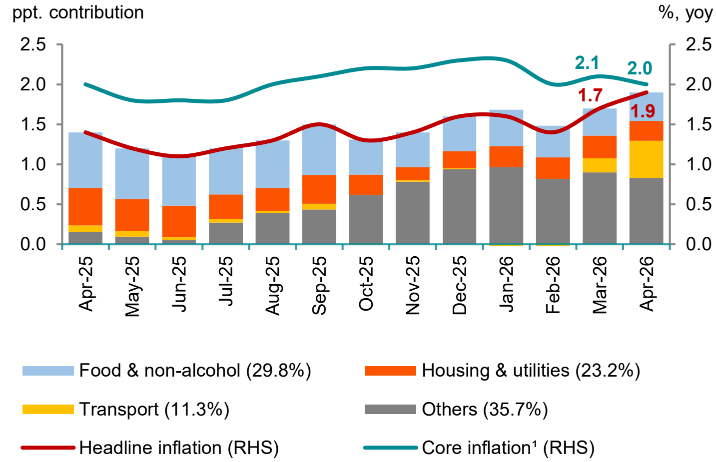
Monthly Highlights
April 2026

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Headline inflation edged up while core inflation eased slightly in April

Contribution to Inflation

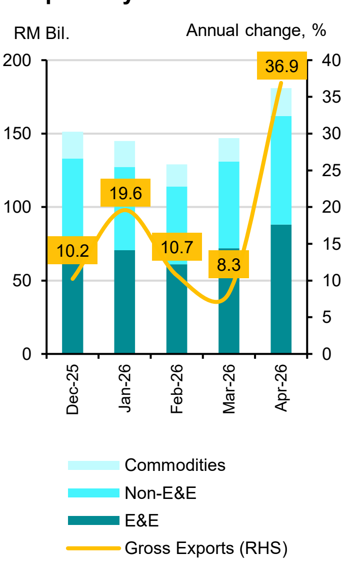


[1] Core inflation is computed by excluding price-volatile and price-administered items.
[2] In April 2026, Malaysian users were eligible for a subsidised RON95 price of RM1.99/litre up to 200 litres under the BUDI95 programme. Diesel users in Sabah and Sarawak continued to pay a subsidised price of RM2.15/litre.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

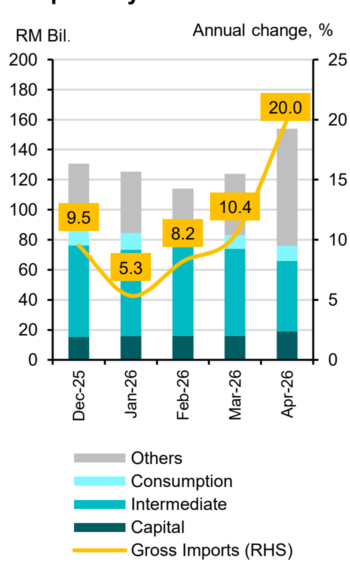
- In April, headline inflation edged up to 1.9% (March 2026: 1.7%) while core inflation[1] eased slightly to 2% (March 2026: 2.1%).
- The uptick in headline inflation is as expected and mainly reflected higher retail fuel prices (particularly for RON97 and diesel in Peninsular Malaysia), in line with higher global oil prices.
  - The impact of higher global oil prices on fuel inflation was moderated by continued targeted subsidies on RON95 and diesel.[2]
- This was partly offset by slower inflation in jewellery and watches amid lower global prices for gold, platinum and silver.

Trade surplus widens on strong export performance, led by E&E

Exports by Sector



Imports by End Use



Source: Department of Statistics, Malaysia and MATRADE

- The trade surplus increased to RM28.8 billion (March 2026: RM24.6 billion), driven by strong exports that more than offset the rise in imports.
- Exports grew strongly by 36.9% (March 2026: 8.3%), driven by:
  - Strong E&E exports (46.4%; March 2026: 15%), particularly semiconductors (65.4%; March 2026: 34.8%) and office machinery parts (228.7%; March 2026: 7.7%) amid sustained global tech demand.
  - Non-E&E exports also strengthened (33.2%; March 2026: 3.8%), supported by higher petroleum product prices.
- Imports growth expanded to 20% (March 2026: 10.4%) amid higher re-export activities.

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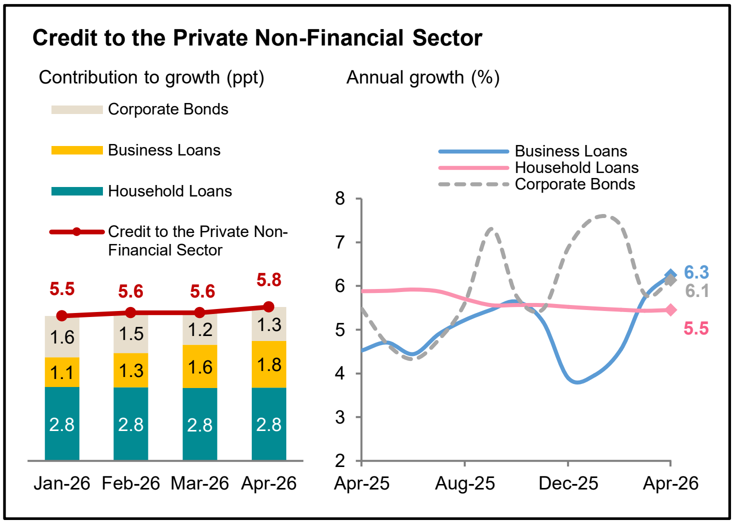
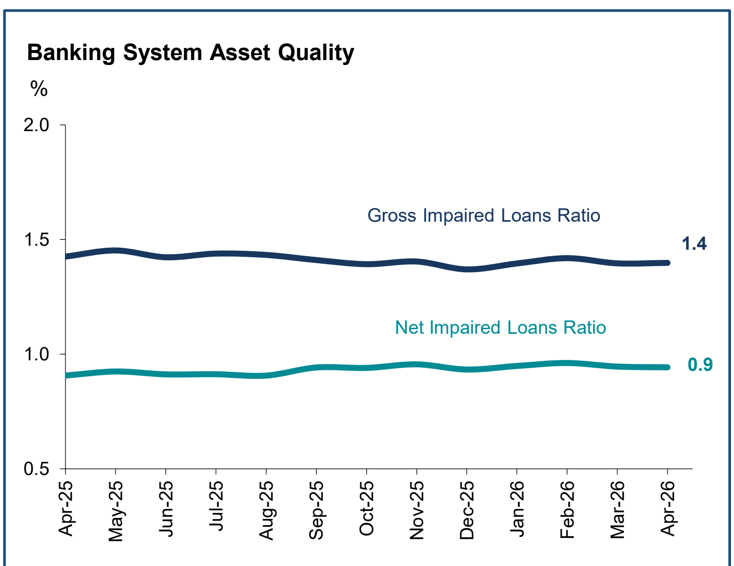
Higher growth in credit to the private non-financial sector



[1] Comprises loans for the purchase of non-residential properties, residential properties for business use, fixed assets as well as for construction activities.
Source: Bank Negara Malaysia

- Credit to the private non-financial sector grew by 5.8% (March 2026: 5.6%), driven by higher growth in outstanding business loans (6.3%; March 2026: 5.7%) and outstanding corporate bonds (6.1%; March 2026: 5.8%).
- Business loan growth increased following higher loan growth among non-SMEs, particularly for working capital purposes. Meanwhile, growth for investment-related[1] loans remained forthcoming across both SMEs and non-SMEs.
- Household loan growth was sustained at 5.5% (March 2026: 5.4%) amid steady loan growth across most purposes.

Banks' asset quality remained intact



Source: Bank Negara Malaysia

- Gross and net impaired loans ratios continued to be stable at 1.4% and 0.9%, respectively.
- Loan loss coverage ratio (including regulatory reserves) remained prudent at 125.4% of gross impaired loans (March 2026: 124.8%).

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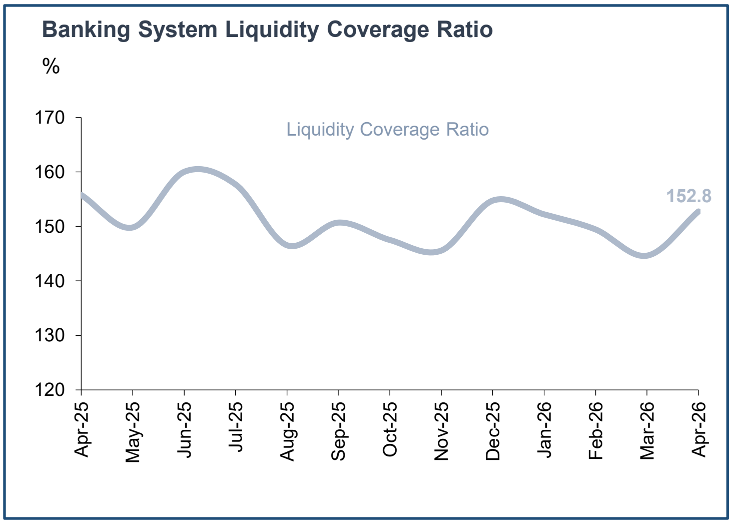
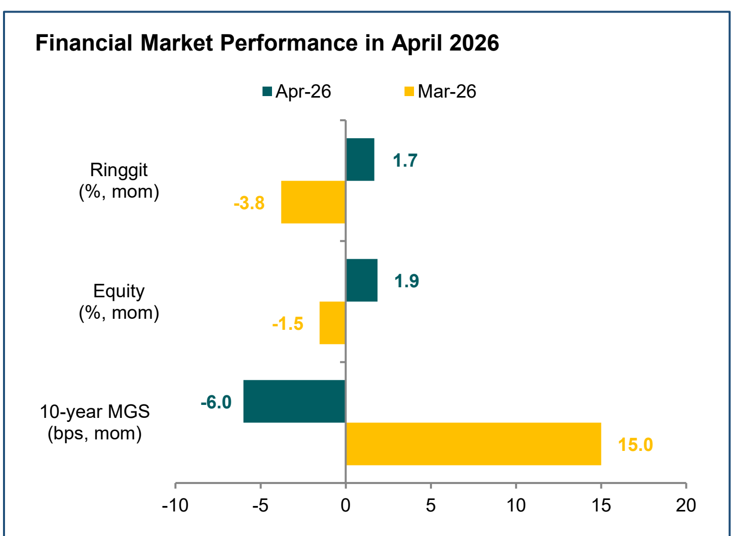
Banks maintained sufficient liquidity buffers to withstand against liquidity shocks



Source: Bank Negara Malaysia

- The banking system continued to record healthy liquid asset buffers with an aggregate Liquidity Coverage Ratio of 152.8% (March 2026: 144.6%).

Global and domestic financial markets benefited from improved sentiment following a ceasefire in the war in the Middle East



Note: The exchange rate data is the noon-rate in the Kuala Lumpur Interbank Foreign Exchange Market.

[1] NEER refers to the ringgit nominal effective exchange rate, which measures the ringgit's movement against a basket of currencies of Malaysia's major trading partners.

[2] Regional countries comprise Singapore, Thailand, the Philippines, Indonesia and Korea.

Source: Bank Negara Malaysia, Bursa Malaysia and Bloomberg

- Global financial markets were lifted by improved risk sentiment following a ceasefire in the Middle East war during the month. This was accompanied by a weakening of the US dollar and some easing in global financial conditions.
- Against this backdrop, the ringgit appreciated by 1.7% against the US dollar (NEER:[1] 0.9%; regional average:[2] 0.2%), supported by net foreign inflows into domestic bond and equity markets.
- Domestic bond and equity markets rebounded during the month, in line with regional movements. The 10-year MGS yield declined by 6 bps (regional average:[2] -3.5 bps) while the FBM KLCI rose by 1.9% (regional average:[2] 6.2%).