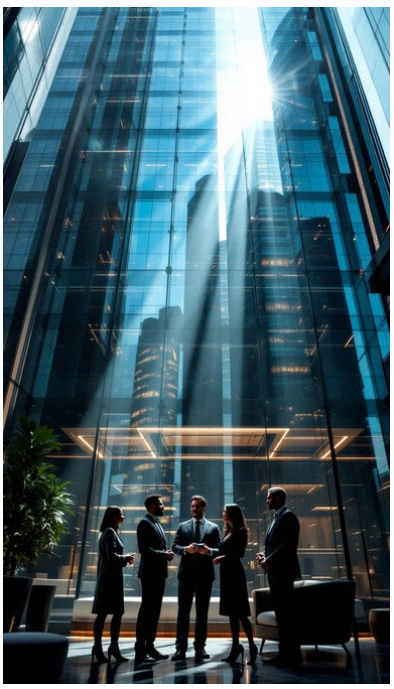
延 圓 创 建

Yen Yuan Venture

Monthly Release
- September 2026

Yen Yuan (延 圓) extends every curve into a complete **circle of sustainable success**, with a **mission to capitalise on your Ventures (创 建)**



❑ Macroeconomic Updates :

- ❖ **Malaysian Sovereign Credit Rating :**
  S&P : A- (Stable) / Moody's: A3 (Stable) / Fitch: BBB+ (Stable)
- ❖ **GDP Y2026(f) : 4.9% [2Q2026 : +6.0%] -** Asian Development Bank (ADB) raised Malaysia's economic growth forecast for 2026 to 4.9% (up from its previous 4.6% forecast).
- ❖ **Overnight Policy Rate (OPR) : 2.75% -** BNM on 3 September maintained the OPR at 2.75% on the back of resilient domestic economic growth, strong technology expansions, and a stable labor market. Next MPC meeting on 5 November.

❑ Local Market - Key Updates :

- ❖ **Equity market : FBMKLCI 1,651.17 (-4.30% / -76.32 points)** → The index fell month-on-month, dragged down by early foreign fund outflows and broader sector weakness. While a late 0.4% rebound on September 30 cushioned the month-end close, overall market sentiment remained fragile.
- ❖ **Bond market : 10-year MGS 4.05% (+ 18 bps)** → The late-September pullback in the local bond market was triggered by hawkish US Federal Reserve (US Fed) remarks, stalled US-Iran talks pushing oil prices higher, and a wider global bond sell-off.

❑ Notable events … …

❖ GLOBAL

- **US Fed's first rate hike in years**: On 16 September, the US Fed raised its benchmark interest rate by 25 bps to a range of 3.75% – 4.00% responding to sticky economic resilience and rising price pressures. This led to synchronized global monetary tightening in European Central Bank (ECB) and Bank of Japan (BOJ).
- **The Iran War and the $100 Oil Spike**: Geopolitical conflict in the Middle East escalated, leading to a surge in tanker attacks near the Strait of Hormuz. This disruption pushed global crude oil prices past USD100 per barrel and heavily stoking headline inflation fears.
- **Escalating Global Trade Friction**: Markets also grappled with the rollout of the US Section 301 tariff regime, which slapped 10% to 12.5% duties on imports from 60 economies (including major hubs like China and Malaysia).

❖ LOCAL MALAYSIA

- Malaysia's **total trade surged 43.4%** year-on-year to RM354.0 billion in August 2026, driven by robust double-digit growth in exports (+45.5% @ RM191.0 billion) and imports (+41.1% to RM163.0 billion.
- **S&P reaffirmed Malaysia's 'A-' sovereign credit rating** with a Stable outlook, citing the economy's resilience, diversification, sustained growth momentum, gradual fiscal consolidation, strong monetary policy flexibility, and historically supportive external position. The rating agency expects Malaysia's prevailing policy environment to support steady fiscal performance over the next two to three years

Yen Yuan Venture's Commentary *:*

Globally, the US Fed's 25 bps rate hike triggered synchronized worldwide monetary tightening, while Middle East geopolitical conflicts pushed oil prices above USD100 per barrel amid new US tariffs. Locally, Malaysia demonstrated strong economic resilience, marked by a 43.4% year-on-year surge in total trade for August 2026 and a reaffirmed 'A-' stable sovereign credit rating from S&P. Malaysia's financial stability faces headwinds from a global bond sell-off, which has pushed the 10-year MGS yield up by 18 basis points as FBM KLCI trended lower to 1,651.17.

Yen Yuan Venture's Advisory :

(i) Investment Portfolio Review *: reassess strategic asset portfolio for an optimal balance between risk, return, liquidity and diversification. Evaluate portfolio exposure to interest rate movements and inflationary pressures.*

(ii) Liquidity and Cashflow Management *: to perform liquidity positions and cashflow coverage for next 12-month operating cycle. Assess funding sources, refinancing requirements and interest sensitivities to ensure adequate financial flexibility under both normal and stressed market conditions.*

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