

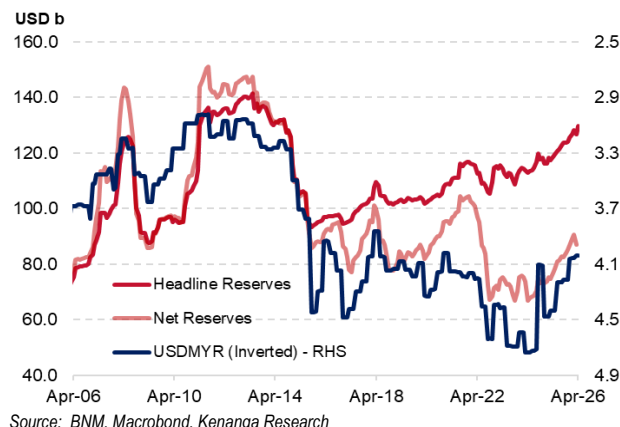
11 May 2026

BNM International Reserves (end-Apr)

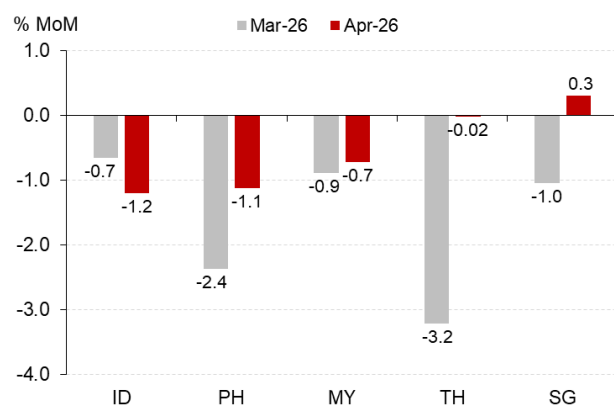
Approaching a 12-year high; ringgit outlook hinges on ceasefire durability

- **Bank Negara Malaysia (BNM) international reserves increased by USD3.1b (+2.4% MoM) to USD129.7b as of 30 April 2026, the highest since August 2014**
 - Import cover improved slightly to 4.7 months (Mar: 4.6), while the reserves-to-short-term external debt ratio remained steady at 0.9 time.
- **Higher FX holdings drove reserve accumulation**
 - **Foreign currency reserves** climbed USD3.0b (+2.7% MoM) to USD113.8b, supported by net capital inflows. However, net FX reserves declined to a three-month low of USD77.7b in March (Feb: USD81.1b) as short FX positions widened to USD23.2b (Feb: USD21.2b), potentially reflecting BNM intervention to smooth MYR volatility.
 - **Other reserve assets** increased marginally by USD0.1b (+4.0% MoM) to USD2.3b, while gold, SDRs and the IMF reserve position remained broadly unchanged.
- **In ringgit terms, total reserves surged by RM12.3b (+2.4% MoM) to RM523.7b in April, an 11-month high**
 - **USDMYR monthly performance:** The ringgit weakened 0.7% in April, marking a second consecutive month of depreciation, averaging 3.98/USD (Mar: 3.95/USD), largely driven by elevated geopolitical risk aversion. The ringgit weakened toward 4.05/USD in early April as volatile geopolitical rhetoric and supply disruption fears weighed on sentiment. It later rebounded as Brent prices eased, although scepticism surrounding the durability of the ceasefire continued to limit conviction. Conflicting headlines and growing geopolitical fatigue eventually stabilised the ringgit around the 3.95-3.97/USD range towards end-April.
 - **Regional FX:** All ASEAN-5 currencies, except for SGD (+0.3%), weakened against the USD despite the DXY declining 0.7% MoM to 98.8 in April (Mar: 99.5). The IDR led regional losses (-1.2%), followed by the PHP (-1.1%), MYR (-0.7%) and THB (-0.02%). Emerging market currencies generally remained under pressure amid broad risk-off sentiment driven by the conflict and elevated crude oil prices.
- **BNM to keep the powder dry as geopolitical risks persist; ringgit to continue trading on external developments**
 - **Monetary Policy Outlook:** Energy exports and resilient domestic demand should continue cushioning the Malaysian economy, with BNM likely to maintain the OPR at 2.75% throughout 2026. Nevertheless, we expect the central bank to remain vigilant over geopolitical developments and spillover effects from elevated input costs, particularly fertiliser and imported commodities. While risks remain manageable for now, especially if a durable ceasefire emerges soon, second-round inflation effects could become more visible in 2H26 as Brent prices are likely to remain elevated above USD75.0/barrel even in a post-war environment.
 - **USDMYR year-end forecast (3.95; 2025: 4.06):** We maintain our 2026 year-end USDMYR forecast at 3.95 despite consensus expectations increasingly shifting below 3.90/USD. While the ringgit has remained relatively resilient during the conflict, supported by Malaysia's solid fundamentals and position as a net energy exporter, supply-side risks remain a concern. Should the conflict extend beyond June, upside risks to USDMYR would likely intensify through firmer oil prices, elevated inflation expectations, and sustained USD demand. We continue to expect the ringgit to weaken modestly from current levels before appreciating again once clearer signs of durable ceasefire and de-escalation emerge, allowing markets to rebuild expectations for Fed easing in 4Q26.

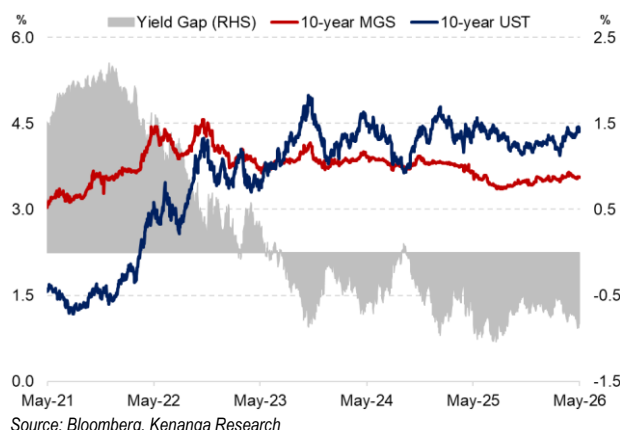
Graph 1: BNM's International Reserves



Graph 2: ASEAN-5 Currencies (monthly average)



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



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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	17.50	-0.50	3.4	na
Ringgit at its weakest during AFC (Monthly Average)	Jan-98	56.61	-2.5	4.3990	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	-12.84	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	141.43	1.12	9.5	4.3
Highest Level (in MYR term)	Aug-24	550.45	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
Latest release	Apr-26	523.69	12.31	4.0377	129.70	3.09	4.7**	1.0

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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