rate cut that would bring the Official Cash Rate (OCR) to 2.25%. The economy has softened noticeably, with employment falling, unemployment rising, and wage growth cooling, all pointing to more slack in the labour market. Inflation is still at 3.0% y-o-y, but the recent uptick came from temporary factors, so underlying price pressures remain mild. Because of this, a small follow-up cut after October's 50 bps cut looks like the most likely outcome. Across the region, both Australia and New Zealand are facing weakening demand and softening labour indicators weighing on their currencies and equities. New Zealand's latest data reinforces this trend with services activity remains in contraction, food prices continue to fall, and producer prices show very modest increases.
- In contrast, the Bank of Korea (BOK) is expected to keep its policy rate unchanged at 2.5%. With markets firmly expecting no change, attention has shifted to the factors preventing a cut, primarily the weaker won and the continued rise in housing prices. The sharp climb in the won-dollar exchange rate has heightened financial-stability concerns, making further easing risky. Cutting rates now would widen the gap with U.S. interest rates, potentially speeding capital outflows and adding pressure on the currency. Officials are also worried that lowering rates could reignite real-estate demand at a time when apartment prices are already climbing across the country. Rising household debt only adds to the caution. Analysts note that expectations for an economic rebound next year further reduce the urgency to cut. Overall, the BOK is likely to stay firmly in wait-and-see mode, prioritizing currency stability and financial risks over short-term growth support.

BANK ISLAM

THANK YOU