



UOBAM Malaysia view on the recent Bank Negara Malaysia (BNM) 50bps interest rate cut on 5th May 2020:

- In its Monetary Policy Meeting today, BNM decided to reduce the OPR by 50 bps to 2.00%.
- To date, BNM has reduced its policy rate by 100 bps in an attempt to limit the economic impact on businesses and household from the coronavirus outbreak.
- Since March 2020, the central bank has provided RM42 billion of additional liquidity into the domestic financial markets.
- With the RM260 billion stimulus measures announced earlier, cumulative interest rate cut of 100 bps coupled with other financial measures, we believe that BNM is likely to keep policy rate stable for now.
- Profit taking in Bond Market could emerge in the near term but we expect the market to remain well supported as low interest rate environment is expected to stay for longer.

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