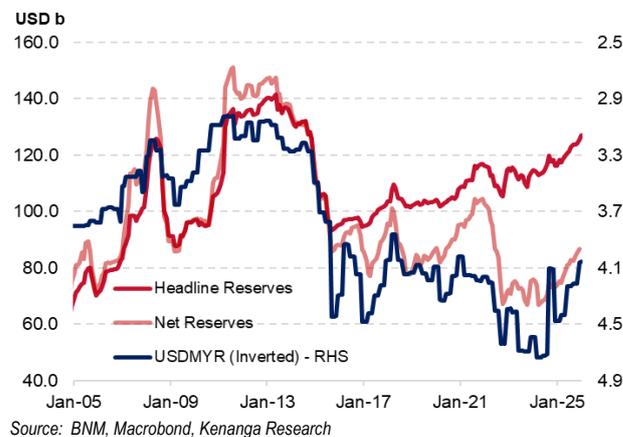


# BNM International Reserves

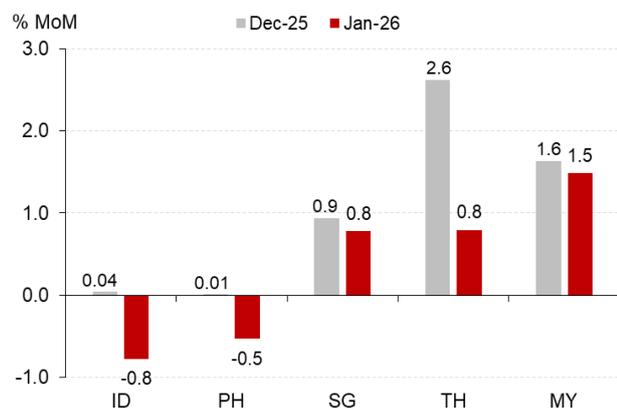
Hit multi year high in January on higher FX and gold holdings

- Bank Negara Malaysia (BNM) international reserves rose by USD1.4b (+1.1% MoM) to USD126.9b as of 30 January 2026, the highest in more than 11 years**
  - The increase lifted import cover to 4.8 months (Dec: 4.7). The reserves-to-short-term external debt ratio was unchanged at 0.9 time.
- Higher FX and gold holdings drove the increase**
  - Foreign currency reserves** extended their uptrend for a tenth straight month, rising by USD0.8b (+0.7% MoM) to USD111.3b, supported by net capital inflows. Net FX reserves climbed to a 43-month high of USD77.2b in December (Nov: USD75.6b) due to a smaller predetermined short-term net drain.
  - Gold reserves** jumped by USD0.5b (+9.3% MoM) to a record of USD5.9b, likely reflecting higher holdings from 1.25m fine troy ounces, unchanged since Oct-18.
  - Other reserve assets rose by USD0.1b (+4.2% MoM), while special drawing rights and the IMF reserve position were broadly unchanged.
- In ringgit terms, total reserves increased by RM5.0b (+1.0% MoM) to RM514.8b in January**
  - USDMYR monthly performance:** The ringgit posted its third consecutive monthly gain in January (+1.5%; Dec: +1.6%), averaging 4.03/USD (Dec: 4.09/USD), marking its strongest level in nearly eight years. The was driven by a sharp move toward 3.90/USD in the final week as the USD weakened significantly on FX-specific factors that outweighed broader macro and rate signals. Portfolio rebalancing into commodities and emerging market assets added further pressure and reinforced debasement trades.
  - Regional FX:** Most ASEAN-5 currencies strengthened against the USD, with the DXY falling 0.3% MoM to 98.3 (Dec: 98.6). The MYR led gains (+1.5%), followed by the THB (+0.8%) and SGD (+0.8%). In contrast, the IDR fell sharply by 0.8% amid a deteriorating fiscal outlook, while the PHP weakened 0.5% on slower growth.
- Domestic macro strength allows BNM to stay on hold; ringgit momentum should persist despite global uncertainty**
  - Monetary Policy Outlook:** Domestic demand remains resilient, anchored by steady private-sector activity and reinforced by targeted fiscal measures to lift incomes and improve service delivery. Inflation is contained, with pass-through from SST expansion, subsidy rationalisation and wage adjustments proving limited and manageable. Taken together, growth and inflation dynamics provide BNM room to remain patient. We expect the OPR to stay at 2.75% through 2026 even as external volatility continues.
  - USDMYR year-end forecast (3.95; 2025: 4.06):** While the ringgit has traded near our end-2026 USDMYR projection of 3.95 in recent weeks, we are keeping our forecast unchanged. The absence of meaningful deterioration in the US labour market limits the case for early Fed easing, which should keep the DXY supported near term, alongside firm US growth, record equity markets and relatively stable financial conditions. Early signs of labour market cooling are emerging in the US and should build gradually, opening the door to rate cuts from mid-2026. As US growth normalises, structural USD softness is likely to reassert itself. Against this backdrop, Malaysia's credible policy framework and continued foreign inflows into domestic capital markets are likely to support a firmer ringgit trajectory through 2026. We remain constructive on the ringgit and see further scope for appreciation beyond near-term swings.

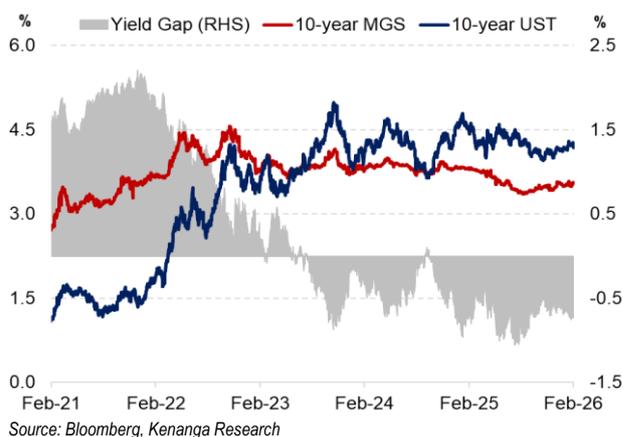
Graph 1: BNM's International Reserves



Graph 2: ASEAN-5 Currencies (monthly average)



Graph 3: 10-Year US Treasury vs. MGS Yield



10 February 2026

Table 1: Latest Update and Historical Milestone for BNM Reserves

		RM bil	Change from previous month	USDMYR	US bil	Change from previous month	Months of retained	Times of ST
	Month	O/stand.	RM bil	End Period	O/stand .	US bil	Imports.	Debt
Pre crisis high	Jan-94	89.99	13.51	2.7598	32.61	4.29	na	na
Start of Asian Financial Crisis (AFC)	Apr-97	70.93	-1.26	2.5110	28.25	-0.87	na	na
Reserves at its lowest in USD term	Nov-97	61.30	-0.40	3.5022	<b>17.50</b>	-0.50	3.4	na
Ringgit at its weakest during AFC (Monthly Average)	Jan-98	56.61	-2.5	<b>4.3990</b>	20.25	-1.46	3.2	na
Govt imposed capital control and pegged ringgit at 3.80 to USD	Sep-98	81.51	23.6	3.8000	21.45	1.22	4.4	na
USDMYR peg removed	Jul-05	297.17	13.07	3.7978	78.25	3.48	9.0	7.6
Highest level post USDMYR de-peg (before GFC)	Jun-08	410.87	10.73	3.2665	125.78	0.59	10.0	5.1
Biggest single month decline in USD-terms	Sep-08	379.35	-20.83	3.4567	109.75	<b>-12.84</b>	9.0	4.1
Lowest level during the Global Financial Crisis	May-09	322.47	2.07	3.6513	88.32	0.59	8.3	3.8
Highest Level (in USD term)	May-13	436.80	3.52	3.0884	<b>141.43</b>	1.12	9.5	4.3
Highest Level (in MYR term)	Aug-24	<b>550.45</b>	9.19	4.7128	116.80	2.14	5.4**	1.0
End-2022	Dec-22	503.33	16.48*	4.3900	114.65	-2.24*	5.2**	1.0
End-2023	Dec-23	520.75	17.53*	4.5890	113.48	-1.18*	5.4**	1.0
End-2024	Dec-24	520.16	-0.73*	4.4764	116.20	-2.74*	5.0**	1.0
End-2025	Dec-25	509.78	-10.35*	4.0620	125.50	9.28*	4.7**	1.0
<b>Latest release</b>	<b>Jan-26</b>	<b>514.75</b>	<b>4.97</b>	<b>4.0563</b>	<b>126.90</b>	<b>1.37</b>	<b>4.8**</b>	<b>0.9</b>

Source: Dept. of Statistics, Kenanga Research, CEIC, Bloomberg

\*: Change from the preceding year

\*\*: Imports of goods and services (effective from 22 February 2022)

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