

# MARKET COMMENTARY

## MONEY MARKET REVIEW AND OUTLOOK

May 2020



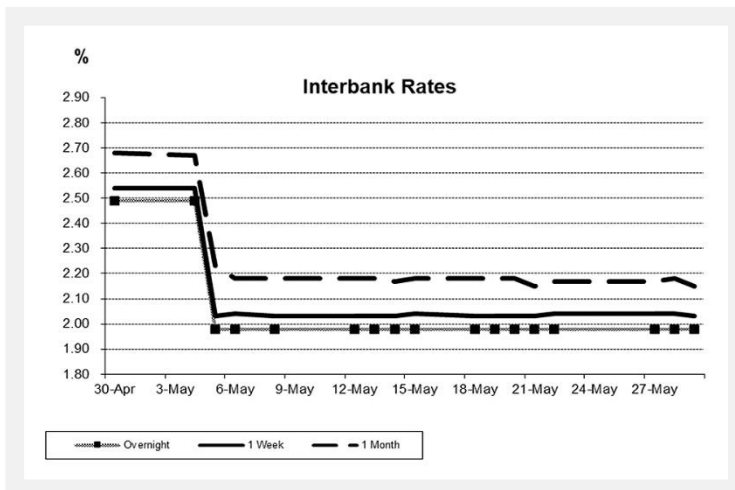


## REVIEW

- BNM reduced the OPR by 50bps to 2.00% on 5 May, for the third time this year. Since the start of the year, the OPR has been reduced by a total of 100bps. Following the recent cut, short-term interbank rates were adjusted downwards in tandem with the overnight and 1-week rates traded at 1.98% - 2.03%, while the 1-month rates ended the month at 2.15%.
- Similarly, the rate cut effect spilled over to the short-term Bills market, shifting the yields lower across the curve. Both 1-month and 1-year yields fell 31bps to 2.03% and 2.06% respectively.

## OUTLOOK

- Short-term interbank rates are expected to stay low with intervention by BNM and only to trend lower upon further rate cut announcement.



Source: Bloomberg Interbank Rates



Source: Bloomberg



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