Market commentary

Money market review and outlook

July 2025

Review

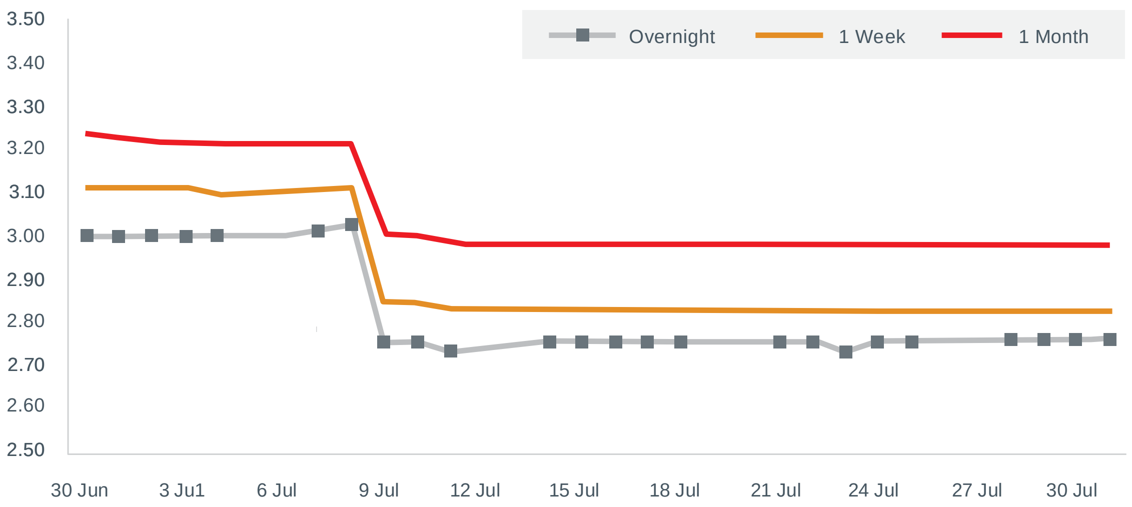
- BNM reduced the OPR by 25bps to 2.75% in July 2025. Following the OPR cut, short-term interbank rates were adjusted downwards in tandem with the overnight and 1-week rates dropped from 3.01% - 3.11% to 2.77% - 2.83%, while the 1-month rates fell from 3.24% to 2.98%.

- Similarly, the rate cut effect spilled over to the short-term Bills market, shifting the yields lower by 13-15bps across the curve. Both 1-month and 12-month yields ended the month at 2.85% and 2.88% respectively.

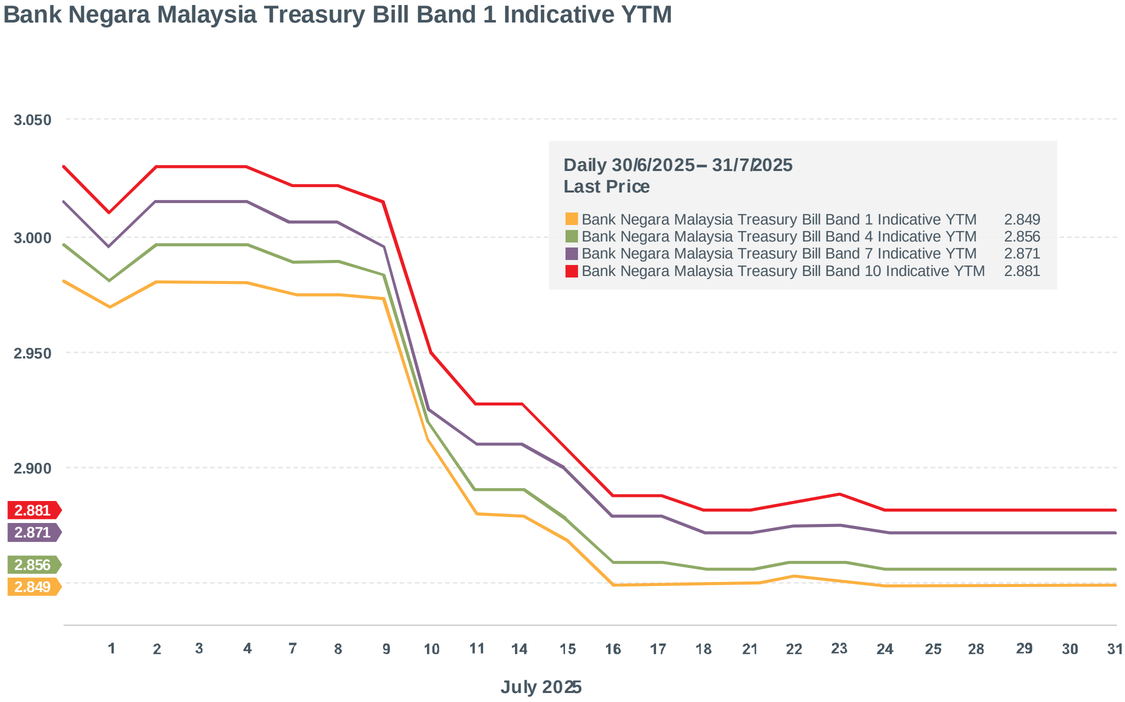
Outlook

- Short-term rates are expected to stay low on the back of ample liquidity in the system.

Interbank rates (%)



Source: Bloomberg Interbank Rates



Source: Bloomberg

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