

# OVERNIGHT POLICY RATE

**MAINTAIN ↔ AT: 3.00%**

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Bank Negara Malaysia (BNM) has maintained the overnight policy rate (OPR) at 3.00% (May : 3.00%)

## ECONOMIC GROWTH AND RISKS

### GLOBAL



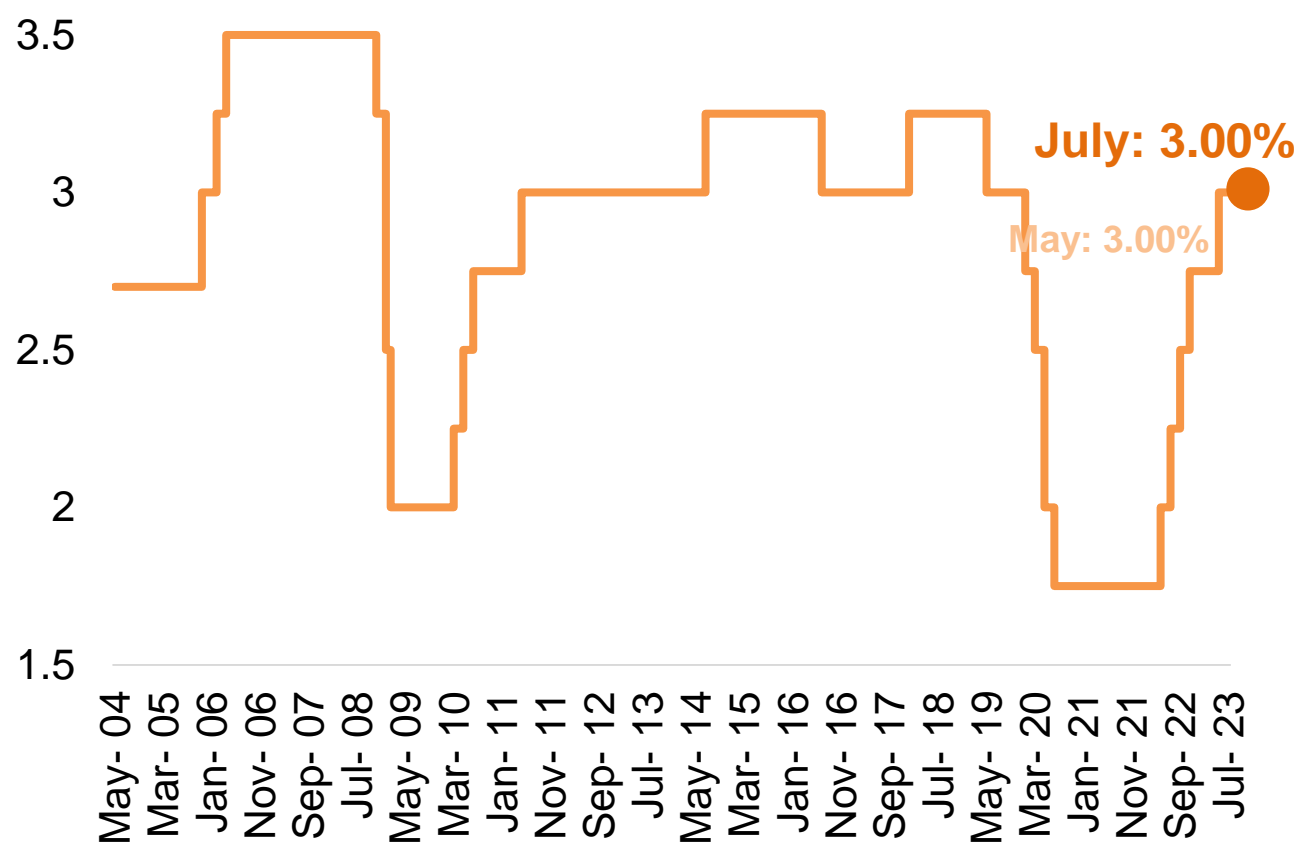
- Strong labour market conditions
- Supportive China's reopening
- Slower momentum in major economies
- Escalation of geopolitical tensions
- Higher-than-anticipated inflation outturns
- Sharp tightening in financial market conditions

### DOMESTIC

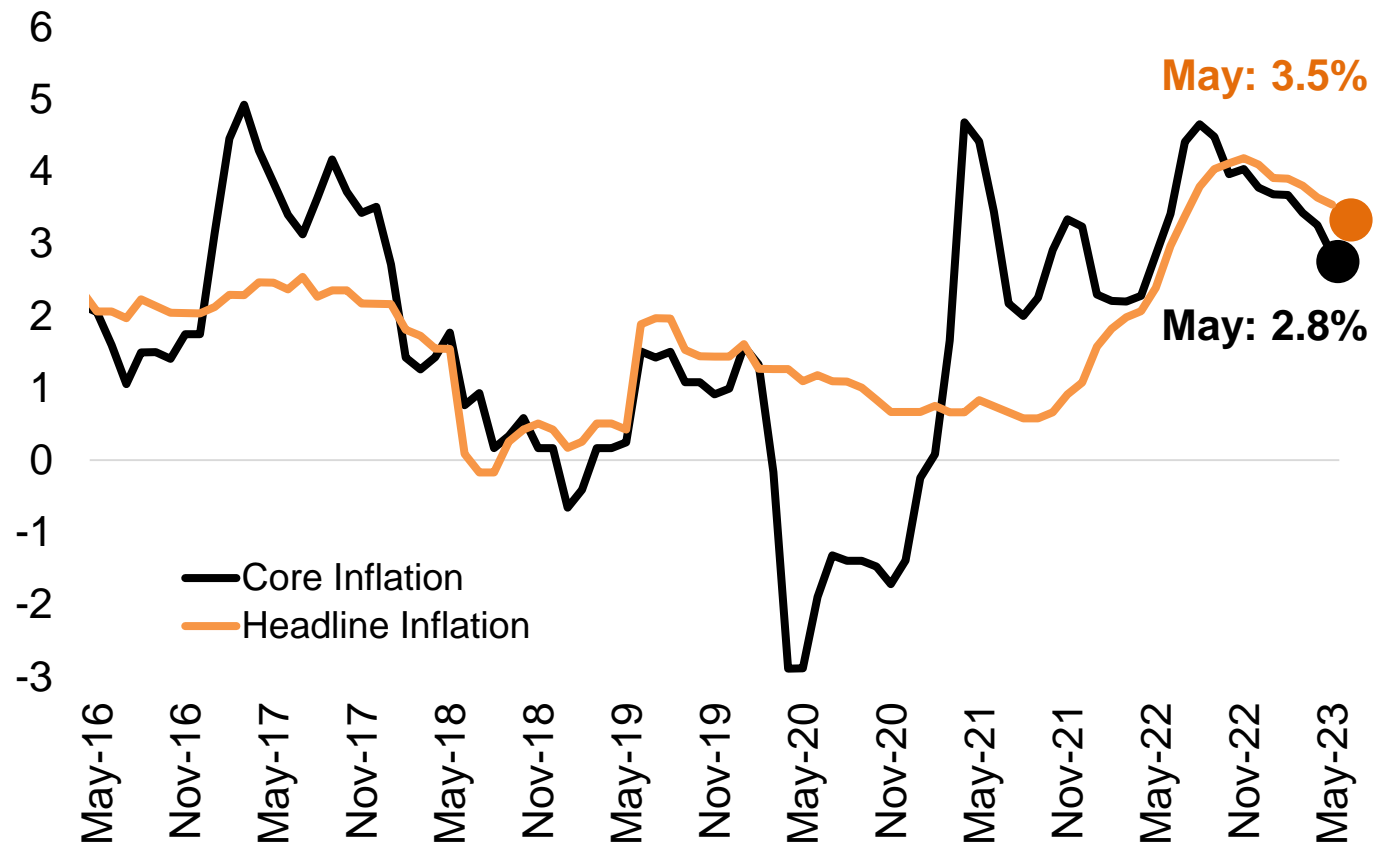


- Favourable labour market conditions
- Steady improvement in tourist arrivals
- Continued progress of multi-year infrastructure projects
- Still conducive financial conditions
- weaker-than-expected global growth

### OPR



### CPI INFLATION



### KEY TAKEAWAY

- In line with our expectation**, BNM has **maintained OPR at 3.00%**, unchanged from the previous meeting (May 2023).
- Malaysian **economic expansion has moderated in the recent months** as exports' performance have been affected by slower external demand. Exports are still in negative growth of 0.7% YoY in May-2023 (Apr: -17.4%).
- Headline and core inflation have eased** but the latter remains above its long-term average amid lingering demand and cost factors. Nonetheless, both are **anticipated to trend lower in the 2H 2023**.
- Risk to the inflation outlook remain highly subject to 1) degree of persistence in core inflation, 2) changes to domestic policy on subsidies and price controls, 3) global commodity prices and 4) financial market developments.
- The monetary policy stance is **slightly accommodative and remains supportive** of the economy.

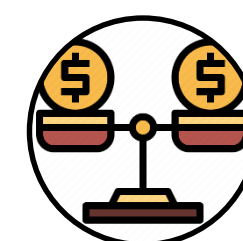
### The monetary policy committee...



...continues to see limited risks of future financial imbalances



...remains vigilant to ongoing developments



...ensure that the stance remains conducive to sustainable economic growth amid price stability

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