



## Media Release

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### Slower foreign inflow into Malaysian bonds in May

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Foreign investors remained net buyers of Malaysian bonds, albeit at a tapered pace, for the 13th consecutive month in May 2021. Their overall holdings rose by RM1.9 bil to RM247.9 bil (April: +RM6.4 bil), the weakest foreign inflow since September 2020.

“May’s smaller foreign inflow tracks the broader regional trend and may also be due to heightened risk aversion amid the resurgence in COVID-19 infections and the subsequent nationwide lockdown,” explains RAM’s economist, Nur Nadia Mazlan.

Foreign fund flows into the South Korean government bonds slowed from USD4.2 bil to USD2.8 bil m-o-m while Indonesia charted a USD0.5 bil outflow in May (April: +USD0.9 bil). Amid weaker investor sentiments, long-end domestic bond yields faced renewed upward pressure with the benchmark 10-year MGS yield rising 11.3 bps m-o-m to 3.25% in May 2021 (April 2021: -10.8 bps).

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