



WEEKLY ECONOMIC UPDATE

27 APRIL 2026

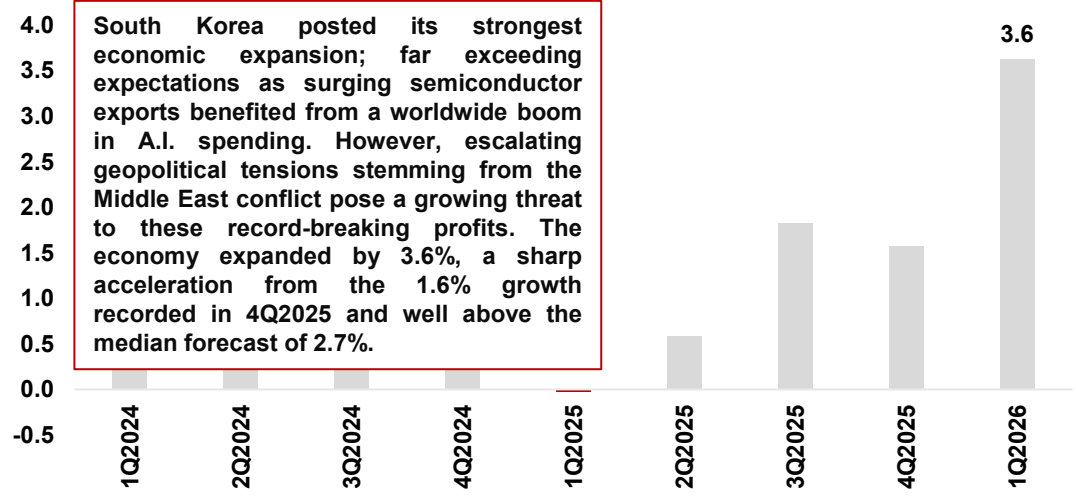
ECONOMIC RESEARCH

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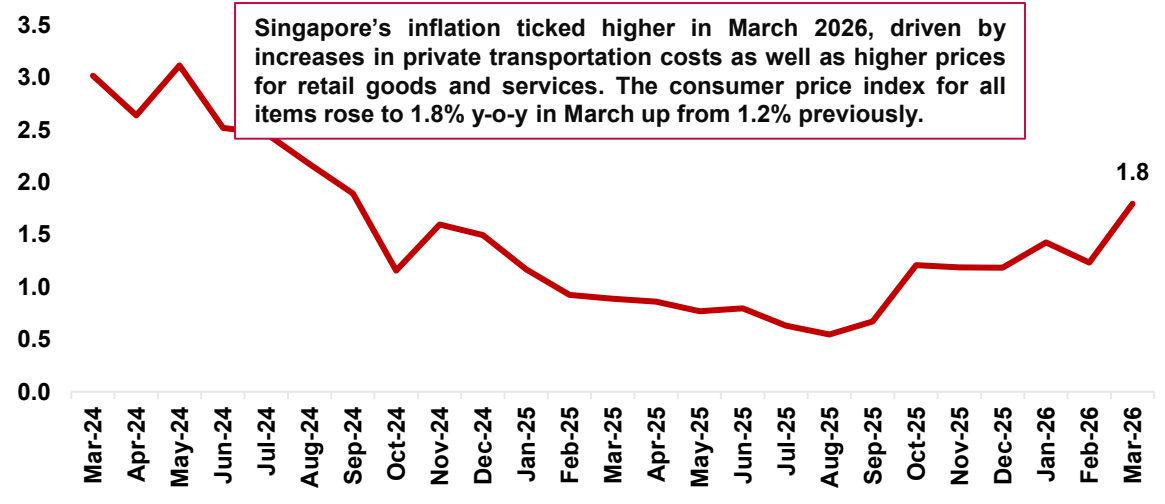
WEEKLY HIGHLIGHT: SOUTH KOREA'S GROWTH SURGED IN 1Q2026 ON A.I.-DRIVEN SEMICONDUCTOR BOOM BUT RISKS LOOM

GLOBAL

South Korea - Real GDP, y-o-y%

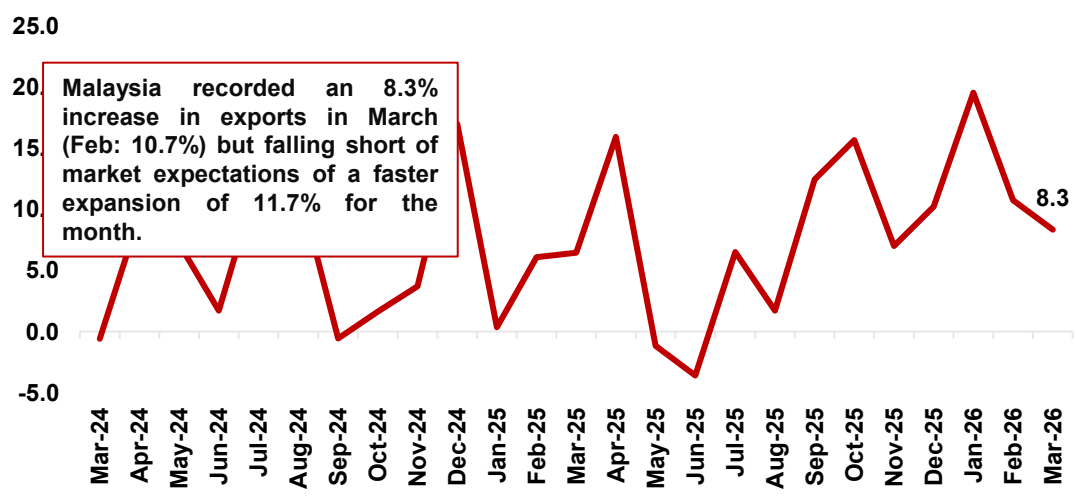


Singapore - Consumer Price Index (CPI), y-o-y%

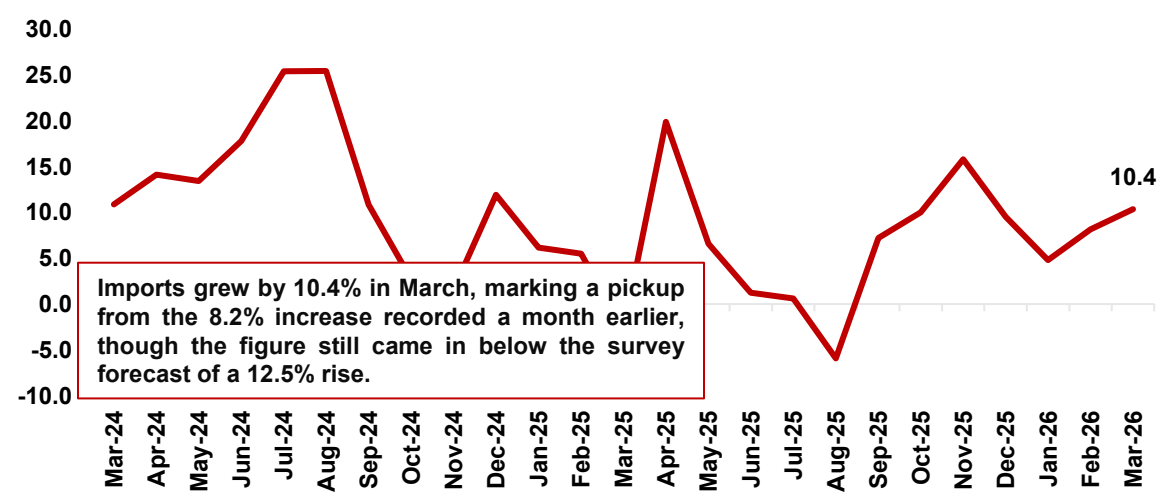


DOMESTIC

Malaysia - Exports, y-o-y%

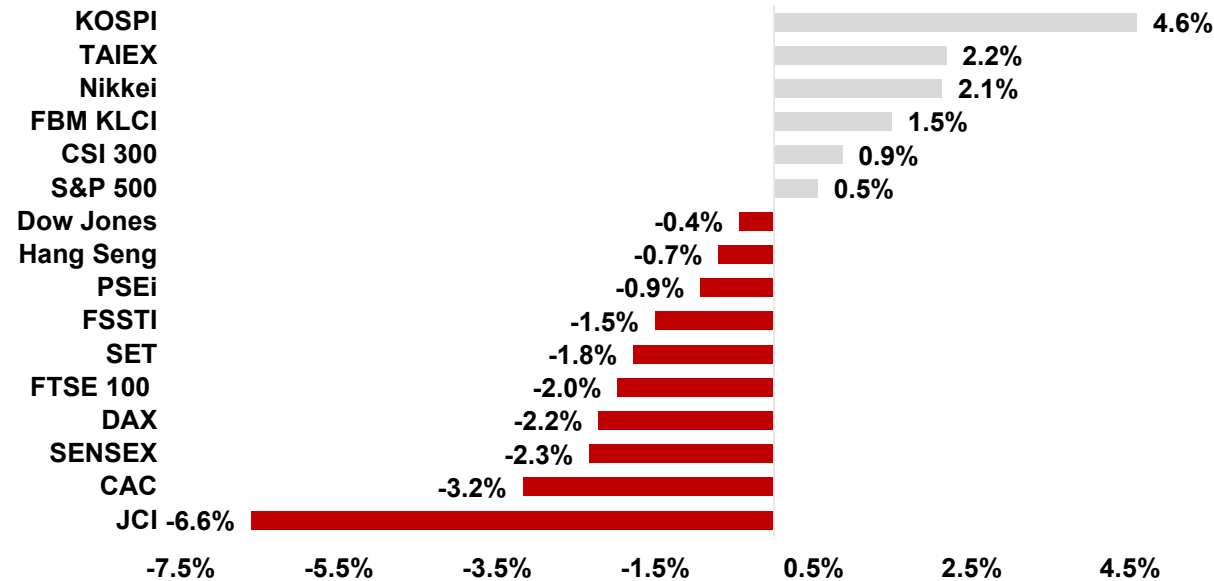


Malaysia - Imports, y-o-y%

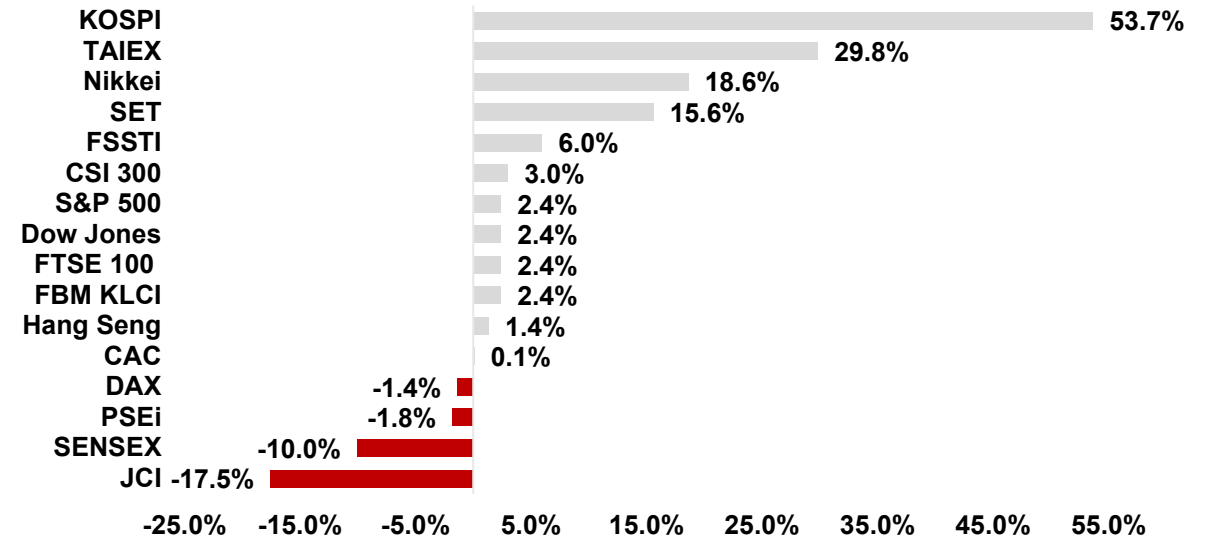


REGIONAL EQUITY: GLOBAL EQUITY MARKETS RETREAT AMID MIDDLE EAST TENSIONS

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



YTD Gain/Loss of Major Equity Markets, %
(As of 24 April 2026)



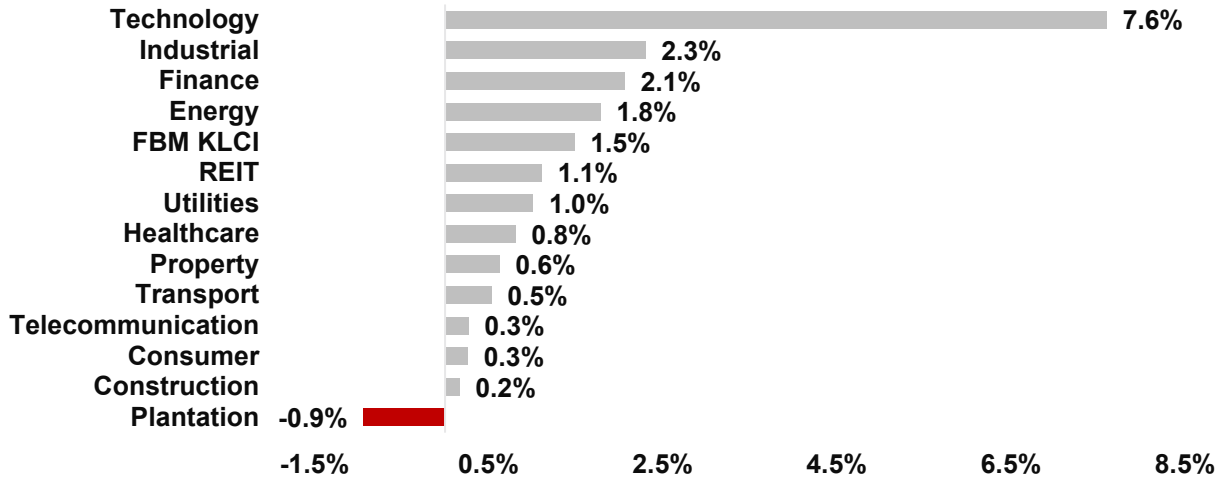
Sources: Bursa, CEIC Data

- Global equity markets closed mostly lower for the week ended April 24, led by a sharp 6.6% decline in Indonesia's JCI. Against the backdrop of a tenuous ceasefire in the Middle East and deadlocked negotiations between the U.S. and Iran, tensions have escalated further. President Trump was reported to have instructed the U.S. Navy to take lethal action against Iranian vessels suspected of deploying mines in the Strait of Hormuz. Separately, Fitch Ratings downgraded the outlook on four of Indonesia's largest banks—Bank Mandiri, Bank Rakyat Indonesia, Bank Central Asia, and Bank Negara Indonesia—shifting their assessments from stable to negative.
- Additionally, France's CAC also slumped by 3.2% amid confidence around the prospect of a U.S.–Iran settlement faded as tensions resurfaced.
- In contrast, South Korea's KOSPI (+4.6%) and Taiwan's TAIEX (+2.2%) were the major gainers for the week ending April 24.

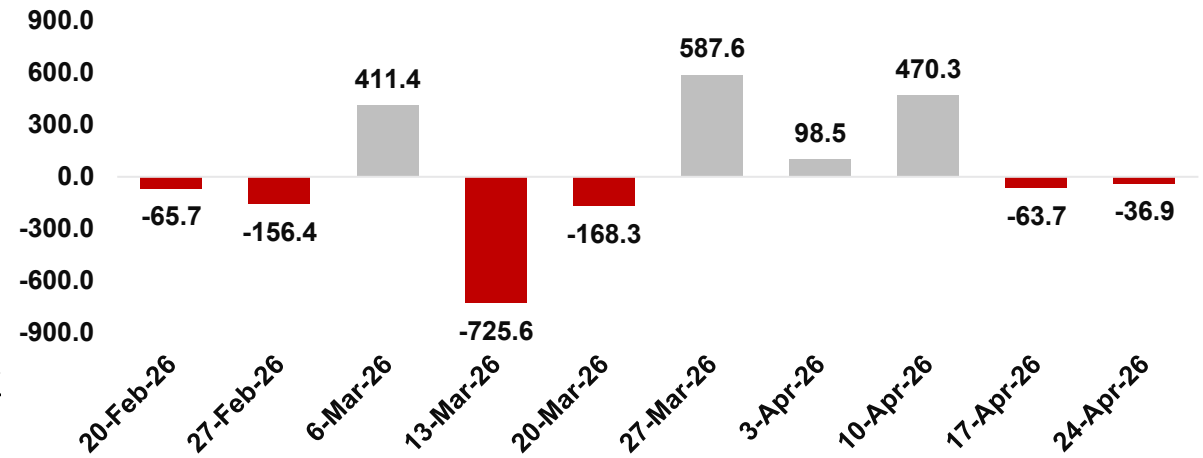
DOMESTIC EQUITY: BURSA CLOSED IN A SEA OF GREEN LAST WEEK



Weekly Bursa Sectoral Performance, w-o-w%



Weekly Foreign Fund Net Inflows/Outflows, RM Million



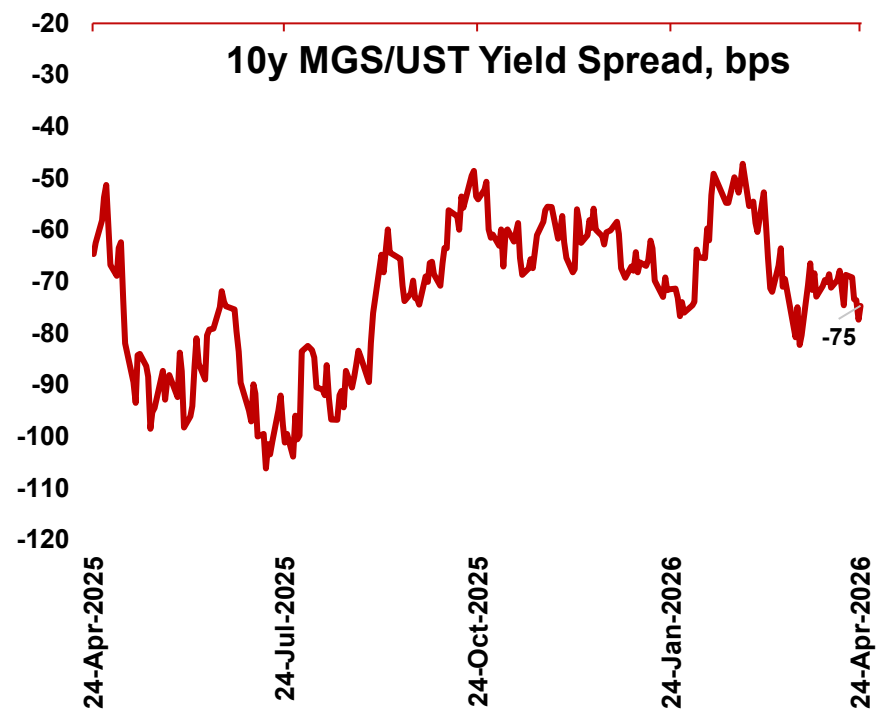
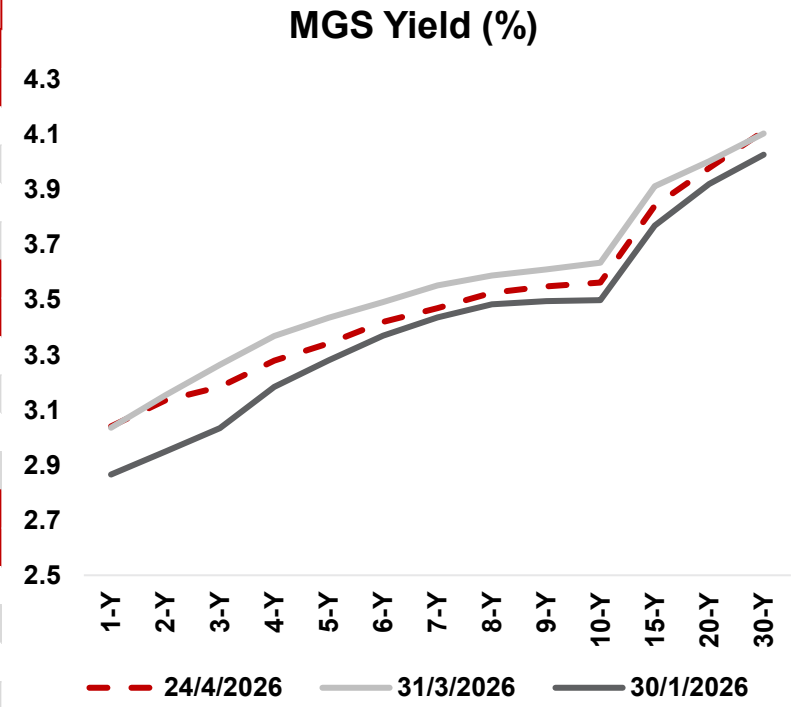
Sources: Bursa, CEIC Data

- The FBM KLCI jumped by 1.5% w-o-w for the week ending April 24 amid rapid bargain-hunting activities against a backdrop of improving investor confidence,
- The extension of the U.S.-Iran ceasefire, coupled with a three-week extension to the Israel-Lebanon truce, had eased concerns of an escalation in military operations in the Middle East. As a result, investor risk sentiments improved slightly, providing modest support to emerging market assets and the FBM KLCI rode the wave, marking the highest close in over a month on April 23 at 1,721.70.
- Nevertheless, as markets digested the details of the extension, geopolitical risks once again weighed on sentiment. The lack of a clear timeline reinforced expectations that the conflict may prove more protracted, with broader implications for global energy supply and pricing.
- Most Bursa indices closed in the positive with the Technology index experiencing another great week, climbing sharply by 7.6% as investors grew increasingly optimistic of the technology sector outlook. This was followed by the Industrial and Finance indices which increased by 2.3% and 2.1%, respectively. Meanwhile, the Plantation index was the only loser as it declined by 0.9%.
- Foreign investors remained as net sellers last week, shedding a total of RM36.9 million worth of equities. This has reduced the cumulative net inflow thus far to RM1.8 billion.

FIXED INCOME: UST YIELDS CLIMBED AS MARKETS WEIGH INFLATION AND GEOPOLITICAL RISKS



Weekly Changes, basis points (bps)			
UST	Yields (%) 17-Apr-26	Yields (%) 24-Apr-26	Change (bps)
3-Y UST	3.72	3.80	8
5-Y UST	3.84	3.92	8
7-Y UST	4.04	4.10	6
10-Y UST	4.26	4.31	5
MGS	Yields (%) 17-Apr-26	Yields (%) 24-Apr-26	Change (bps)
3-Y MGS	3.19	3.19	-1
5-Y MGS	3.36	3.34	-2
7-Y MGS	3.48	3.47	-1
10-Y MGS	3.57	3.56	-1
GII	Yields (%) 17-Apr-26	Yields (%) 24-Apr-26	Change (bps)
3-Y GII	3.21	3.19	-2
5-Y GII	3.32	3.32	0
7-Y GII	3.50	3.50	-1
10-Y GII	3.58	3.57	-1

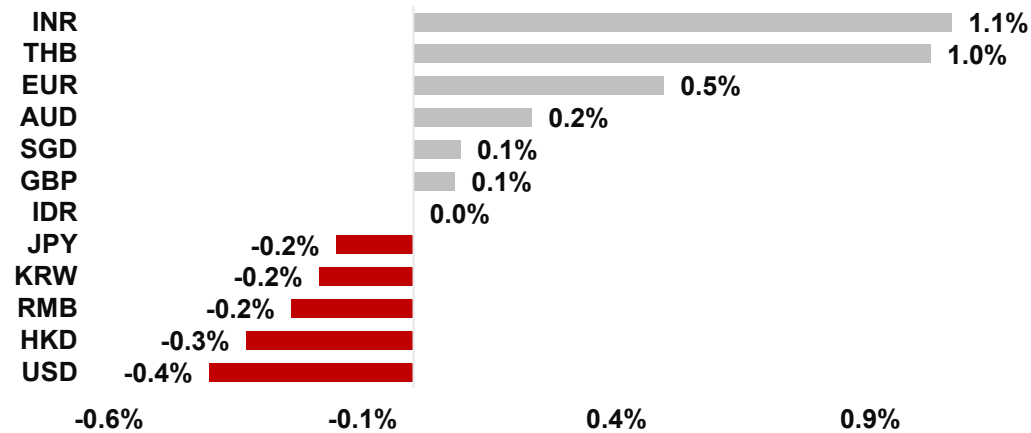


Sources: BNM, Federal Reserve Board

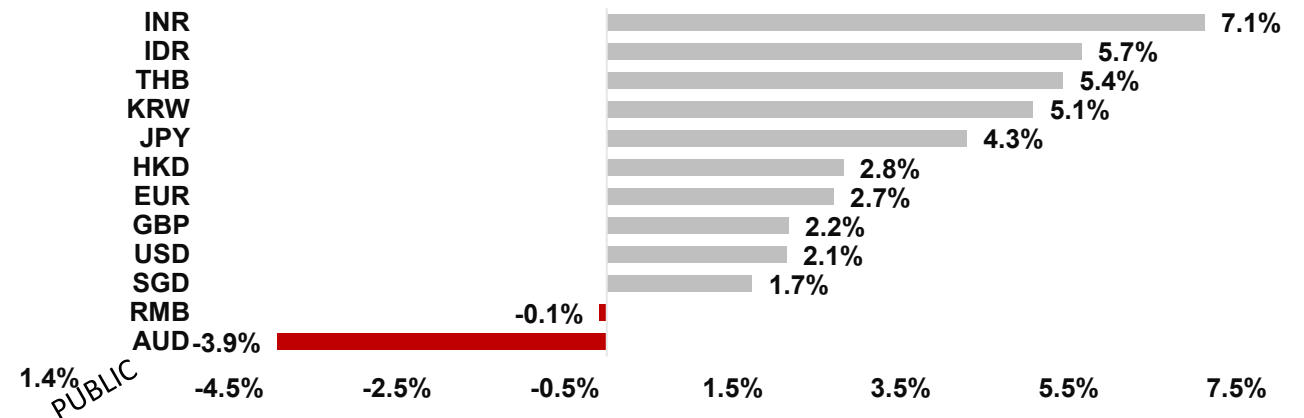
- The U.S. Treasury (UST) yields climbed in the range of 5bps and 8bps for the week ending April 24 as inflation concerns remained heightened as negotiations between the U.S. and Iran made little progress and disruptions in the Strait of Hormuz persisted. At the same time, markets broadly expect the Federal Reserve (Fed) to hold interest rates steady at its upcoming meeting and through much of the year, as officials assess how the Iran conflict may influence inflationary pressures and economic growth.
- Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields mostly declined by between 1bp and 2bps, except for 5-Y GII yield which plateaued at 3.32%.
- The auction of 20-Y new issue of MGS worth RM5.0 billion which was issued on April 22 drew a robust demand with a bid-to-cover (BTC) ratio of 2.9x, significantly higher relative to the previous RM5.0 billion 20-Y reopening of MGS in October 2025 with a BTC ratio of 1.7x
- The 10y MGS/UST yield spread widened marginally in the negative territory at 75bps relative to -69bps in the previous week.

FX MARKET: RINGGIT RETREATED AS INVESTORS BET ON A FED PAUSE ON 29 APRIL

MYR Against Regional Currencies, w-o-w%



MYR Against Regional Currencies, YTD% (As of 24 April 2026)

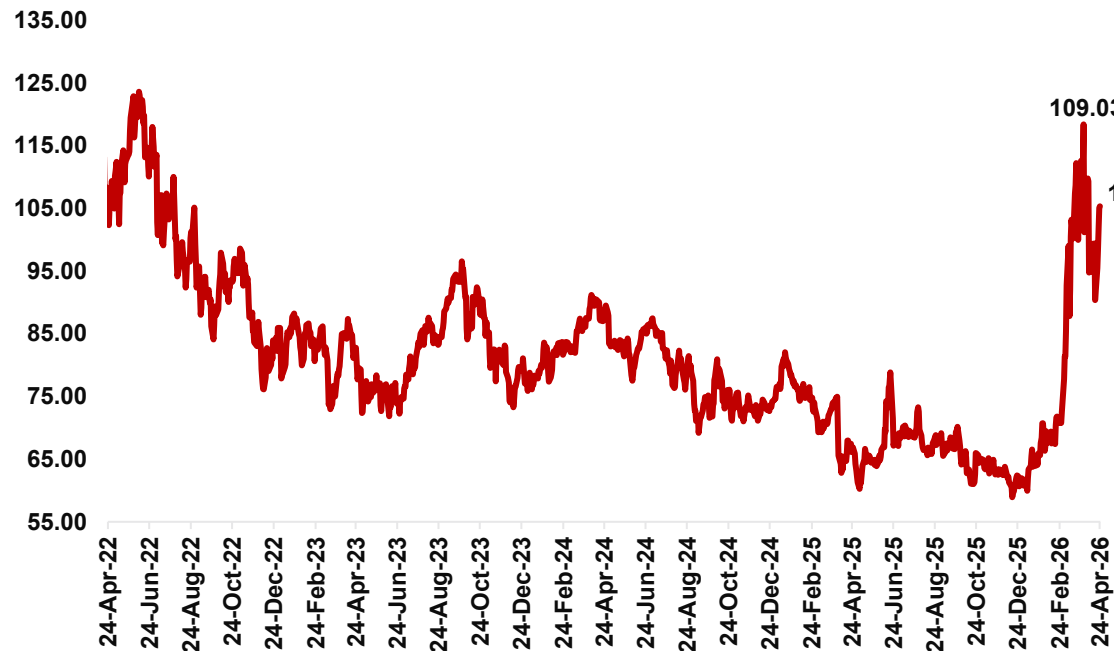


Sources: BNM, Federal Reserve Board (Fed), CEIC Data

- The Ringgit depreciated by 0.4% w-o-w against the USD last week while the USD index edged up by 0.4%, as concerns of geopolitical tensions persisting for longer than expected weighed on investor confidence.
- Global markets opened the week on a subdued footing as investors eyed the 22 April ceasefire deadline. Tensions escalated after the US Navy seized an Iranian commercial vessel on 18 April, triggering Iran's rejection of further negotiations and raising concerns that the conflict may extend beyond the near term.
- Just hours ahead of the 22 April deadline, US President Donald Trump announced an indefinite extension of both the ceasefire and the naval blockade, conditional on the progress of peace talks with Iran. However, the move offered little reassurance to markets. The lack of a clearly defined timeline reinforced concerns that the conflict could prove more prolonged than initially anticipated, increasing the risk of renewed escalation further down the line.
- Beyond safe-haven demand, the USD was supported by markets almost fully pricing in the probability of the Fed maintaining the Federal Funds Rate (FFR) at 3.50-3.75% in its upcoming meeting on 29 April. Latest figures showed U.S. retail sales jumping by a twelve-month high of 1.7% m-o-m in March (Feb: 0.6%), driven by a 15.5% surge in gasoline station receipts amid elevated global oil prices, reinforcing expectations of a hawkish Fed.

COMMODITY: OIL ENDS VOLATILE WEEK HIGHER AS SUPPLY FEARS OUTWEIGH FRAGILE PEACE HOPES

Brent Crude in USD per barrel



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

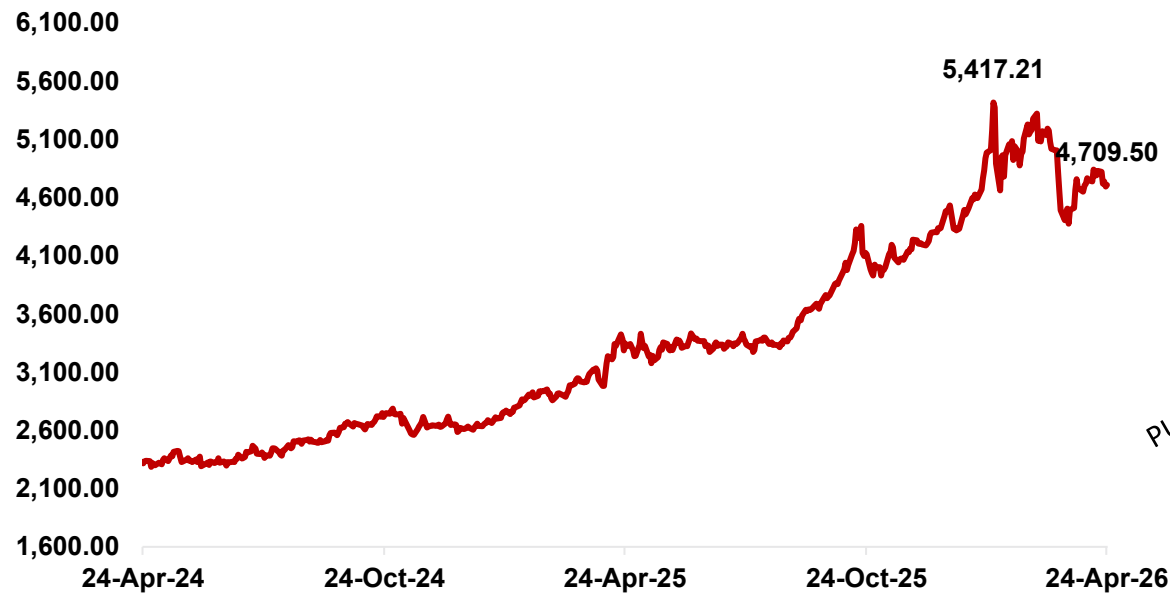


Sources: Bloomberg, Energy Information Administration (EIA)

- Brent oil prices edged higher on Friday (April 24), closing at USD105.33/barrel, as ongoing Middle East tensions and risks to Strait of Hormuz supply flows kept a strong risk premium in place. On a week-on-week basis, Brent posted a sharp 16.5% gain, rebounding after three consecutive weeks of decline.
- Prices remained volatile throughout the week, with peace-talk headlines capping gains and a tug-of-war between geopolitical risks supporting oil and diplomatic developments weighing on it. Oil is expected to stay volatile with a bullish bias on supply risk, particularly after Trump canceled a planned envoy trip to Pakistan once Iranian foreign minister left Pakistan, saying the U.S. did not appear serious about peace talks.
- Meanwhile, US crude oil inventories increased by 1.9 million barrels to 465.7 million for the week ending April 17.

COMMODITY: GOLD PRICE ON TRACK FOR WEEKLY LOSS AMID PROLONGED GEOPOLITICAL UNCERTAINTIES

Gold in USD per ounce



U.S. Dollar Index (DXY)



Sources: Bloomberg, CEIC Data

- Gold price weakened by 2.5% w-o-w last week ahead of the 22 April ceasefire deadline, breaking decisively below the USD4,800.00 support zone on 21 April.
- Following the indefinite extension to the truce, the XAU remained under pressure as persistent geopolitical uncertainties weighed on risk appetite, reflected in muted buying interest.
- Additionally, both U.S. and Iran appeared set to maintain their respective maritime restrictions, which would continue to underpin supply chain disruptions as well as higher energy and freight costs. Iran reiterated that the closure of the Strait of Hormuz will be maintained until the U.S. lifted its naval blockade while Trump stated that the blockade will remain until talks end conclusively.

WHAT TO LOOK OUT FOR IN THE MARKETS THIS WEEK

- This week, major central banks including the Federal Reserve (The Fed), European Central Bank (ECB), Bank of England (BOE), Bank of Japan (BOJ) and Bank of Canada (BOC) are widely expected to keep interest rates unchanged as policymakers adopt a cautious “wait-and-see” stance amid rising global uncertainty. This pause reflects persistent inflation risks driven largely by higher energy prices linked to U.S.-Iran war, alongside signs of moderating economic growth. In the U.S., the Fed is likely to maintain a “higher-for-longer” approach, with rate cuts now likely delayed until late 2026 due to sticky inflation. The ECB appears slightly more hawkish, as it faces renewed inflation pressures that could even justify a precautionary rate hike later in the year despite weak growth. Meanwhile, the BOE is balancing fragile economic conditions with still-elevated inflation, leading to a prolonged hold with limited room for near-term easing. Despite a buildup of hawkish expectations ahead of the US-Israel-Iran conflict for the April gathering, BOJ’s rate hike is out of the picture. Similarly, the BOC is expected to keep its rates steady throughout much of 2026 unless inflation unexpectedly accelerates due to energy-related factors. Overall, the global monetary policy environment is characterized by broad policy pauses, delayed easing cycles, and a strong dependence on incoming inflation and growth data, particularly developments in energy markets.
- Besides monetary policy decision, the U.S. will also release its advance 1Q2026 GDP report on Wednesday, which is expected to show slower growth. That same report will also include initial data on corporate profits and consumer spending patterns. Meanwhile, the core PCE price index, the Fed's preferred inflation gauge will be released on Thursday, with economists forecasting a rise to 3.4% annually. This inflation data is critical because it will show how much recent oil price surges have filtered into underlying consumer costs. The ISM Manufacturing PMI, which will release on Friday will provide an early read on U.S. factory activity, confirming whether the industrial recovery remains on track.
- Asia-Pacific attention centres on the Bank of Thailand’s policy decision on 29 April, where rates are expected to remain on hold. Australia’s monthly CPI release will be closely watched for signals on whether persistent inflation could prompt the Reserve Bank of Australia to reconsider its pause. China’s April manufacturing and non-manufacturing PMIs will provide further insight into growth momentum. Beyond Asia, focus shifts to Europe on Thursday, when the eurozone releases its flash CPI estimate and quarterly GDP report, offering a combined read on inflation and economic activity. Canada will also publish monthly GDP figures the same day, which should clarify whether the economy has managed to avoid a technical recession. Together, these releases are expected to influence currency markets, global bond yields and central-bank expectations across major regions.

BANK ISLAM

THANK YOU