

## KERATAN AKHBAR

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TARIKH : 28 JULAI 2023  
AKHBAR : NEW STRAITS TIMES  
MUKA SURAT : 25

**OPR expected to stay at 3pc till year end**

# OPR EXPECTED TO STAY AT 3PC TILL YEAR END

HLIB Research sees Malaysia's growth moderating and inflation easing

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**T**HE United States Federal Open Market Committee's (FOMC) decision to raise the policy rate by 25 basis points (bps) and guidance that rates will remain high for a while has not changed Hong Leong Investment Bank's (HLIB

Research) expectation that Bank Negara Malaysia will keep the Overnight Policy Rate (OPR) unchanged at three per cent until year end.

The research firm said growth was anticipated to moderate while inflation eased.

"As anticipated, the FOMC unanimously decided to raise the rate to 5.25 to 5.5 per cent after a brief reprieve.

"While the latest economic data show slower headline and core inflation momentum, Federal Reserve (Fed) policymakers would remain data-dependent and assess further incoming data (two more inflation data points) before they evaluate the need for another rate hike in the Sept 19-20 FOMC meeting," it said in a note yesterday.

HLIB Research said Fed chairman Jerome Powell emphasised that rates could remain high for some time, pushing back any expectations of rate cuts later this year or early next year.