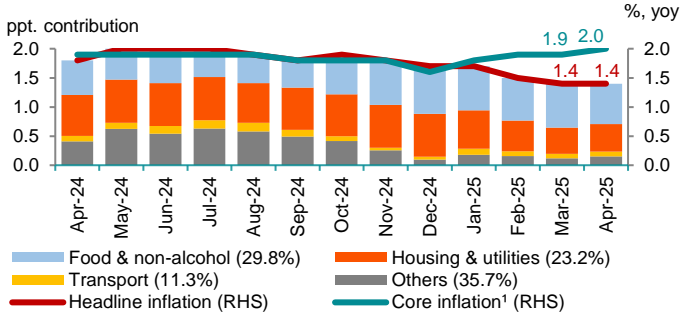


Headline inflation remained unchanged in April

Contribution to Inflation

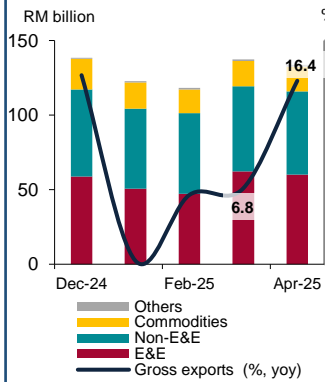


- In April, headline inflation remained unchanged at 1.4% (March 2025: 1.4%), while core inflation¹ edged higher to 2% (March 2025: 1.9%).
- Higher core inflation was contributed by core components including mobile communication services, jewellery and watches, as well as air passenger transport.
- These were offset by lower inflation for non-core items such as fuels and lubricants, as well as fresh vegetables amid the easing cost environment.

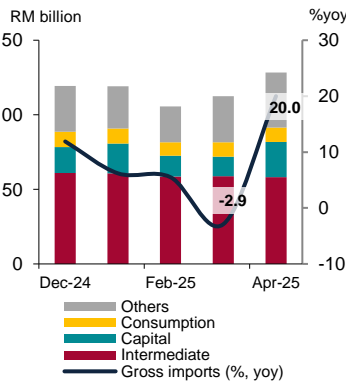
¹Core inflation is computed by excluding price-volatile and price-administered items
Source: Department of Statistics, Malaysia (DOSM) and BNM estimates

Export and import registered strong growth in April

Malaysia's Exports by Product



Malaysia's Import by End Use

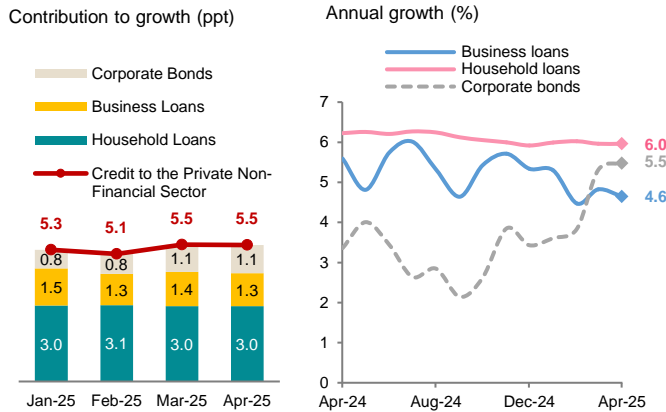


- Gross exports grew by 16.4% (March 2025: 6.8%) mainly due to continued strong expansion of E&E exports, further supported by a rebound in non-E&E and commodities exports.
- Imports expanded by 20% (March 2025: -2.9%), amid a sharp growth of capital imports.
- Going forward, intensified trade tension is expected to weigh on exports and further increase downside risks. However, this is partly cushioned by continued global demand for E&E and Malaysia's integral role in the global supply chain.

Source: DOSM, MATRADE

Growth in credit to the private non-financial sector remained sustained

Credit to the Private Non-Financial Sector

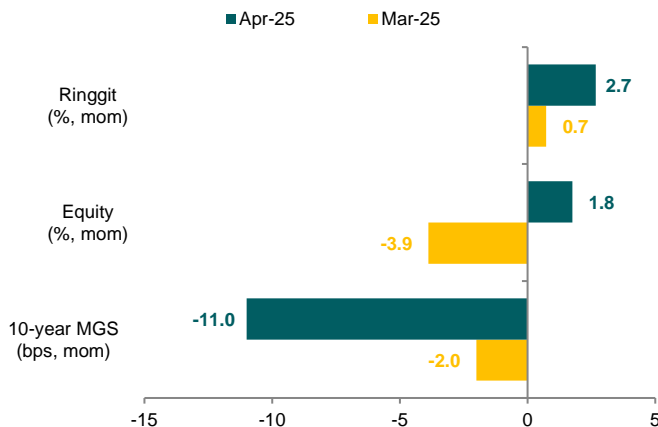


Source: Bank Negara Malaysia

- Credit to the private non-financial sector grew by 5.5% (March 2025: 5.5%), following sustained growth in outstanding loans (5.5%; March 2025: 5.6%) and higher growth in outstanding corporate bonds (5.5%; March 2025: 5.3%).
- Growth in business loans moderated slightly to 4.6% (March 2025: 4.8%) amid slower loan growth mainly in the services sector. Notwithstanding, demand for business financing remained forthcoming, across both SMEs and non-SMEs.
- Household loan growth remained steady at 6% (March 2025: 6%), with sustained growth across most loan purposes.

Domestic financial markets were largely influenced by US tariff announcement and cautious global investor sentiment

Financial Market Performance in April 2025



Note: The exchange rate data is the noon-rate in the Kuala Lumpur Interbank Foreign Exchange Market.

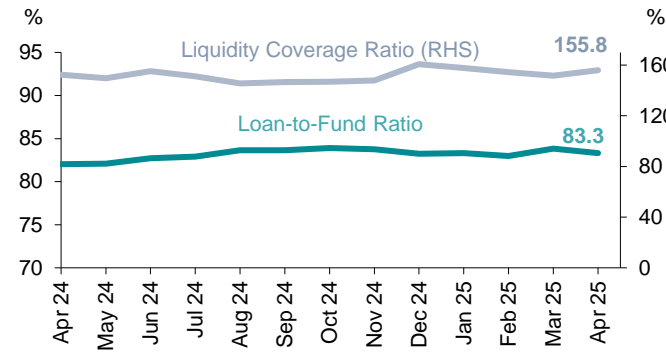
*Regional countries comprise Singapore, Thailand, the Philippines, Indonesia, and Republic of Korea

Source: Bank Negara Malaysia, Bursa Malaysia

- Global financial conditions experienced heightened volatility, following the tariffs announcement by the US administration. Global investor sentiment also turned cautious, amid rising concerns over a more subdued US economy and its negative spillovers to the global economy.
- Amid these global developments, the ringgit appreciated by 2.7% against the US dollar (NEER: 1%; regional average*: 1.8%), driven primarily by a broad-based weakness in the US dollar.
- The FBM KLCI gained 1.8% (regional average*: 1.1%), while the 10-year MGS yields declined by 11 bps (regional average*: -14.7 bps), in line with movements of global bonds yield. This movement was largely driven by net foreign inflows into the bond market, amid heightened global risk aversion.

Banking system liquidity position remained healthy to support financial intermediation

Banking System Liquidity and Funding Ratios

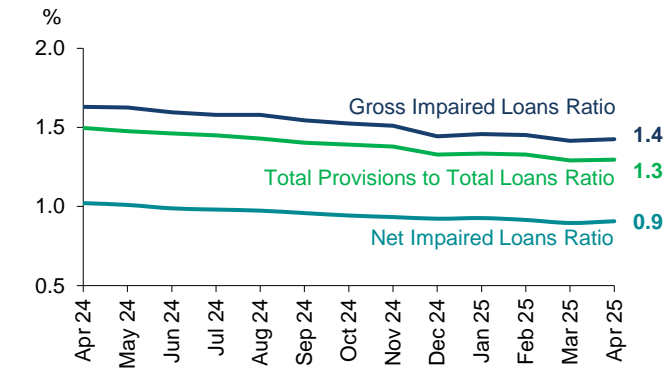


- The banking system continued to record healthy liquidity buffers with an aggregate Liquidity Coverage Ratio of 155.8% (March 2025: 151.6%).
- The aggregate loan-to-fund ratio decreased slightly to 83.3% (March 2025: 83.8%) as increase in total funds outpaced loan growth.

Source: Bank Negara Malaysia

Asset quality in the banking system remained intact

Banking System Asset Quality



- Gross and net impaired loans ratios were maintained at 1.4% and 0.9%, respectively.
- Loan loss coverage ratio (including regulatory reserves) remained prudent at 131% of gross impaired loans (March 2025: 131.3%).

Source: Bank Negara Malaysia