



WEEKLY ECONOMIC UPDATE

21 APRIL 2025

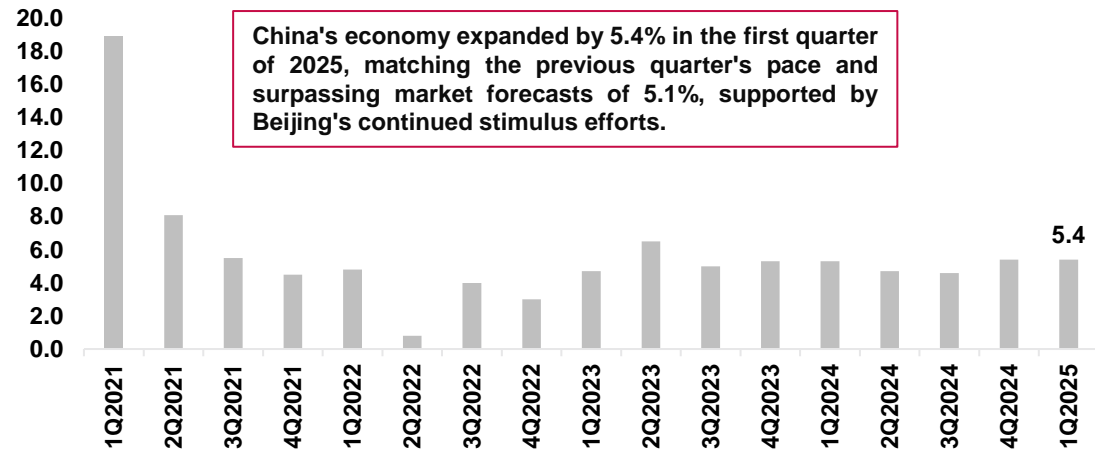
ECONOMIC RESEARCH

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WEEKLY HIGHLIGHT: MALAYSIA'S ADVANCE GDP ESTIMATE POINTED TO MODERATION OF GROWTH IN 1Q2025

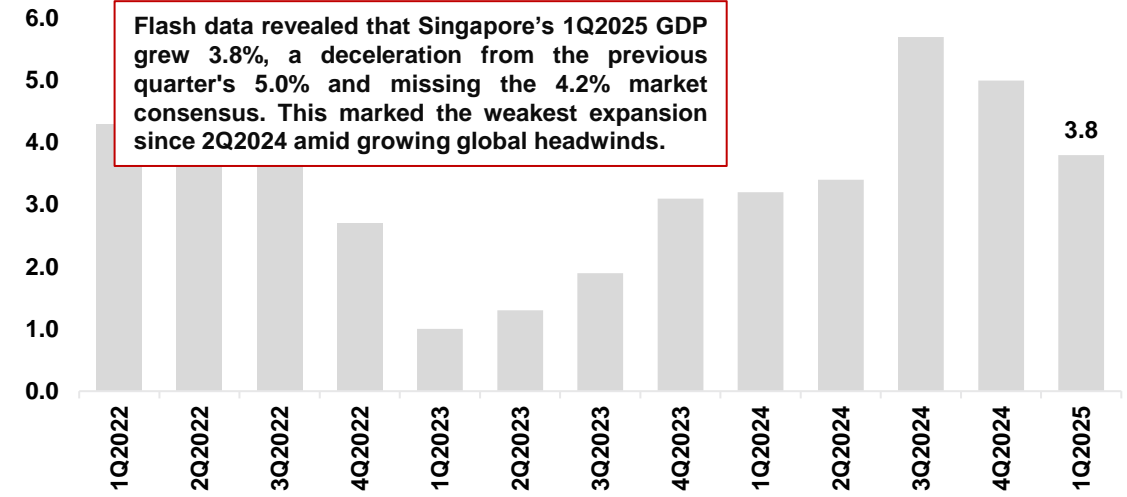
GLOBAL

China - Real Gross Domestic Product (GDP), y-o-y%



China's economy expanded by 5.4% in the first quarter of 2025, matching the previous quarter's pace and surpassing market forecasts of 5.1%, supported by Beijing's continued stimulus efforts.

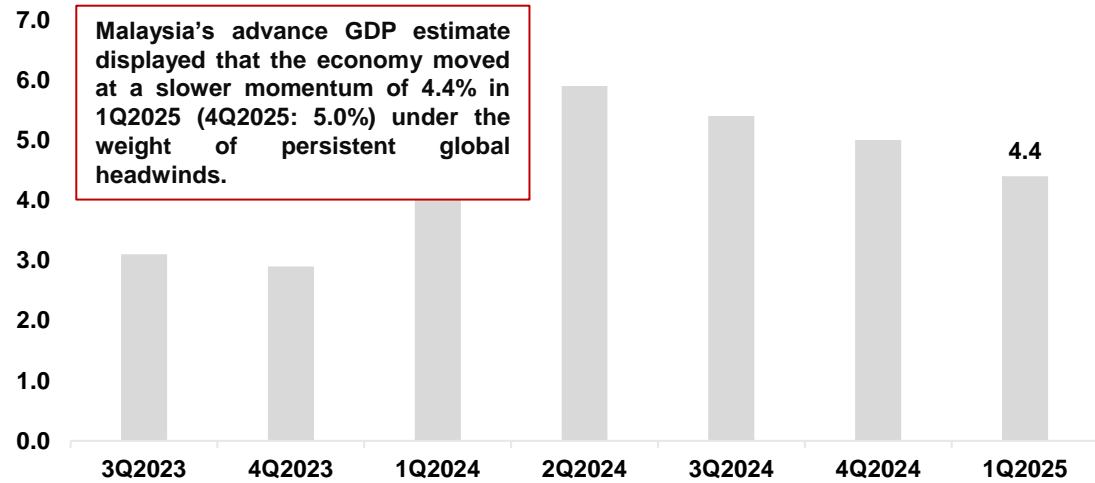
Singapore - Real GDP, y-o-y%



Flash data revealed that Singapore's 1Q2025 GDP grew 3.8%, a deceleration from the previous quarter's 5.0% and missing the 4.2% market consensus. This marked the weakest expansion since 2Q2024 amid growing global headwinds.

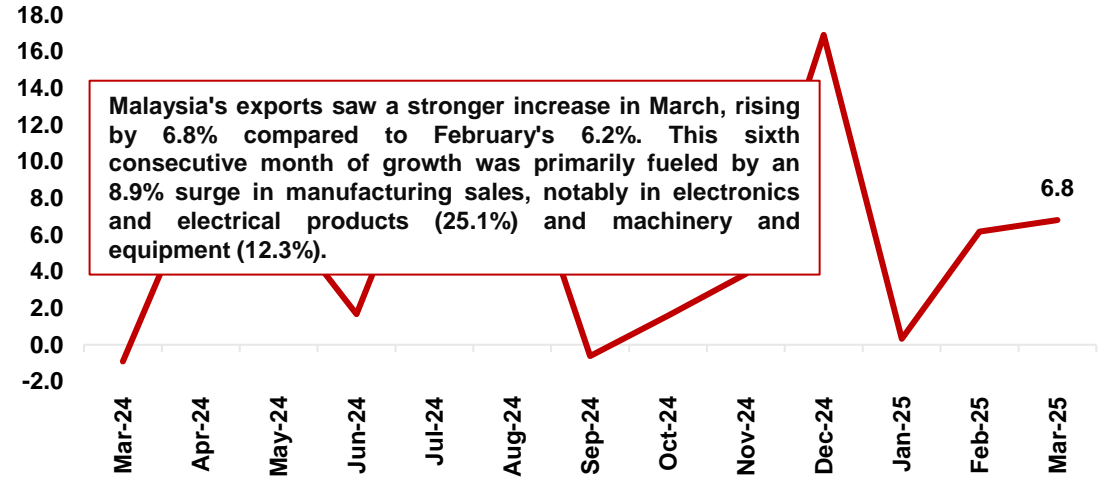
DOMESTIC

Malaysia - Real GDP, y-o-y%



Malaysia's advance GDP estimate displayed that the economy moved at a slower momentum of 4.4% in 1Q2025 (4Q2024: 5.0%) under the weight of persistent global headwinds.

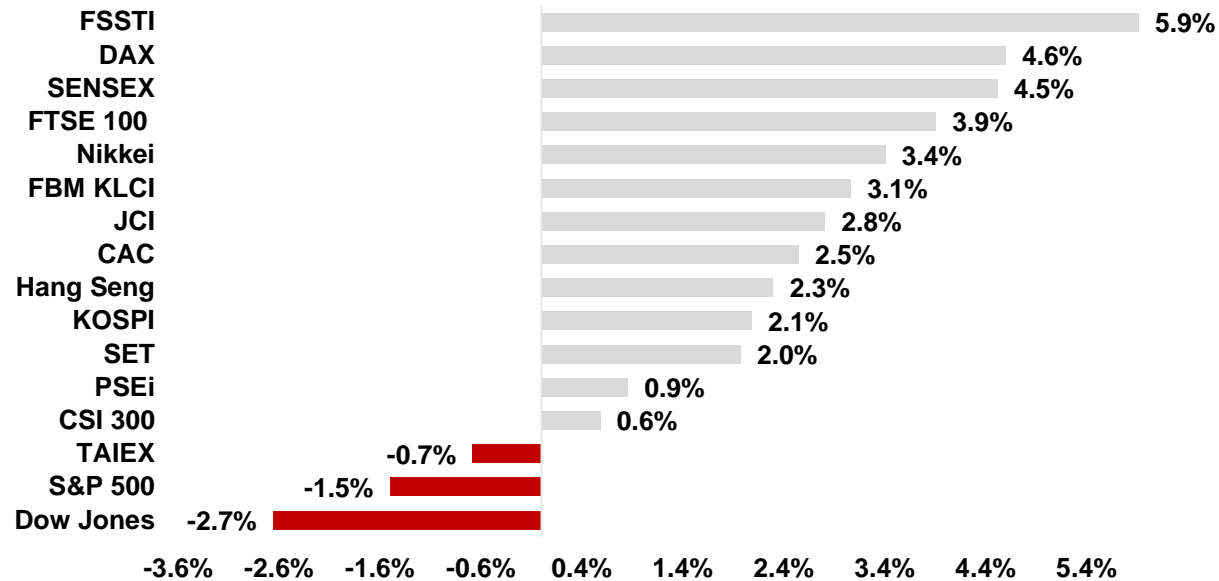
Malaysia - Exports, y-o-y%



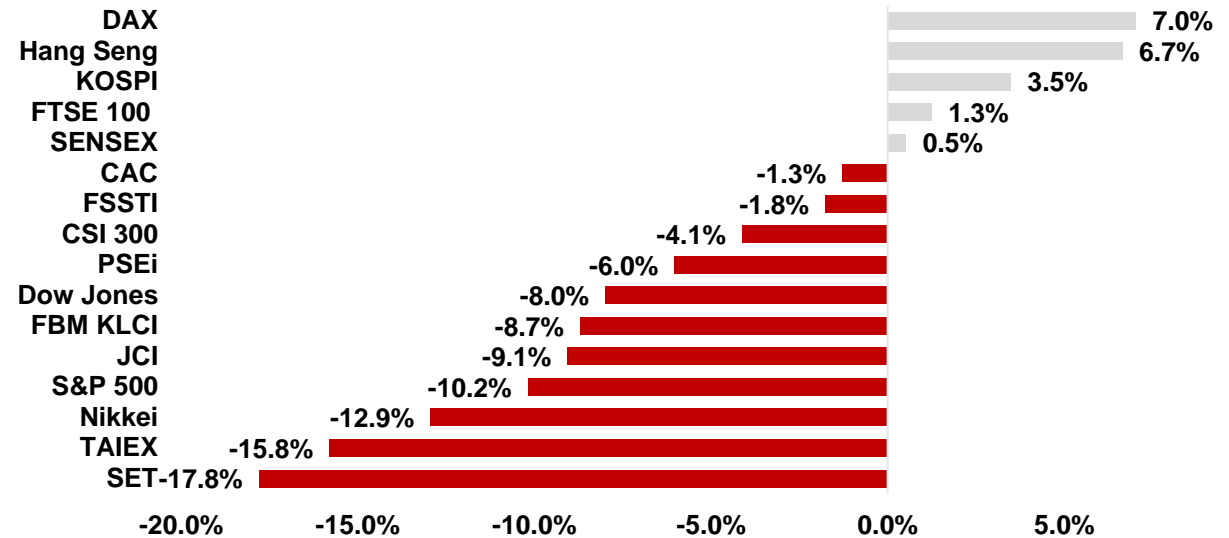
Malaysia's exports saw a stronger increase in March, rising by 6.8% compared to February's 6.2%. This sixth consecutive month of growth was primarily fueled by an 8.9% surge in manufacturing sales, notably in electronics and electrical products (25.1%) and machinery and equipment (12.3%).

REGIONAL EQUITY: GLOBAL STOCKS MIXED AMID TRADE AND MONETARY POLICY SHIFTS

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



YTD Gain/Loss of Major Equity Markets, % (As of 18 April 2025)

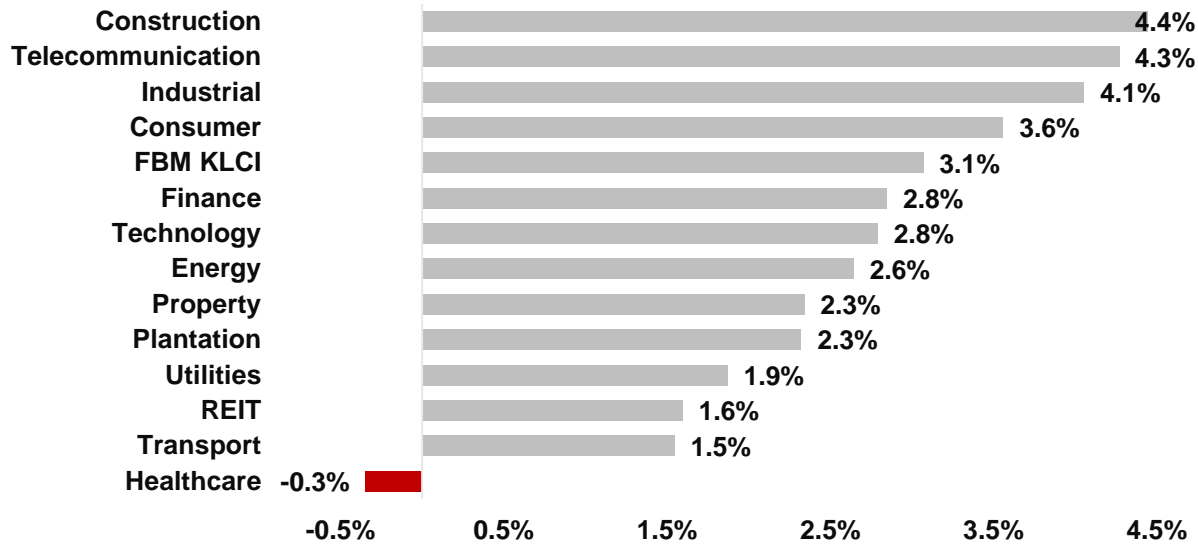


Sources: Bursa, CEIC Data

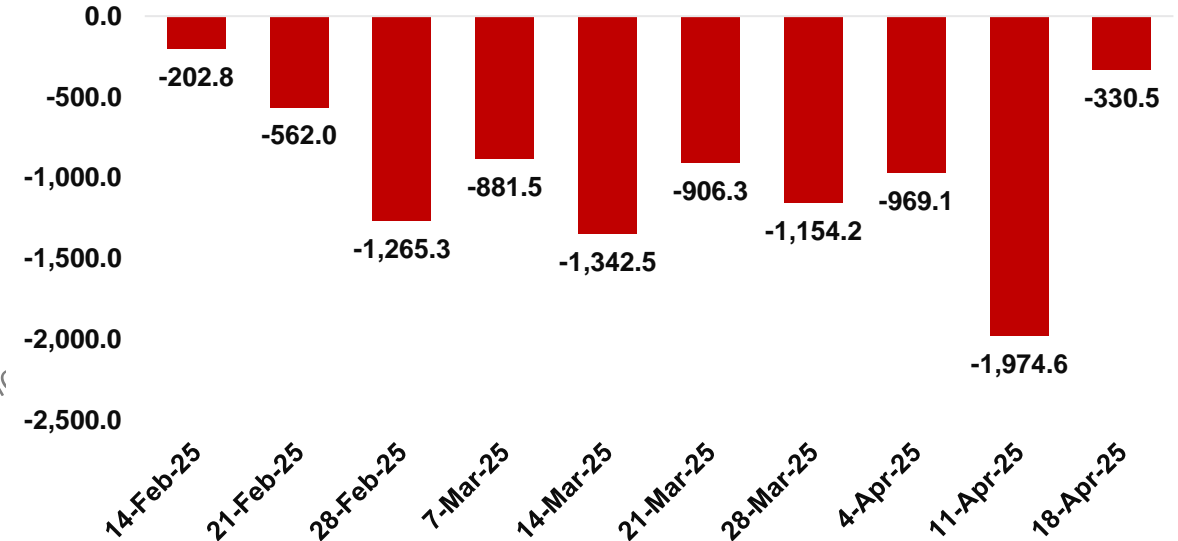
- The global stocks market were mostly in the green sea last week with Singapore's FSSTI as the major gainer, closing higher by 5.9% after President Trump delayed planned reciprocal tariffs on electronic imports. This positive sentiment was further boosted by Singapore's central bank, which eased monetary policy for the second consecutive time, despite the nation's first-quarter GDP falling short of expectations.
- In addition, Germany's DAX also climbed by 4.6% where positive corporate earnings and increasing hopes for a dovish signal from the European Central Bank (ECB) provided a lift to the markets. With a 25bp rate reduction already priced in, the ECB President's commentary on Eurozone growth and inflation will be closely watched by investors navigating the current trade uncertainties.
- On the other hand, U.S. stocks – Dow Jones (-2.7%) and S&P 500 (-1.5%) tumbled amid tariff anxieties, combined with President Trump's renewed attacks on Fed Chair Powell and his demand for rate cuts, fueled market instability.

DOMESTIC EQUITY: LOCAL MARKET CLOSED IN A SEA OF GREEN FOLLOWING CHINA'S VISIT

Weekly Bursa Sectoral Performance, w-o-w%



Weekly Foreign Fund Net Inflows/Outflows, RM Million



Sources: Bursa, CEIC Data

- The FBM KLCI rebounded by 3.1% w-o-w for the week ending April 18 on bargain hunting activities and recovering buying interest.
- Investor sentiments were optimistic following China's President Xi Jinping state visit to Malaysia last week, where both parties had inked a total of 31 Memoranda of Understandings (MoUs) covering areas such as trade, technology, tourism and security.
- Most Bursa indices also benefitted from the revival with the Construction index surging by 4.4% as one of the MoUs directly addressed the railway sector cooperation between the two, pertaining to the Pan-Asian Railway Network. This was followed by the Telecommunication (+4.3%) and Industrial (+4.1%) indices.
- Meanwhile, the Healthcare index was the only loser, declining by 0.3% on a weekly basis.
- Foreign investors remained net sellers for the sixteenth straight week this year, shedding a total of RM330.5 million worth of equities. This had increased the cumulative net outflow thus far to RM13.3 billion.

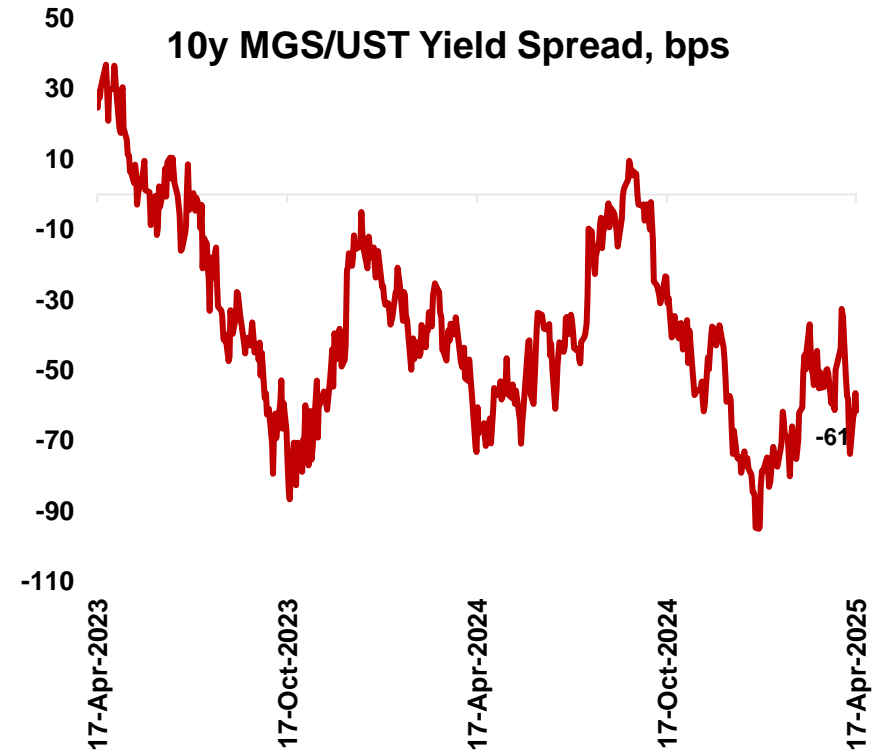
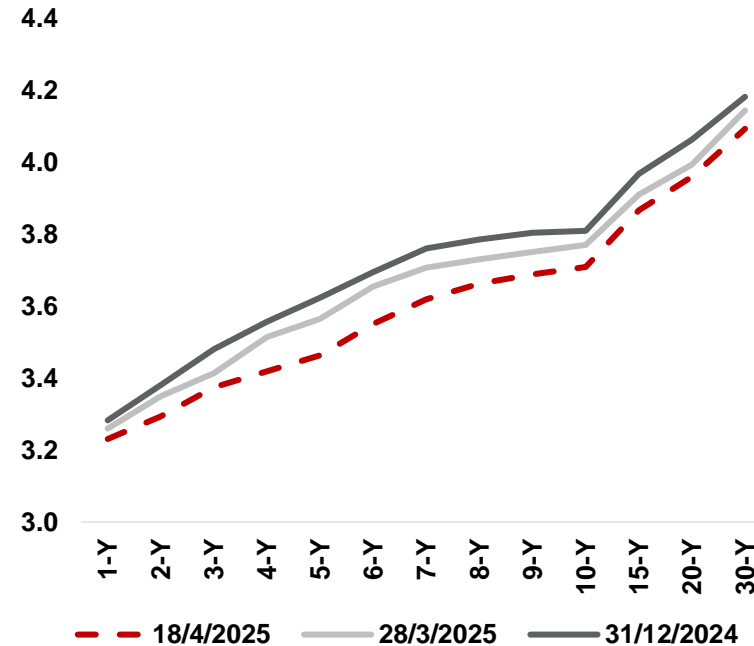
FIXED INCOME: FALLING UST YIELDS REFLECTED TARIFF WORRIES AND POWELL'S CAUTION

Weekly Changes, basis points (bps)

UST	Yields (%) 11-Apr-25	Yields (%) 17-Apr-25	Change (bps)
3-Y UST	3.98	3.82	-16
5-Y UST	4.15	3.95	-20
7-Y UST	4.32	4.13	-19
10-Y UST	4.48	4.34	-14
MGS	Yields (%) 11-Apr-25	Yields (%) 18-Apr-25	Change (bps)
3-Y MGS	3.42	3.38	-4
5-Y MGS	3.51	3.46	-4
7-Y MGS	3.65	3.62	-3
10-Y MGS	3.74	3.71	-3
GII	Yields (%) 11-Apr-25	Yields (%) 18-Apr-25	Change (bps)
3-Y GII	3.47	3.37	-10
5-Y GII	3.56	3.51	-5
7-Y GII	3.67	3.61	-6
10-Y GII	3.73	3.70	-3

Sources: BNM, Federal Reserve Board

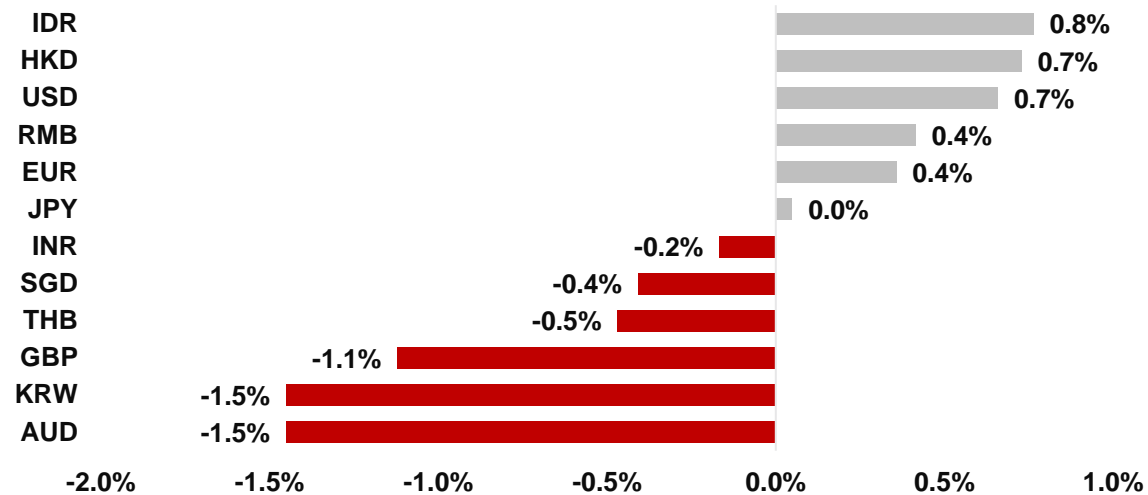
MGS Yield (%)



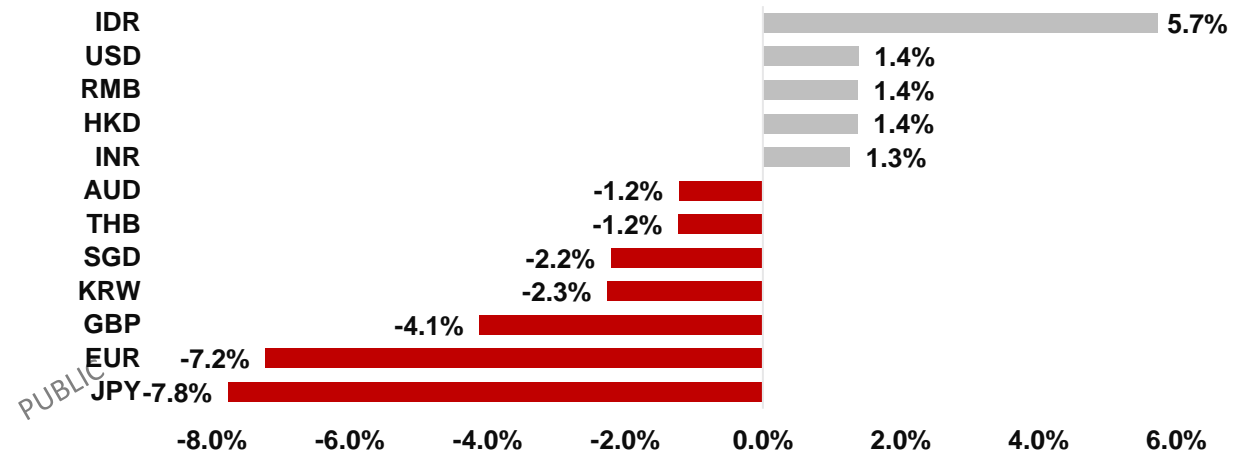
- The U.S. Treasury (UST) yields edged down in the range of 14bps and 20bps last week. The Federal Reserve's (Fed's) ability to balance inflation and economic growth is being challenged by ongoing tariffs, including those on critical minerals and AI chips, according to Fed Chair Jerome Powell, who suggested that this situation makes immediate rate cuts improbable.
- Additionally, Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields declined by between 3bps and 10bps, tracking the movement of UST yields.
- The auction of 3-Y reopening of MGS worth RM5.0 billion which was issued on April 15 drew a strong demand with a bid-to-cover (BTC) ratio of 3.2x, significantly higher relative to the previous RM4.5 billion 3-Y reopening of MGS in October 2024 with a BTC ratio of 1.6x.
- The 10y MGS/UST yield spread narrowed in the negative territory at 61bps relative to -74bps in the previous week.

FX MARKET: RINGGIT REBOUNDED TO THE STRONGEST LEVEL IN ALMOST TWO MONTHS

MYR Against Regional Currencies, w-o-w%



MYR Against Regional Currencies, YTD% (As of 18 April 2025)

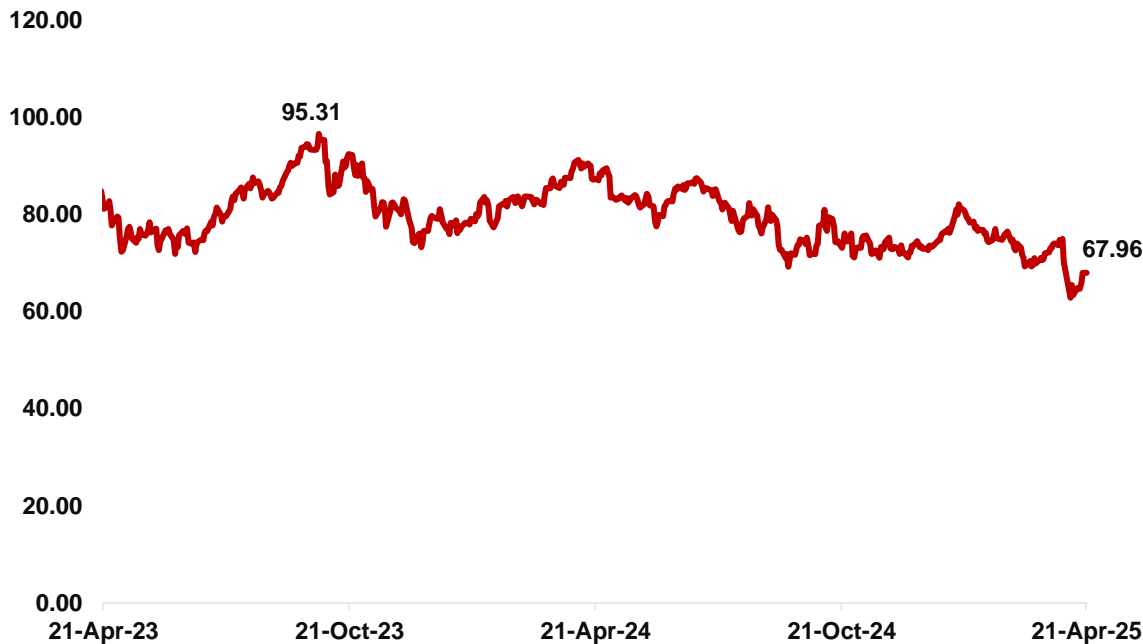


Sources: BNM, U.S. Bureau of Labor Statistics (BLS), CEIC Data

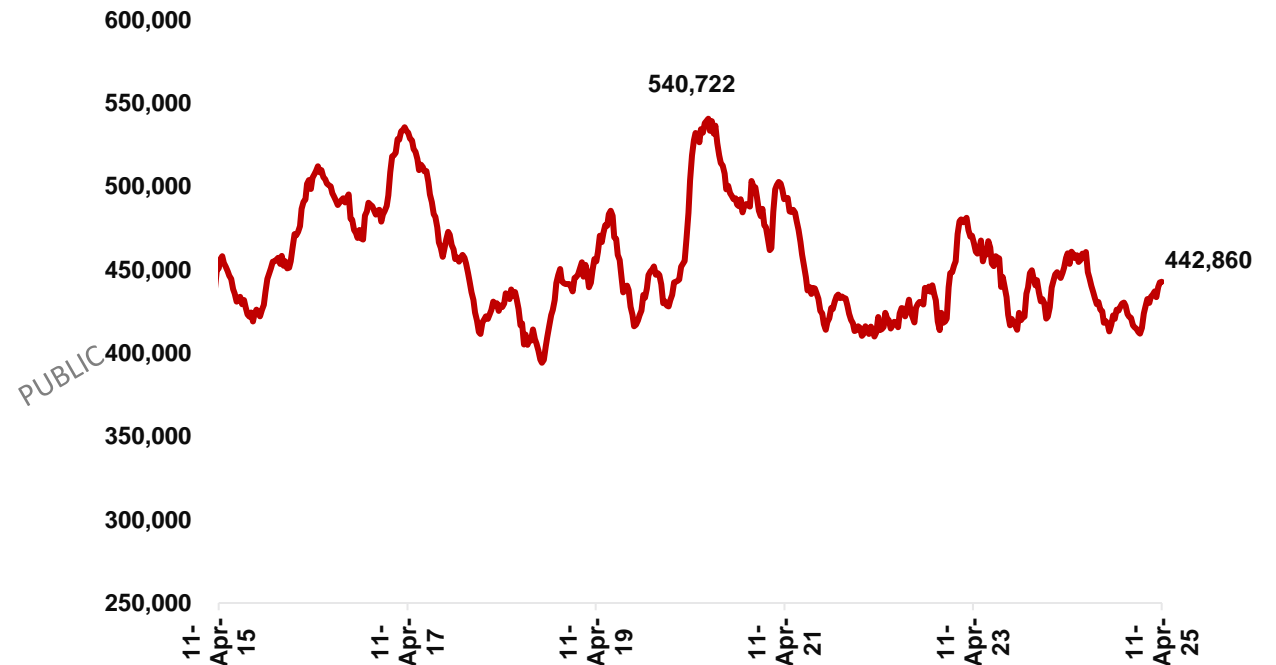
- The Ringgit appreciated by 0.7% w-o-w against the USD for the week ending April 18 amid the USD index plummeting below the 100-level.
- The strength of the local note was underpinned by cautiously optimistic sentiments surrounding Malaysia's outlook following President Xi's state visit last week. During the visit, Malaysia and China had signed 31 MoUs spanning across multiple areas of co-operation.
- Several benefits to Malaysia's economy from these MoUs include the mutual visa exemptions which would bolster growth of the tourism-related industries, the "Two Countries, Two Parks" initiative spurring on investments into Malaysia's infrastructure and industrial zones, as well as the railway sector cooperation, supporting the development of the East Coast Railway Link (ECRL) and the Pan-Asian Railway Network (PARN).
- These catalysts of long-term growth had offset more downbeat official advance estimates of growth, where the Malaysian economy is expected to expand at a slower pace of 4.4% in 1Q2025 (4Q24: 5.0%).
- On the other hand, the USD index dropped to the lowest point since April 2022 (18th April: 99.23 vs. 11th April: 100.1), dragged by the intensifying U.S.-China trade war as well as policy uncertainties in the U.S. Of note, Fed Chair Powell had highlighted the challenge to satisfy the Fed's dual mandate goal, pointing to a landscape of weakening economy and rising price pressures.

COMMODITY: BRENT OIL PRICES RALLY ON SUPPLY TIGHTNESS

Brent Crude in USD per barrel



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



Sources: Bloomberg, Energy Information Administration (EIA)

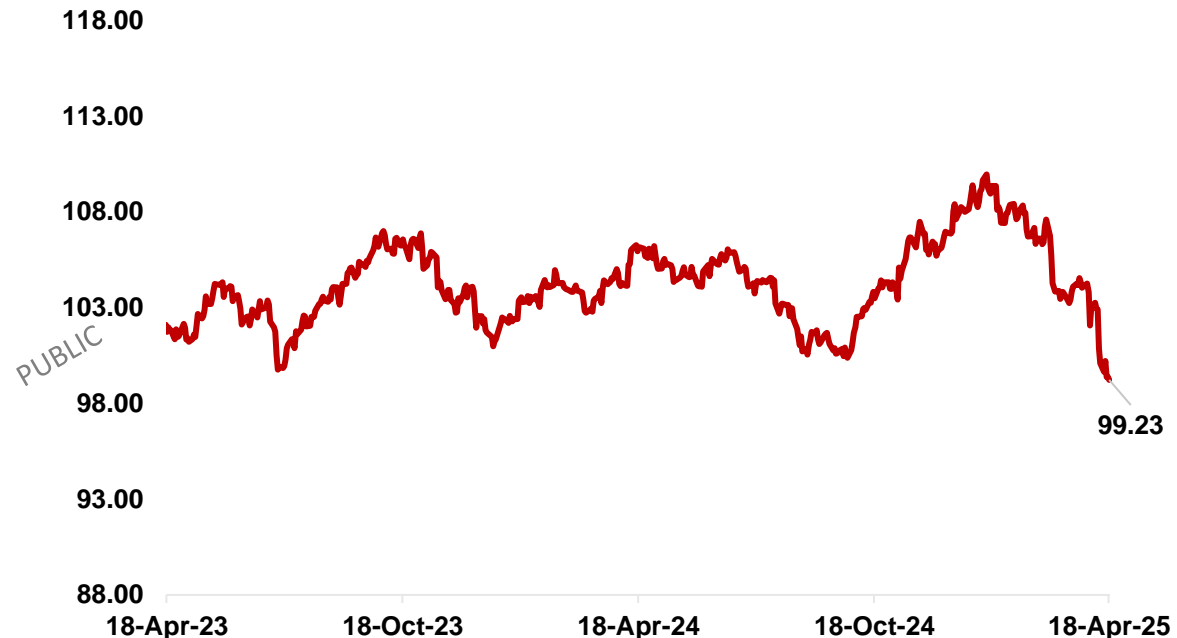
- Brent oil prices rose by 4.9% w-o-w, closing at USD 67.96 per barrel on Friday (April 18), driven by tightening supply conditions that signal shifting market dynamics. The latest OPEC+ agreement introduced stricter compensation mechanisms for members that exceed their production limits, reaffirming the group's commitment to balancing the market. This move has eased concerns about potential oversupply, thereby supporting prices. However, risks remain as US-China trade tension continue.
- Meanwhile, U.S. crude oil inventories increased slightly, adding 0.5 million barrels to reach 442.9 million for the week ending April 11.

COMMODITY: GOLD PRICE MARKED AN ALL-TIME HIGH OF USD3,349.48 PER OUNCE

Gold in USD per ounce



U.S. Dollar Index (DXY)



Sources: Bloomberg, CEIC Data

- The bullion price sustained its winning streak to display yet another week of uptrend, jumping by 3.5% w-o-w for the week ending April 21.
- This surge, marking a fresh high of USD3,349.48 on Friday, is attributed to roaring safe haven demand amid the intensifying trade conflict between U.S.-China. Earlier in the week, Trump had ordered an investigation to apply tariffs on Chinese rare earth imports, hitting back on China's export controls on said minerals.

WHAT TO LOOK OUT FOR IN THE MARKETS THIS WEEK

- This week's flash PMI data will reveal how the escalating U.S.-China trade war is affecting global business activity. After March showed weakening exports, rising costs, and softer confidence, April's figures may confirm whether these pressures are accelerating. Focus will be on manufacturing disruptions, input price inflation, and whether service sectors can offset factory slowdowns. The reports are critical for gauging corporate resilience whether firms are cutting jobs, investment, or adapting to trade pressures. As the first data post-tariff hikes, they'll set the tone for growth forecasts in 2Q2025 and beyond. Investors will watch closely for signs of broader economic spillover.
- This week, markets will closely watch China's benchmark lending rate decision as policymakers balance economic stability against mounting external pressures. The People's Bank of China (PBOC) is widely expected to leave the one-year and five-year Loan Prime Rates (LPR) unchanged at 3.1% and 3.6% respectively, with most analysts predicting a hold at the monthly fixing. However, speculation persists over possible stimulus measures later this year, as the U.S.-China trade war escalates and threatens growth. While China's 1Q2025 GDP growth of 5.4% beat expectations, fears of a slowdown loom, with U.S. tariffs posing a major risk. At the same time, the yuan's depreciation pressure and shrinking bank profit margins limit the PBOC's room for aggressive easing. The PBOC is likely to hold the rate steady while signaling readiness to deploy other stimulus tools if needed.
- Likewise, Bank Indonesia (BI) is widely anticipated to maintain its benchmark interest rate at 5.75% during this week's policy meeting, continuing its cautious approach amid ongoing global financial uncertainties. The central bank's decision reflects its balancing act between supporting domestic economic growth and safeguarding currency stability, particularly as the Indonesian rupiah remains vulnerable to fluctuations in U.S. monetary policy and global risk sentiment. The policymakers are likely to keep rates steady given persistent external pressures. The U.S. Federal Reserve's prolonged pause on rate cuts has limited emerging market central banks' flexibility, with BI expected to maintain its defensive stance until clearer signs of Fed easing emerge. Looking ahead, analysts suggest potential rate cuts later in 2025 could materialize if global conditions improve, particularly if the Fed begins its own easing cycle and the rupiah stabilizes.

BANK ISLAM

THANK YOU