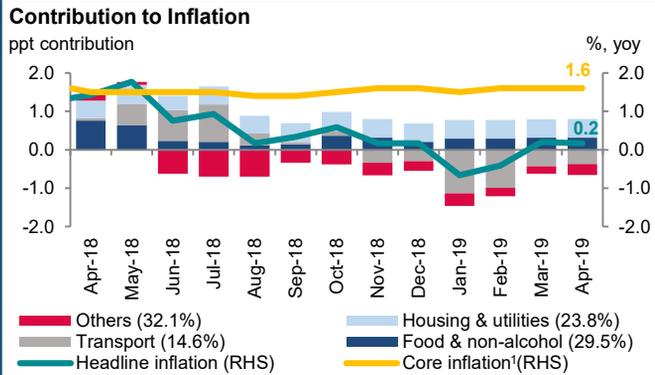


# Monthly Highlights

## April 2019

### Headline inflation remained unchanged in April 2019

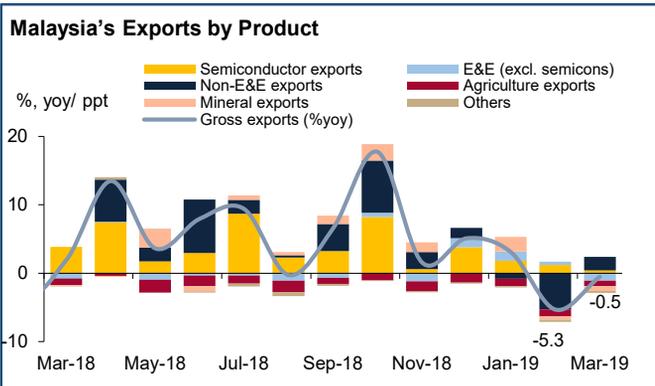


- Headline inflation was unchanged at 0.2% in April (March: 0.2%) amid negative contribution from transport inflation.
- RON95 petrol and diesel prices remained at their ceiling prices, which were lower than the prices in the base period of April 2018.
- Food inflation was stable at 1.1% (March: 1.1%).
- Excluding the impact of the changes in the consumption tax policy, core inflation<sup>1</sup> was unchanged at 1.6%.

<sup>1</sup>Core inflation is computed by excluding price-volatile and price-administered items. It also excludes the estimated direct impact of tax policy changes.

Source: Department of Statistics Malaysia (DOSM), Bank Negara Malaysia staff estimates

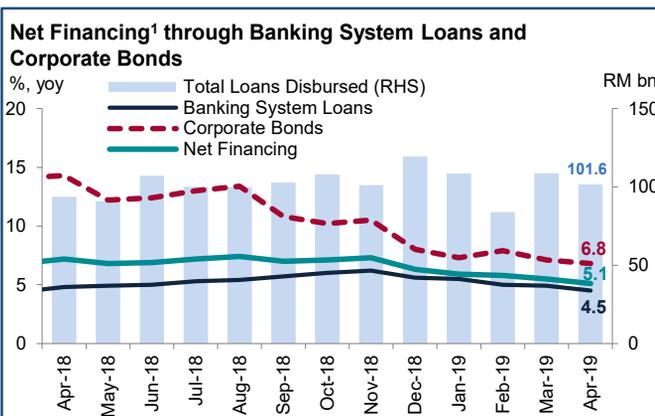
### Export growth registered a smaller decline in March 2019



- Exports registered a smaller decline of -0.5% (Feb: -5.3%) due mainly to the rebound in non-E&E exports.
- Going forward, export growth is expected to remain moderate on account of modest global growth and trade activity.

Source: Department of Statistics, Malaysia (DOSM), MATRADE

### Steady loan disbursements continue to support economic activity



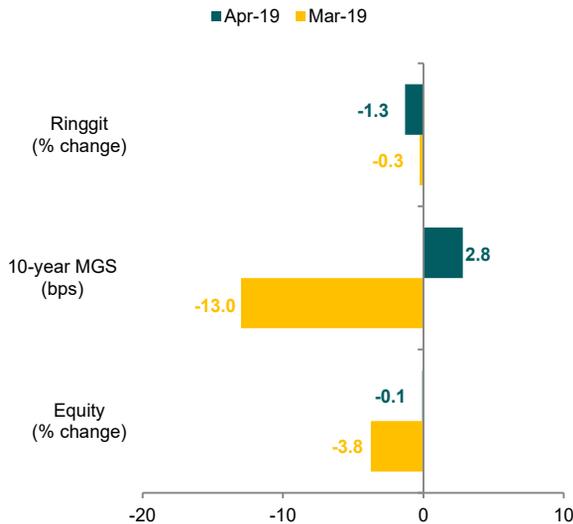
- Total loans disbursed of RM101.6 bn in April (March: RM108.7 bn) remains significantly higher than the 2014 – 2018 monthly average of RM93.0 bn, across both the business and household segments.
- However, the growth in outstanding loans moderated to 4.5% (March: 4.9%), as loan repayment growth continued to outpace that of disbursement.
- Outstanding business loans grew by 3.2% (March: 4.1%), recording lower growth across many sectors, while outstanding household loans expanded by 5.2% (March: 5.3%).

<sup>1</sup>Net financing refers to outstanding loans of the banking system (excluding development financial institutions (DFIs)), and outstanding corporate bonds.

Source: Bank Negara Malaysia

### Performance of domestic financial markets reflected cautious investor sentiments

#### Financial Markets Performance in April

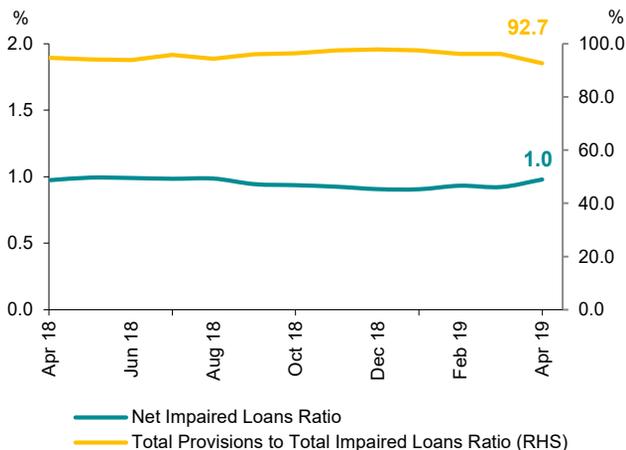


- In April, domestic financial markets were affected by both external and domestic developments. This led to broad-based non-resident portfolio outflows from both domestic bond and equity markets.
- Investor sentiments were mainly affected by concerns on geopolitical tensions and the downward revision to the IMF's global growth forecast. In addition, the potential review on Malaysia's inclusion in the World Government Bond Index (WGBI) also weighed down sentiments in the domestic bond market.
- Subsequent to these developments, the FBM KLCI declined by 0.1% and the 10-year MGS yield increased by 3 basis points during the month. The ringgit depreciated by 1.3% against the US dollar, in line with most regional currencies which moved within a range of -2.4% and +1.3% against the US dollar.

Source: Bank Negara Malaysia, Bursa Malaysia

### Banking system asset quality remains healthy

#### Banking System: Asset Quality



- Banks' asset quality remains sound with overall net impaired loans ratio remaining stable at 1.0%.
- In addition, banks continued to maintain sufficient buffers against potential credit losses with total provisions at 92.7% of total impaired loans.

Source: Bank Negara Malaysia



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

## SIARAN AKHBAR

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- Going forward, export growth is expected to remain moderate on account of modest global growth and trade activity.

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**Bank Negara Malaysia**  
**31 May 2019**