

23 December 2025

# Malaysia 2026 Economic Outlook

## Domestic demand anchors growth amid global headwinds

### SUMMARY

- **Global Economy:** Global growth is set to moderate in 2026. The US remains supported by resilient consumer spending and strong AI-related investment. Europe is gradually recovering, while China and India face tariff-driven headwinds. ASEAN should sustain steady expansion, anchored by resilient domestic demand despite a challenging external backdrop.
- **Risks:** Global risks in 2026 remain skewed to the downside. The lagged impact of US tariffs, ongoing geopolitical tensions and softer external demand from major economies continue to weigh on the global outlook. However, the prospect of global monetary easing should help cushion external trade pressures and support overall activity.
- **Global Inflation Outlook:** Inflation paths remain divergent. The euro area stays near target, while the US and Japan face persistent pressures amid tight labour markets and fiscal support. The UK is disinflating more decisively. Growth, wages and policy are driving inflation differentials across regions.
- **Monetary Policy:** Entering a more differentiated phase. The Fed is likely to ease cautiously, while the ECB stays neutral. The BoE is edging lower amid softer growth, while the BoJ continues gradual tightening on firm inflation and wages. The PBoC remains cautious, taking a measured approach. In ASEAN, BI's easing room hinges on rupiah stability, BSP's scope is constrained by rising inflation, while the BoT retains the most scope to ease given weak growth and low inflation.
- **Malaysia's Economy:** We maintain our 2026 GDP growth forecast at 4.2%, down from an estimated 4.8% in 2025 (2024: 5.1%), reflecting a more cautious outlook. A resilient domestic demand to continue supporting growth along with strong tourism flows, steady labour conditions and moderate trade gains. US tariffs and China's slowdown remain key drags.
- **Domestic Inflation Outlook:** Inflation rate should stay below 2.0% in 2026, anchored by energy subsidies and imported disinflation. Transport prices remain deflationary despite RON95 price floatation. That said, higher SST, labour levies and firm-level cost pressures could lift inflation gradually towards 1.9%, tilting risks modestly upward.
- **BNM Policy Outlook:** With growth steady and inflation contained, BNM is expected to keep the OPR at 2.75% through 2026. The stance is likely to remain cautious, with policy flexibility amid emerging cost pressures and external risks.
- **Fiscal Policy:** Fiscal consolidation remains on track in 2026. Revenue improvements and subsidy reforms should help narrow the deficit to 3.6% of GDP (MoF forecast: 3.5%), although global uncertainty may slow progress.

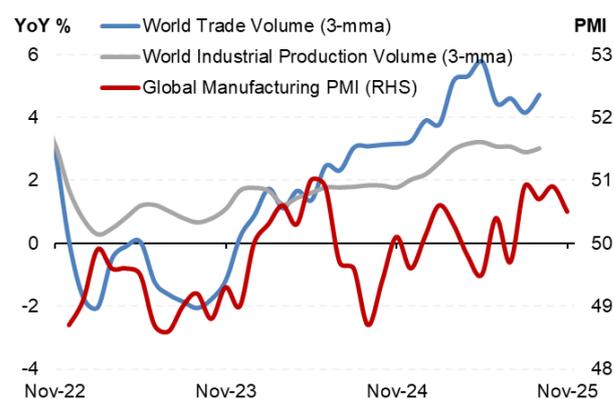
### Global Macro Outlook

- The global outlook for 2026 remains cautious, with growth expected to stay moderate amid persistent headwinds. Higher US tariffs, rising protectionism, ongoing geopolitical tensions and uneven recoveries across major economies continue to weigh on global trade and sentiment. Even so, a broader shift towards monetary easing and fiscal support in 2026 should help cushion external pressures and support global demand.
  - **Growth Trajectory: Mixed global outlook in 2026 amid tariff pressures**
    - **Global Growth:** The world economy enters 2026 on a cautious footing after 2025 growth likely exceeded earlier expectations. The IMF in its October 2025 outlook, expects global growth to ease to 3.1% in 2026, slightly below its revised 3.2% estimate for 2025. The World Bank, in its June 2025 outlook, takes a more subdued view, looking at a slow and modest recovery, forecasting growth at 2.4% in 2026 after a slowdown to 2.3% in 2025 (2024: 2.8%), as rising trade barriers, geopolitical tensions and policy uncertainty continue to restrain momentum. While easing tariff pressures, improved financial conditions from global monetary easing, and fiscal support in some economies may offer upside, external headwinds are likely to weigh on global growth through 2026.

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- United States: Growth sustained, risks shifting.** The US economy continues to run on two speeds, but the balance has improved. Trade frictions have imposed a smaller drag than feared, largely due to lower effective tariffs aided by sectoral exemptions and targeted trade deals. Artificial intelligence (AI) provides a further lift with investment in data centres and related high-tech activities likely to support growth in 1H26. Additionally, the One Big, Beautiful Bill Act could raise GDP higher by around 0.9%, according to the Congressional Budget Office. Consumption remains resilient, driven by high-income households benefitting from a prolonged equity rally. Disinflation has broadened as falling rents offset modest goods price pressures. As inflation cools, we expect the Fed to lower rates by an additional 50 basis points (bps) by end-2026. Near-term risk centres on a slowing labour market, while medium- to longer-term uncertainty stems from a rising fiscal deficit and political pressure on monetary independence.

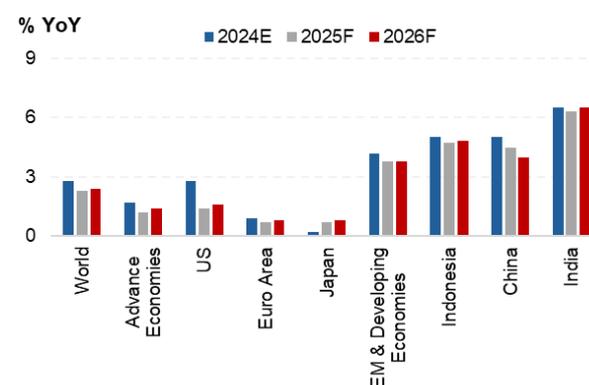
Graph 1: Global Indicators



Source: CPB, S&amp;P Global, Macrobond, Kenanga Research

- Europe: Gradual recovery, structural constraints.** The euro area outlook remains steady but unremarkable. Growth should hover around trend, with GDP expanding marginally above 1.0% in 2026 after a stronger 2025. Stripping out Ireland's volatile national accounts reveals a modest acceleration across the bloc. Germany should return to growth near 1.0% in 2026 after three years of stagnation, as its large infrastructure and defence programme gains traction from 1H26. Elsewhere, fiscal constraints in France and Italy limit the scope for a broader spending impulse. A stronger EUR has also tightened financial conditions. Still, France should also manage growth near 1.0%, supported by a renewed investment cycle despite persistent political uncertainty.

Graph 2: World Bank Global Economic Outlook (Jun-25)



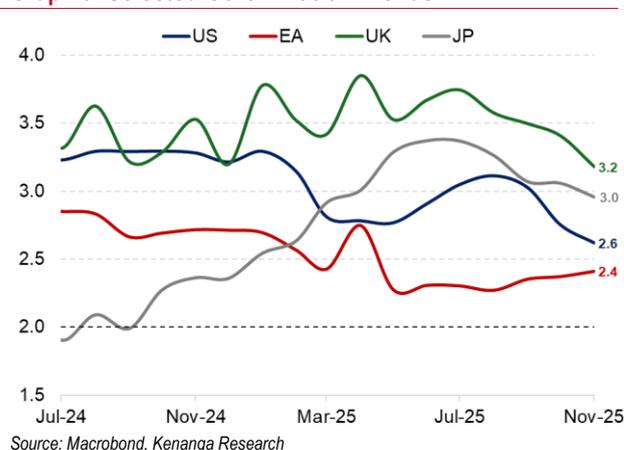
Source: World Bank, Kenanga Research

- China: External and structural headwinds remain a drag.** Growth momentum is expected to ease amid softer domestic demand and persistent structural imbalances, while US tariffs begin to exert more noticeable pressure. Recent indicators have softened, with November retail sales and industrial production slowing to 1.3% and 4.8%, respectively, reflecting weather-related disruptions and the on-going property downturn. External conditions remain challenging, with the delayed impact of US tariff likely to weigh on exports in 2026. Major institutions such as the IMF forecast China's growth slowing to 4.5% in 2026 from a revised 5.0% in 2025, while World Bank projects 4.4% in 2026 from a revised 4.9% in 2025. Overall, growth should remain modest, with risks tilted to the downside.
- India: Trade uncertainty meets slowing momentum.** India's growth outlook has softened as external risks collide with domestic constraints. Uncertainty over trade relations with the US persists, even as negotiations make incremental progress. We see a high probability of a deal, reflecting India's efforts to diversify energy imports away from Russia towards the US and to narrow its bilateral trade surplus. Recent long-term agreements for US liquefied petroleum gas imports and rising US crude shipments supports this view. Agricultural exports should also benefit from reduced US tariffs on selected food products. Yet growth momentum is slowing. Industrial production has weakened, and early signs suggest tariffs already weigh on manufacturing. Limited export diversification leaves the economy vulnerable to further trade shocks. We therefore expect India's GDP growth to moderate in 2026, despite supportive tax measures.

- **ASEAN: Domestic demand remains the key anchor.** ASEAN outlook reflects solid regional fundamentals but a challenging global backdrop. The IMF projects ASEAN growth at 4.3% in 2026, broadly unchanged from 2025, supported by resilient policy frameworks, private-sector adaptability and ongoing regional cooperation. Export-oriented economies such as Singapore, Vietnam, Thailand and Malaysia are likely to face persistent external headwinds from US tariffs and global uncertainty. However, domestic demand should remain a key offset, supported by policy easing and fiscal support across the region.
  - **Downside Risks:** Global risks remain tilted to the downside. The delayed impact of US tariffs, potential renewed US–China tensions, ongoing geopolitical conflicts and uneven recoveries pose risks. Weak external demand, volatile commodity prices and climate-related disruptions may continue to weigh on global trade and production. Even so, monetary easing and fiscal support should help buffer global demand from a sharper slowdown.
- **Inflation: Divergent paths to price stability**
- We expect **inflation to remain broadly anchored around target in the euro area, while modest overshoots persist in the US, the UK and Japan.** Divergent growth dynamics, labour market tightness and fiscal impulses continue to shape regional inflation paths.

- **In the euro area**, inflation has stayed close to the 2.0% target throughout 2025. Moderate growth, well-anchored inflation expectations and sustained declines in energy prices have restrained price pressures. As lower energy costs continue to pass through, headline inflation may edge slightly below target, but any undershoot should be mild and temporary. Absent a renewed energy shock or faster wage growth, inflation should hover near 2.0% over the forecast horizon, consistent with the ECB's definition of price stability.

**Graph 3: Selected Core Inflation Trends**



- **In the US**, inflation remains more resilient. Headline inflation has largely oscillated between 2.8% and 3.0%, interrupted only by a surprisingly soft November reading of 2.7%, with core inflation at 2.6%. This print warrants caution. Several components showed flat monthly prices, raising concerns about data quality following shutdown-related disruptions at the Bureau of Labor Statistics. We expect the Fed to look through this and anticipate a rebound as data normalise. Looking ahead, progress towards the 2.0% target is likely to stall in 2026. Strong growth momentum, limited spare capacity, elevated medium-term inflation expectations and potentially large tax refunds should keep underlying price pressures firm. That said, falling gasoline prices, easing wage growth and a peak in tariffs-related inflation in 1Q26 should offer some relief.
- **In the UK**, inflation should moderate more decisively. Weakening growth momentum and a loosening labour market are eroding pricing power, a trend already visible in business surveys. These trends should extend into 2026, allowing inflation to fall below 3.0% in 1Q26 and converge towards the 2.0% target by early 2027.
- **Japan** stands apart. The supplementary budget announced in late November is likely to suppress headline inflation temporarily through energy subsidies and tax cuts. However, these measures may also stimulate domestic demand in an economy facing a weak currency and rising wages. Further wage gains following the 2026 Shunto negotiations should reinforce these pressures. As a result, core inflation is likely to remain above 2.0% throughout 2026, keeping Japan firmly in an inflationary regime despite intermittent headline relief.

Table 1: Global Monetary Policy Outlook

Central Bank	View	Commentary
Federal Reserve (Fed)	Two 25 bps cuts in March and June, then a pause. (FFR: 3.25% ↓)	Greater clarity on macro conditions may open the door to more easing. The Fed can afford to wait until March as data sharpen, followed by June, before pausing, as policy normalisation overlaps with a leadership transition beyond Powell tenure.
European Central Bank (ECB)	To remain on hold through 2026. (Key Deposit Facility Rate: 2.00% →)	The ECB is firmly settled in a neutral stance. Christine Lagarde stressed optionality, keeping cuts, hikes or inaction equally open. With inflation near target and growth close to potential, easing would require a clear deterioration in outlook.
Bank of England (BoE)	Two 25 bps cuts in 1H26, followed by a pause. (Bank Rate: 3.25% ↓)	The BoE delivered a hawkish cut in December (5-4 vote), signalling rates are nearing neutral. A divided committee, stabilising wage expectations and easing inflation argue for further cuts, potentially in March and June.
Bank of Japan (BoJ)	One 25 bps hike in mid-2026, followed by another in 2027. (OCR: 1.00% ↑)	The BoJ has signalled that tightening will continue if its outlook holds. With core inflation at 3.0% and wage growth firm, deeply negative real rate leave scope for further hikes, likely gradual but persistent beyond 2026.
People's Bank of China (PBoC)	Limited room for easing and will be gradually measured.	Softer 2026 growth outlook and worsening property sector may prompt further policy easing. But efforts to maintain yuan and financial stability constrain policy space. May opt for cautious adjustments via liquidity rather than broad stimulus.
Bank Indonesia (BI)	Another two 25 bps cut. Timing subject to rupiah's stability. (BI rate: 4.25% ↓)	BI has cut 125 basis points in 2025 to support growth despite fragile rupiah. The government has set 5.4% growth target for 2026 which supports the case for further easing, but currency vulnerability may limit the scope for additional cuts.
Bangko Sentral ng Pilipinas (BSP)	One 25 bps cut in 1Q26. (RRP: 4.25% ↓)	Weak business sentiment, governance concerns and global uncertainty are set to weigh on growth in 2026, which may prompt BSP to consider additional easing to support activity. However, room to ease is narrowing amid rising inflation.
Bank of Thailand (BoT)	Another 25 bps rate cut in 1Q26 to boost growth. (Repo Rate: 1.00% ↓)	BoT has signalled a weaker growth outlook for 2026, projecting GDP at 1.5% with subdued inflation near 0.3%. With growth slowing, and inflation well below target of 1.0% - 3.0%, BoT has room to ease further.

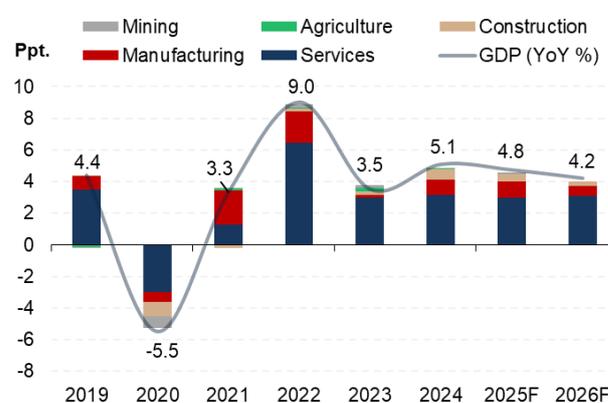
## Domestic Macro Outlook – 2026

- External uncertainties will remain a key challenge in 2026, particularly from ongoing US tariffs. Nevertheless, resilient domestic demand amid continued spending, steady investment flows and continued targeted government support should cushion these external pressures and sustain a stable and sustainable growth trajectory.

– **GDP: 2026 growth forecast maintained at 4.2% from an estimated 4.8% in 2025 (2024: 5.1%) with domestic demand, and sustained expansion in the services sector remaining the main growth anchors.**

- **Visit Malaysia 2026:** We project 30.0m tourist arrivals in 2026, up from a revised 27.1m in 2025 (previous forecast: 28.0m). Strong inflows are expected from Singapore, Indonesia, China and India, supported by improved connectivity and targeted promotional campaigns. Arrivals grew 8.1% YoY in Jan-Aug to 17.8m. In comparison, Vietnam

Graph 4: GDP Growth Trend (Supply side)



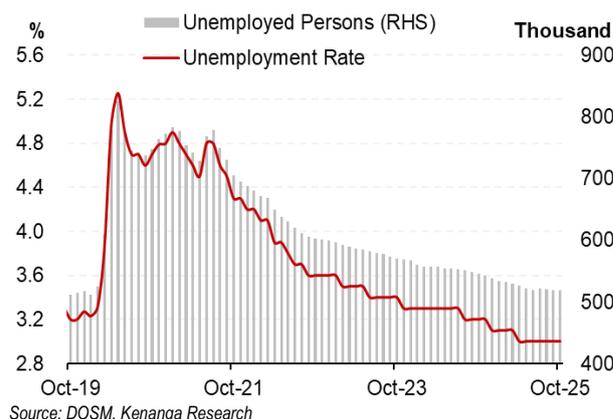
Source: DOSM, Kenanga Research

recorded a sharp 20.9% rise in Jan-Nov, while Indonesia saw a 10.3% rise in Jan-Oct. Meanwhile, Thailand and the Philippines experienced contractions of 7.3% and 2.2%, respectively.

- **Distributive Trade Sales:** Distributive trade sales growth is projected to rise to 6.1% in 2026, up from an estimated 5.7% in 2025 (2024: 5.5%). Sales momentum has remained strong, averaging 5.3% YoY in the first ten months of 2025, supported by festive spending, rising tourist arrivals and SARA RM100 one-off transfers. Going forward, sales growth should be supported by rising household incomes from government salary adjustments, stable employment conditions sustained by ongoing foreign and domestic investments activity, higher cash transfers and targeted assistance for vulnerable groups, and continued rise in tourism inflows and spending under Visit Malaysia 2026 campaign.

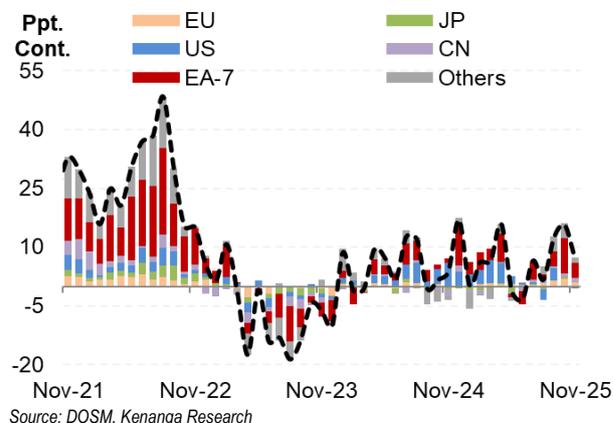
- **Unemployment Rate:** The labour market is expected to remain stable in 2026, supported by higher minimum wages, continued services-sector job creation and the rollout of approved investment. We maintain our unemployment rate forecast at 3.0% for 2026, in line with the steady labour market conditions observed through 2025 (3.0%; 2024: 3.3%). However, structural challenges persist with youth unemployment remains high at 10.1% in October, rising to 297.6k individuals, and averaging 10.2% year-to-date, highlighting limited higher-value and higher-skill opportunities for younger workers.

Graph 5: Unemployment Rate



- **External Trade:** External sector performance is expected to remain moderate in 2026. We project export growth to slow to 5.1% in 2026 from an estimated 6.0% in 2025 (2024: 5.8%). Exports grew 6.1% in the first eleven months, though momentum was dampened by weaker mining shipments, supply disruptions, softer commodity prices, and a stronger ringgit which affected price competitiveness in sensitive exports commodities. Mining exports recorded a significant contraction (-10.3% YTD), while manufacturing (7.1%) and agriculture (7.2%) recorded steady gains in the same period. Looking ahead, external pressures are expected to intensify in 2026 as US tariff effects materialise and China's economic recovery remains slow, placing additional pressure on commodity-related exports. Front-loading to the US in 2025 may unwind in 2026 as orders normalise. Still, shipments to regional partners should continue to grow gradually. A gradual upturn in the global tech cycle, supported by continued demand in AI, 5G, EVs, should provide support for electronics exports. Given these conditions, we maintain a cautiously optimistic view on the export outlook as it remain sensitive to tariff-related risks, weak global trade momentum and China's slow recovery.

Graph 6: Exports by Destination



- **Risks:** Domestic risks remain contained, but the 2026 outlook remains vulnerable to external shocks. The delayed impact of US tariffs may weigh on global trade flows and soften demand. Slower growth in major economies, particularly the US and China, could reduce demand for Malaysian goods. Geopolitical tensions, supply-chain disruptions, commodity price swings and climate-related events may pose risks to trade, investment and sectoral activity. **Balancing these headwinds against resilient domestic demand, we maintain a modest GDP growth projection of 4.2% for 2026.**

Table 2: Malaysia GDP Growth (constant 2015 prices)

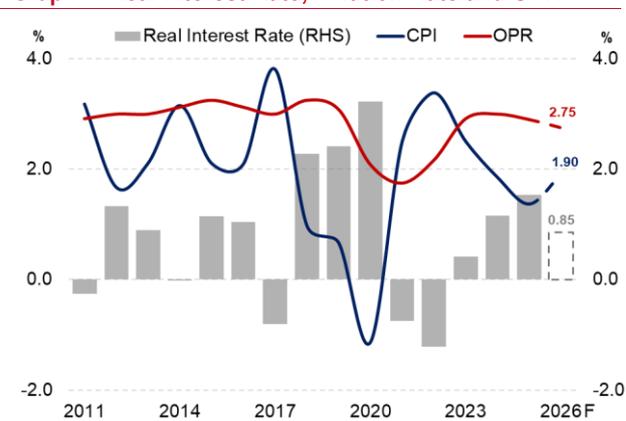
YoY %	2023	1H24	2H24	2024	1Q25	2Q25	3Q25	4Q25F	Kenanga			
									1H25	2H25F	2025F	2026F
<b>By Sector</b>												
Agriculture	0.2	4.8	1.6	3.1	0.7	2.5	0.4	-0.1	1.6	0.2	0.9	1.9
Mining	0.5	3.6	-1.7	0.9	-2.7	-5.2	9.7	4.9	-3.9	7.1	1.5	-0.5
Manufacturing	0.7	3.4	4.9	4.2	4.1	3.7	4.1	4.7	3.9	4.4	4.2	2.7
Construction	6.0	14.5	20.3	17.5	14.2	12.1	11.8	10.1	13.1	10.9	12.0	6.8
Services	5.1	5.3	5.4	5.3	5.0	5.1	5.0	5.1	5.0	5.1	5.1	5.2
<b>Real GDP</b>	<b>3.5</b>	<b>5.0</b>	<b>5.2</b>	<b>5.1</b>	<b>4.4</b>	<b>4.4</b>	<b>5.2</b>	<b>5.0</b>	<b>4.4</b>	<b>5.1</b>	<b>4.8</b>	<b>4.2</b>
<b>By Expenditure</b>												
Consumption	4.4	5.1	5.0	5.0	4.9	5.5	5.4	6.3	5.2	5.9	5.5	6.0
Public	3.4	4.5	4.8	4.7	4.3	6.4	7.1	5.7	5.3	6.3	5.9	5.5
Private	4.6	5.2	5.0	5.1	5.0	5.3	5.0	6.5	5.2	5.8	5.5	6.2
Investment	5.4	10.6	13.5	12.0	9.7	12.1	7.4	8.7	10.9	8.0	9.5	9.4
Public	8.5	10.4	11.6	11.1	11.6	13.6	7.4	8.3	12.6	8.0	9.8	8.6
Private	4.5	10.6	14.2	12.3	9.2	11.8	7.3	8.9	10.6	8.0	9.4	9.6
Public Spending	4.7	5.9	6.7	6.3	6.2	8.1	7.2	6.5	7.1	6.8	6.9	6.4
Private Spending	4.6	6.4	6.7	6.6	5.9	6.8	5.5	7.0	6.4	6.2	6.3	6.9
Aggregate Demand	4.6	6.3	6.7	6.5	6.0	7.0	5.8	6.8	6.5	6.3	6.4	6.8
Exports	-7.9	6.4	10.2	8.3	4.1	2.6	1.4	4.5	3.3	2.9	3.1	3.3
Imports	-6.8	7.1	9.3	8.2	3.1	6.6	0.4	3.3	4.9	1.8	3.3	3.8
Net Exports	-22.2	-4.6	23.2	9.2	19.6	-72.6	17.7	19.6	-22.5	18.7	0.4	-4.7
<b>Real GDP</b>	<b>3.5</b>	<b>5.0</b>	<b>5.2</b>	<b>5.1</b>	<b>4.4</b>	<b>4.4</b>	<b>5.2</b>	<b>5.0</b>	<b>4.4</b>	<b>5.1</b>	<b>4.8</b>	<b>4.2</b>

Source: DoSM, BNM, MoF, Kenanga Research

#### – Inflation: Anchored below 2.0%, with upside pressure building

- Inflation should remain subdued, average below 2.0% in 2026, reflecting weak demand pressures and policies that shield households from energy price volatility. Headline inflation averaged 1.4% in the first eleven months of the year, a pace that remains well below historical norms. Even after the unsubsidised RON95 price was floated in November and rose to around RM2.62 per litre, transport inflation remains deflationary as consumption is dominated by subsidised purchases under the Budi95 scheme. With global oil prices likely to soften into 2026, transport inflation could ease further.

Graph 7: Real Interest Rate, Inflation Rate and OPR



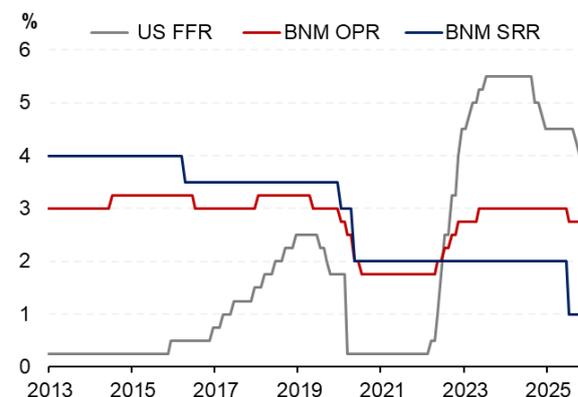
Source: Bloomberg, Kenanga Research

- Beyond fuel, imported disinflation continues to work in Malaysia's favour. A firmer ringgit lowers the local currency cost of imported food, intermediate goods, and raw materials, dampening cost pressures along domestic supply chains. At the same time, the pass-through from US tariffs remains limited due to Malaysia's diversified export structure and the firms' ability to absorb or reroute trade costs.
- That said, risks to tilt modestly higher into 2026. Firms outside targeted schemes face **rising operating costs**, while the **higher SST rate** raises the probability of **gradual second-round effects**. The planned **introduction of a multi-tier levy mechanism for migrant workers** in 2026 could further lift cost in labour-intensive sectors. Taken together, **these factors could push inflation from an average of 1.4% in 2025 towards around 1.9% in 2026, while core inflation is projected to rise modestly from 2.0% to 2.2% over the same period.**
- A sharper upside shock would require drastic policy action. Extending SST to RON97 or floating diesel prices in Sabah and Sarawak would strengthen government revenue but lift CPI. However, the inflation impact should remain manageable and, in our view, tolerable.

– **Monetary Policy: Steady growth and manageable inflation give BNM room to preserve policy space**

- **Growth & Inflation Outlook:** Growth outlook for 2026 remains supported by a resilient domestic demand, with household spending anchored by private-sector activity. Public initiatives aimed at strengthening income support and service delivery, together with a stable political environment, continue to uplift consumer and business confidence. While global trade conditions continue to be challenging, domestic-oriented sectors including services, tourism and selected manufacturing segments such as E&E, should be able to cushion external softness. Meanwhile, inflation is projected to remain moderate, with limited pass-through from SST expansion, subsidy rationalisation and wage adjustments has so far been limited.

**Graph 8: BNM OPR & SRR vs US FFR**



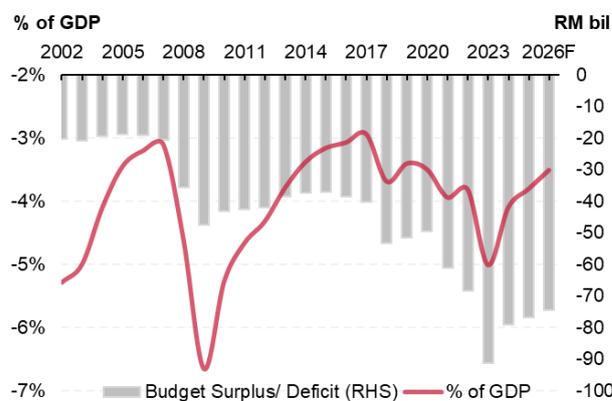
Source: Bloomberg, Kenanga Research

- **Policy Implications:** Given the balance of steady domestic growth and manageable inflation, BNM is expected to maintain the OPR at 2.75% throughout 2026. The stance remains accommodative and supportive of domestic activity while anchoring inflation expectations and preserving flexibility to respond to adverse shocks.

– **Fiscal Policy: Fiscal discipline to continue though global uncertainty may slow consolidation**

- **Deficit target:** Fiscal consolidation is expected to progress steadily in 2026 in line with the roadmap under the Public Finance and Fiscal Responsibility Act 2023. Under Budget 2026, the government aims to lower the deficit to 3.5% of GDP, from an estimated 3.8% in 2025. We project a conservative stance, projecting a deficit of 3.6% of GDP in 2026 from an estimated 3.8% this year, as persistent global uncertainty may weigh on domestic growth and constrain consolidation efforts.

**Graph 9: Federal Government Fiscal Balance Trend**



Source: DOSM, Kenanga Research

- **Revenue:** The expansion of SST from 1 July 2025 is expected to lift government revenue in 2026, supported by stronger tourism inflows under Visit Malaysia 2026. Full implementation of e-invoicing by mid-2026 should enhance compliance and improve tax collection efficiency. However, revenue gains will be partially offset by lower O&G related income amid softer global Brent crude prices. The outlook for crude oil remains benign. The US Energy Information Administration (EIA) forecast the Brent crude oil price to fall to an average of USD55.0/barrel (bbl) in 1Q26 and stay near that level through the rest of the year. Brent is currently trading around USD60.0/bbl, well below its peak of about USD81.0/bbl on 15 January 2025. While softer prices help cap domestic inflationary pressures and reduce government's subsidy burden, it also warrant caution, as a sustained period of sub-USD60.0/bbl oil price would weigh on petroleum-related revenue, narrowing the government's fiscal buffer at a time when expenditure needs remain elevated.

- **Expenditure:** Spending reforms will remain central to fiscal consolidation, particularly through subsidy rationalisation. Programmes such as BUDI95 for RON95, targeted electricity subsidies, price flotation for chicken and egg, targeted diesel subsidies and electricity tariff restructuring have generated savings by reducing leakages and delivering more targeted support. Meanwhile, development spending will continue to prioritise basic infrastructure, climate resilience and social facilities to support long-term growth.

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**Table 3: Forecast and Assumptions**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025F	2026F
Real GDP (%YoY)	5.0	4.4	5.8	4.9	4.4	-5.5	3.3	8.7	3.6	5.1	4.8	4.2
Consumer Price Index (avg.)	2.1	2.1	3.7	1.0	0.7	-1.2	2.5	3.3	2.5	1.8	1.4	1.9
Current Account Balance (% of GDP)	3.0	2.4	2.8	2.1	3.4	4.4	3.8	3.1	1.2	1.4	1.8	2.0
Fiscal Balance (% of GDP)	-3.2	-3.1	-2.9	-3.7	-3.4	-6.2	-6.4	-5.6	-5.0	-4.1	-3.8	-3.6
Unemployment Rate	3.2	3.3	3.4	3.4	3.3	4.5	4.6	3.8	3.4	3.3	3.0	3.0
Manufacturing Output (%YoY)	4.8	4.3	6.1	4.8	3.6	-2.7	9.5	8.2	0.7	4.3	3.9	5.1
Exports of Goods (%YoY)	1.6	1.2	18.8	7.3	-0.8	-1.1	26.1	24.9	-8.0	5.8	6.0	5.1
Distributive Trade Sales (%YoY)	5.9	5.4	9.0	8.2	5.9	-5.8	4.0	19.6	7.7	5.5	5.7	6.1
Overnight Policy Rate (end-period)	3.25	3.00	3.00	3.25	3.00	1.75	1.75	2.75	3.00	3.00	2.75	2.75
Exchange rate: Ringgit/USD (end-period)	4.29	4.49	4.05	4.13	4.09	4.02	4.17	4.40	4.59	4.47	4.08	3.95
Bond Yield: 10Y MGS (end-period)	4.19	4.19	3.91	4.08	3.31	2.65	3.59	4.04	3.73	3.81	3.43	3.30
Loan growth (%)	7.9	5.3	4.1	7.7	3.9	3.4	4.6	5.7	5.3	5.5	5.5-6.0	5.0-5.5
Palm oil: RM/tonne (avg.)	2,166	2,649	2,791	2,235	2,244	2,767	4,407	4,500	3,800	4,212	4,300	4,000
Crude oil (Brent)-USDD/barrel (avg.)	54.4	46.0	55.7	71.6	64.6	43.2	70.9	99.0	82.2	79.0	64.0	67.0

Source: MoF, BNM, Bloomberg, Kenanga Research, F= Forecast

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Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

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