

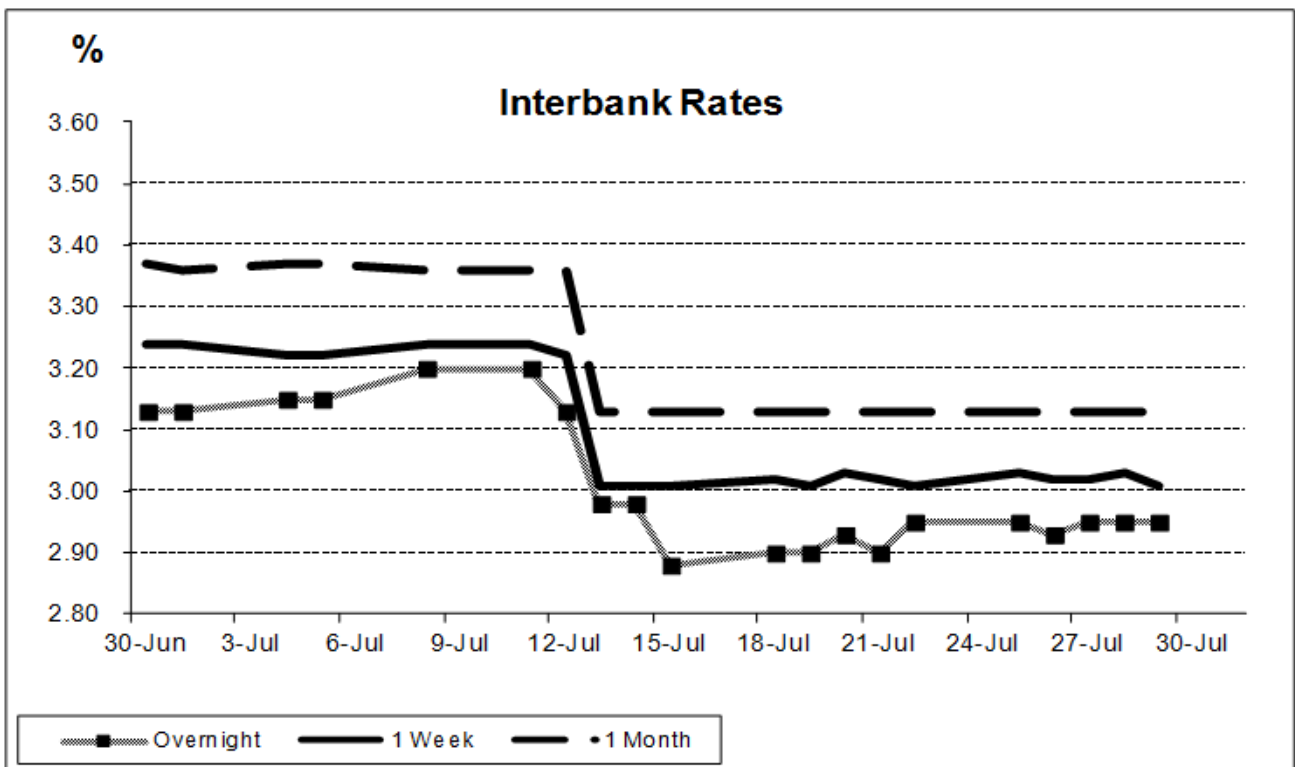
Money Market Review & Outlook

REVIEW

- Following BNM's unexpected cut in OPR of 25bps to 3.00% on 13 July 2016, the interbank short-term rates were adjusted downwards by similar magnitude and remained range bound thereafter. The overnight and 1-week rates traded lower within the range of 2.88% to 3.24%, while the 1-month rates dealt at 3.13% - 3.37%.
- Similarly, the rate cut effect spilled over to the short-term bills market, shifting the yields lower across the curve. Both 1-month and 1-year yields plunged by 19-26bps to close the month at 2.51% and 2.53% respectively.

OUTLOOK

- Short-term interbank rates are expected to stay low on the back of ample liquidity in the system and intervention by central bank.



Source: Bloomberg Interbank Rates

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Source: Bloomberg