

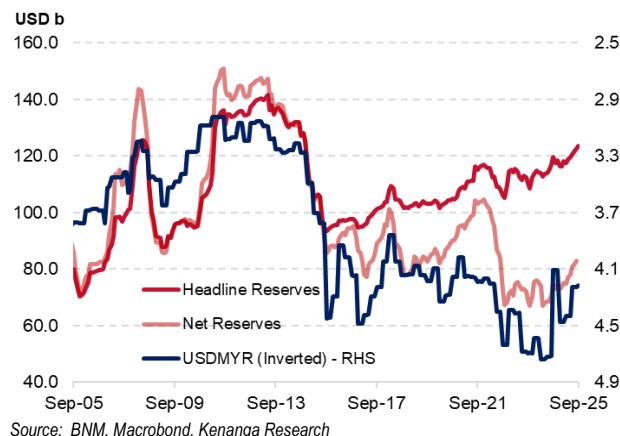
08 October 2025

BNM International Reserves

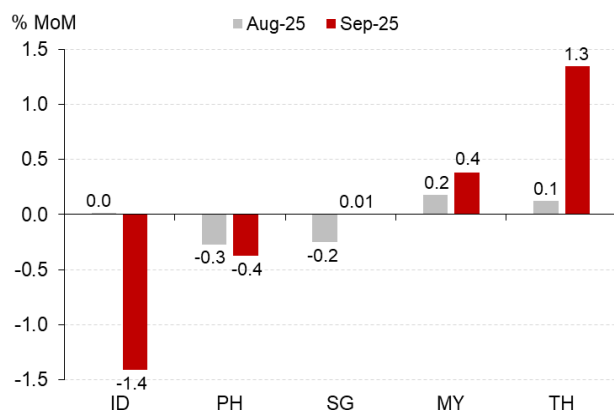
Hit 130-month high in September on gold and FX revaluation

- **Bank Negara Malaysia (BNM) international reserves climbed USD0.9b or 0.8% MoM to USD123.6b as of 30 September 2025, a 130-month high**
 - Despite the increase, both import coverage and the reserves-to-short-term external debt ratio were unchanged at 4.8 months and 0.9 times respectively.
- **Reserves gains driven by gold revaluation and, to a lesser extent, higher FX holdings**
 - **Gold reserves** surged USD0.7b (+17.7% MoM) to an all-time high of USD4.8b, lifted by a 16.1% QoQ rally in gold price, breaking new highs at USD3,812.2/troy ounce amid global uncertainty and continued central bank buying.
 - **FX reserves** rose USD0.2b (+0.2% MoM) to USD109.3b, supported by revaluation gains and ongoing corporate FX repatriation, though heavy bond outflows in September capped the upside. Net FX reserves climbed to USD73.3b in August (Jul: USD71.9b), the highest in three years.
 - Special drawing rights, IMF reserve position and other reserve assets were broadly unchanged.
- **In ringgit terms, total reserves rose RM2.2b (+0.4% MoM) to RM520.9b in September, a four-month high**
 - **USDMYR monthly performance:** The ringgit was one of the region's strongest currencies in September, second only to the THB (+1.3%). It also stood out as the only ASEAN-5 currency to extend gains for an eight straight month, appreciating 0.4% MoM (Aug: 0.2%). Although robust US data and a positioning squeeze lifted the USD toward end-September, the DXY averaged lower as concerns over a potential US government shutdown, a 25 bps rate cut by the Fed, and a dovish dot plot signalling two more cuts this year following soft August jobs data all weighed on the greenback.
 - **Regional FX:** Despite the DXY slipping 0.6% MoM to 97.7 in September (Aug: 98.3), ASEAN-5 currency performance was mixed. The THB (1.3%) led gains, followed by the MYR (+0.4%) and the SGD (+0.01%). The IDR (-1.4%) and PHP (-0.4%) underperformed, with the rupiah pressured by fiscal uncertainty after the finance minister's removal, and the peso hit by renewed corruption concerns.
- **Policy prudence and FX repatriation to underpin ringgit resilience**
 - **Monetary Policy Outlook:** With steady growth and contained inflation, BNM is expected to stay cautious. While softer global demand may temper growth in 2H25, domestic momentum should hold, driven by services, household spending, targeted policy measures, and structural reforms. At this juncture, the current policy rate remains growth-supportive, and rate cuts appear unnecessary as long as domestic demand stays firm.
 - **USDMYR year-end forecast (4.08; 2024: 4.47):** Despite rising global uncertainty, investor rotation into emerging markets and the search for yield through FX exposure should continue to support the ringgit. Corporate FX repatriation adds further tailwind, with foreign-currency deposits easing from a record RM292.8b in July to RM288.2b in August, signalling early conversion under the Qualified Resident Investor programme. Firms are increasingly incentivised to convert amid expectations of a softer USD. Externally, we maintain a bearish bias on the greenback due to weaker US growth and declining real policy rates, though a USD rebound remains possible if growth surprises or the Fed turns less dovish.

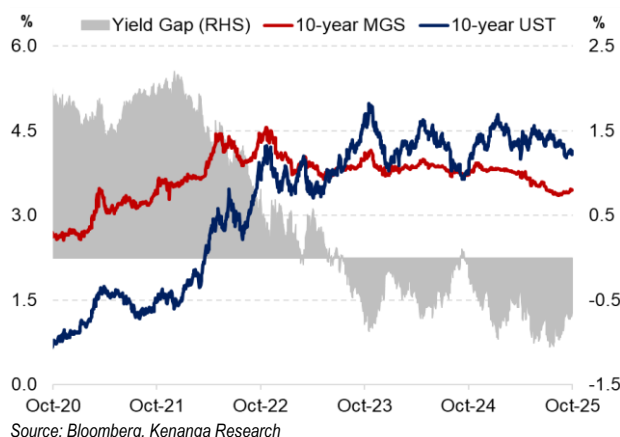
Graph 1: BNM's International Reserves



Graph 2: ASEAN-5 Currencies (monthly average)



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



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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	Sep-25	520.91	2.23	4.2144	123.60	0.92	4.8**	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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