

09 May 2025

BNM International Reserves

Climb in April as capital flows return, firmer ringgit

- Bank Negara Malaysia (BNM) international reserves rose by USD1.2b or 1.0% MoM to USD118.7b as of 30 April 2025

- This lifted import coverage to 5.0 months (Mar: 4.9), while the ratio of reserves-to-short-term external debt remained at 0.9, based on the latest data from 4Q24.

- The increase was largely driven by a rebound in foreign exchange (FX) reserves

- FX reserves climbed USD1.0b (+1.0% MoM) to USD105.5b, underpinned by renewed capital inflows. Notably, BNM's net FX reserves edged lower to USD65.6b in March (Feb: USD66.1b).

- IMF reserve position rose for the first time in 16 months, up USD0.1b (+6.9% MoM) to USD1.3b.

- Other reserve assets ticked up by USD0.1b (+3.6% MoM), while gold and Special Drawing Rights were broadly unchanged.

- In ringgit terms, reserves increased RM5.5b (+1.1% MoM) to RM526.3b in April

- USDMYR monthly performance:** The ringgit traded within a volatile 4.32–4.50 range against the USD in April, averaging 4.41 (March: 4.43). It strengthened to below 4.40/USD in the final two weeks of the month, driven by risk aversion and renewed demand for safe-haven alternatives as confidence in US assets wavered. The greenback also lost ground on softer US economic data, lingering US-China trade tensions, and fresh Fed criticism from Trump.

- Regional FX:** Broadly gained as the DXY declined sharply to 100.7 (Mar: 104.1), driven largely by gains in the EUR and JPY—together accounting for a significant portion of the DXY—as investors rotated out of US assets. PHP (+1.0%) and SGD (+1.0%) led, followed by MYR (+0.5%), and THB (+0.1%). The IDR lagged (-2.0%), falling for a fourth straight month on weakening investor confidence and domestic growth concerns.

- Despite the surprise cut to SSR, BNM is widely expected to keep the OPR unchanged at 3.00% in the near term

- Monetary Policy Outlook:** The SSR cut is a liquidity management measure, not a shift toward broader monetary easing. With inflation tame, growth stable, and financial conditions orderly, the central bank appears to be in no rush to adjust rates. Focus now turns to the upcoming China-US tariff negotiations, which could reshape the global economic narrative and, by extension, influence the monetary policy outlook.

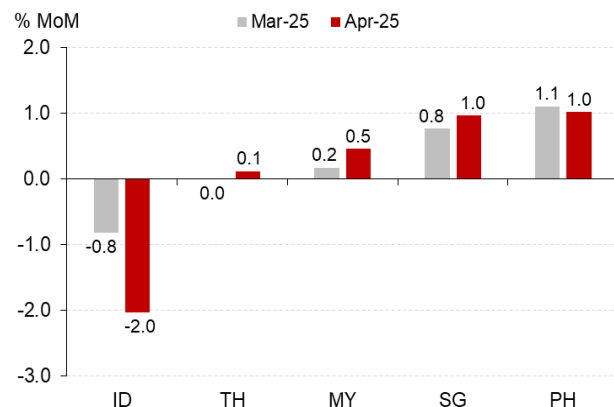
- USDMYR year-end forecast (4.45; 2024: 4.47):** We maintain our end-2025 USDMYR forecast at 4.45 (2024: 4.47), though the ringgit could strengthen further should downward pressure on the USD persists. While volatility remains elevated and trade talks uncertain, the bias leans toward a firmer ringgit, supported by stable domestic macro fundamentals and growing foreign interest in local capital markets.

Graph 1: BNM's International Reserves



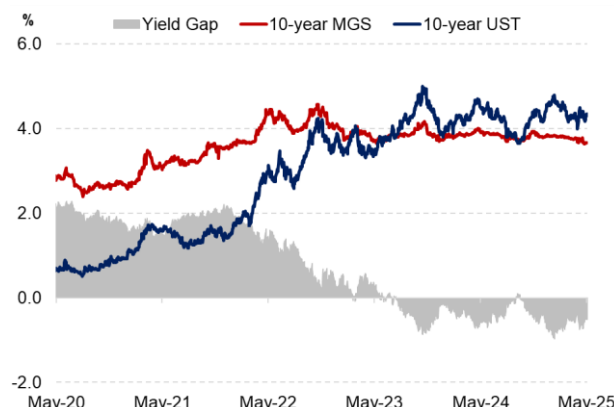
Source: BNM, Bloomberg, Kenanga Research

Graph 2: ASEAN-5 Currencies (monthly average)



Source: Macrobond, Kenanga Research

Graph 3: 10-Year US Treasury vs. MGS Yield



Source: Bloomberg, Kenanga Research

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Table 1: Latest Update and Historical Milestone for BNM Reserves

		RM bil	Change from previous month	USDMYR	US bil	Change from previous month	Months of retained	Times of ST
	Month	O/stand.	RM bil	End Period	O/stand .	US bil	Imports.	Debt
Pre crisis high	Jan-94	89.99	13.51	2.7598	32.61	4.29	na	na
Start of Asian Financial Crisis (AFC)	Apr-97	70.93	-1.26	2.5110	28.25	-0.87	na	na
Reserves at its lowest in USD term	Nov-97	61.30	-0.40	3.5022	17.50	-0.50	3.4	na
Ringgit at its weakest during AFC (Monthly Average)	Jan-98	56.61	-2.5	4.3990	20.25	-1.46	3.2	na
Govt imposed capital control and pegged ringgit at 3.80 to USD	Sep-98	81.51	23.6	3.8000	21.45	1.22	4.4	na
USDMYR peg removed	Jul-05	297.17	13.07	3.7978	78.25	3.48	9.0	7.6
Highest level post USDMYR de-peg (before GFC)	Jun-08	410.87	10.73	3.2665	125.78	0.59	10.0	5.1
Biggest single month decline in USD-terms	Sep-08	379.35	-20.83	3.4567	109.75	-12.84	9.0	4.1
Lowest level during the Global Financial Crisis	May-09	322.47	2.07	3.6513	88.32	0.59	8.3	3.8
Highest Level (in USD term)	May-13	436.80	3.52	3.0884	141.43	1.12	9.5	4.3
Highest Level (in MYR term)	Aug-24	550.45	9.19	4.7128	116.80	2.14	5.4**	1.0
End-2021	Dec-21	486.85	54.47*	4.1650	116.89	9.25*	7.7	1.2
End-2022	Dec-22	503.33	16.48*	4.3900	114.65	-2.24*	5.2**	1.0
End-2023	Dec-23	520.75	17.42*	4.5890	113.48	-1.18*	5.4**	1.0
End-2024	Dec-24	520.16	2.75*	4.4764	116.20	-0.71*	5.0**	1.0
Latest release	May-25	526.27	5.52	4.4337	118.70	1.21	5.0**	0.9

Source: Dept. of Statistics, Kenanga Research, CEIC, Bloomberg

*: Change from the preceding year

**: Imports of goods and services (effective from 22 February 2022)

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