

MARKET COMMENTARY

# Money market review and outlook

May 2025



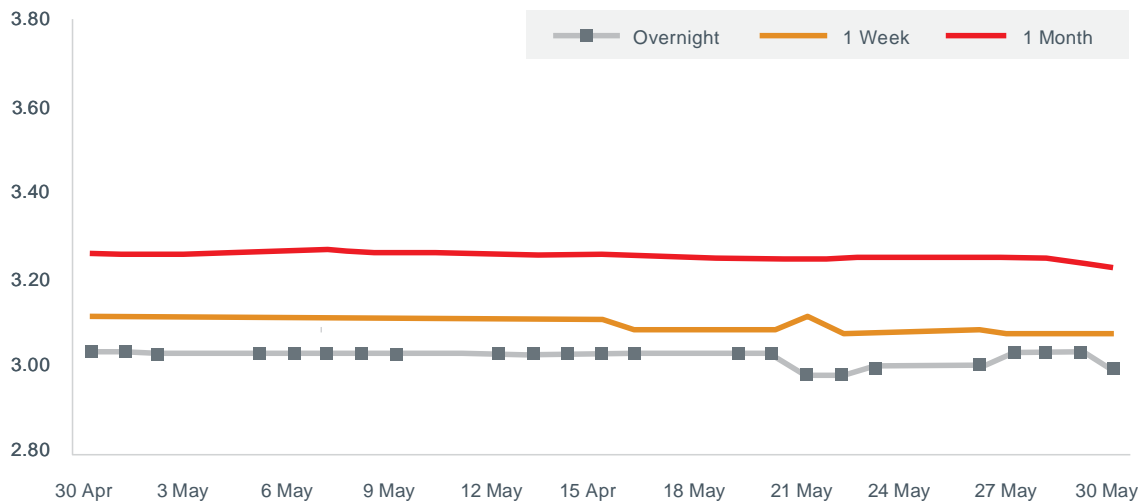
## Review

- ▶ Bank Negara Malaysia (BNM) maintained the OPR at 3% in May 2025. BNM had also announced its decision to lower the Statutory Reserve Requirement (SRR) by 100bps to 1% to shore up liquidity in the domestic financial system amid global financial market volatility. Following the move in SRR cut, the short-term rates were softened marginally with overnight and 1-week rates traded at 3.03% to 3.11%, while the 1-month rates were dealt at 3.23% to 3.27%.
- ▶ Similarly, on the short-term Bills market, yields across all tenures shed by 6-8bps. Both 1-month and 12-month Bills closed the month at 3.02% and 3.06% respectively.

## Outlook

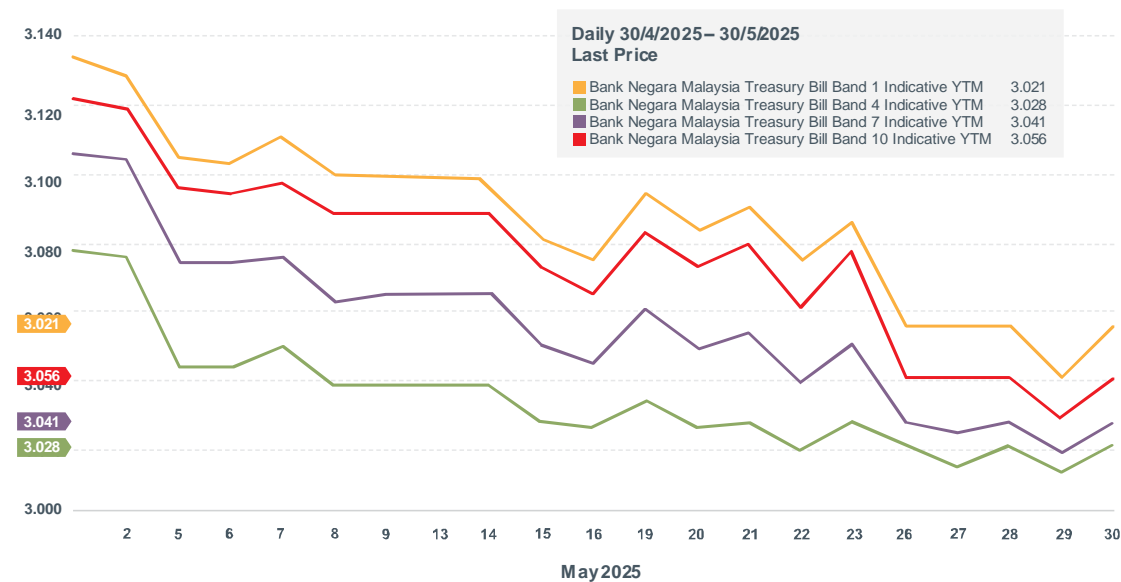
- ▶ Short-term rates are expected to remain stable, underpinned by BNM ongoing robust liquidity management and commitment to orderly domestic financial markets.

Interbank rates (%)



Source: Bloomberg Interbank Rates

## Bank Negara Malaysia Treasury Bill Band 1 Indicative YTM



Source: Bloomberg

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