

MARKET COMMENTARY

Money market review and outlook

July 2022



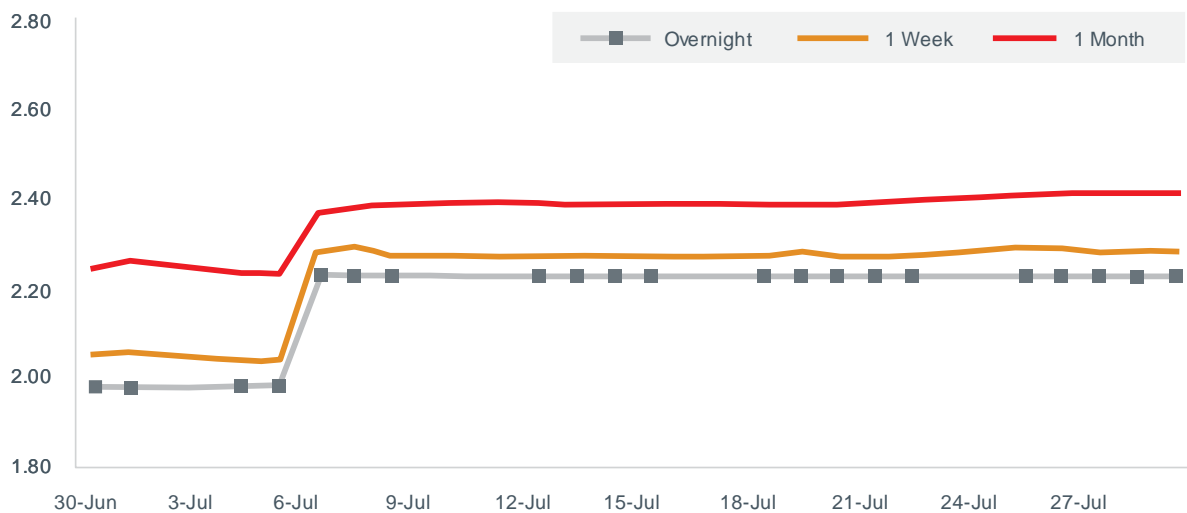
Review

- ▶ BNM raised the OPR by 0.25% to 2.25% in July 2022. Following the OPR hike, the short-term rates moved up in tandem and remained range bound thereafter. The overnight and 1-week rates were traded at 1.98% to 2.29% while the 1-month rates were dealt at 2.23% to 2.41%.
- ▶ Similarly, in the short-term Bills market, yields across all tenures rose by 12-14bps during the month. The 1-month and 12-month Bills closed the month at 2.25% and 2.98% respectively.

Outlook

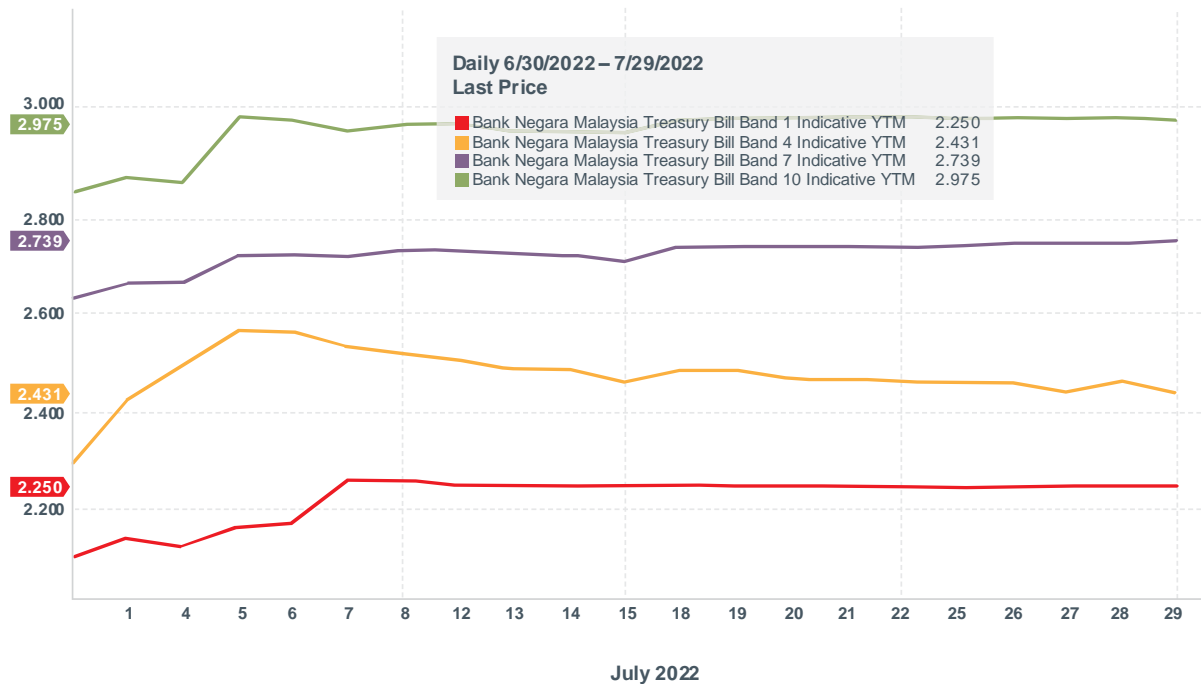
- ▶ Short-term interbank rates are well supported by BNM. Market reflects an increased expectation of a further rate hike.

Interbank rates (%)



Source: Bloomberg Interbank Rates

Bank Negara Malaysia Treasury Bill Band 1 Indicative YTM



Source: Bloomberg

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