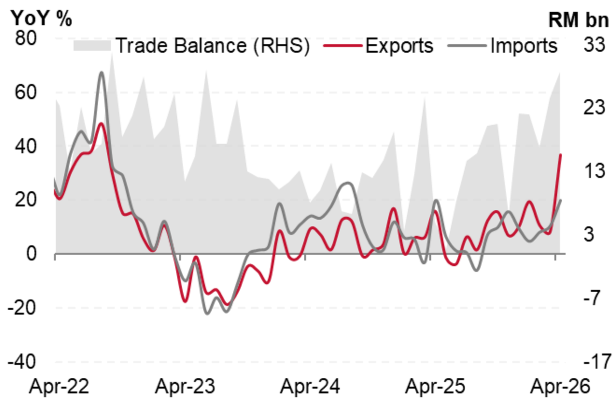
Malaysia External Trade (Apr-26)

Exports hit 44-month high on frontloading activity amid Middle East conflict

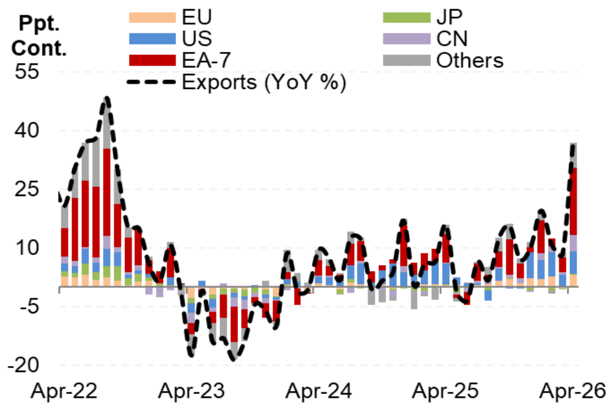
- **Export growth surged to 36.9% in April (Mar: 8.4%), far exceeding expectations (consensus: 9.5%; KIBB: 10.9%)**
  - MoM (22.8%; Mar: 13.6%): Expanded sharply to a 49-month high against a historical seasonal trend of contraction (-7.3%), pointing to active front-loading and stockpiling amid Middle East supply concerns.
- **Gains were broad-based across markets, sectors, and key products**
  - **By destination:** Major markets all posted gains, led by China (39.2%; Mar: 7.1%), the US (39.0%; Mar: 18.3%) and Singapore (23.2%; Mar: -10.3%). The EU (43.5%; Mar: -4.1%), and Japan (6.4%; Mar: -4.8%) alongside robust demand from Taiwan (86.0%; Mar: 45%), Hong Kong (67.8%; Mar: 19.2%) and South Korea (62.2%; Mar: 31.8%).
  - **By sector:** Manufacturing (40.1%; Mar: 9.6%) led, with mining (25.6%; Mar: 0.5%) and agriculture (5.2%; Mar: -7.8%) also contributing.
  - **By major product: Electrical & Electronic (E&E) exports jumped (46.4%; Mar: 15.10%) to RM88.2b (Mar: RM71.7b), maintaining a 48.2% (Mar: 48.2%) share**. Petroleum products also surged (70.2%; Mar: 23.5%) to RM14.5b (Mar: RM9.3b), the strongest growth since January 2023 (87.5%) amid heightened Middle East tensions. Commodity-linked exports turned broadly positive: liquefied natural gas (LNG) rose 4.8% (Mar: -17.5%) ending an 11-month contraction, and palm oil & palm-based products recovered to 4.1% (Mar: -6.1%). Crude petroleum, however, fell sharply (-18.4%; Mar: 4.9%), snapping two straight months of expansion.
- **Imports rose 20.0% YoY (Mar: 10.4%), beating expectations (consensus: 2.4%; KIBB: 2.5%)**
  - Re-export surged 113.5% (Mar: 38.3%), which more than offset weaker retained imports (-13.1%; Mar: 1.5%).
  - **By end use:** Attributed to a rebound in consumption goods (5.6%; Mar: -7.8%) and surging dual use goods (101.2%; Mar: -26.4%), boosted by surging fuels and lubricants (231.8%; Mar: -22.2%). Capital goods (-20.7%; Mar: 24.2%) and intermediate goods (-18.8%; Mar: -0.7%), however, contracted sharply.
  - **By major product:** Petroleum products surged 141.0% (Mar: 7.9%), extending a second straight month of growth after 19-consecutive months of decline. Crude petroleum imports declined for a fifth straight month, though at a slower pace (-10.8%; Mar: -60.6%), amid supply disruption.
  - MoM (23.9%; Mar: 8.8%): Expanded for the second straight month, reaching the highest since March 2022 (27.4%), pointing to robust import activity during the month.
- **Trade surplus widened to RM28.8b (Mar: RM24.5b) marking a 34-month high, above expectations (consensus: RM16.6b; KIBB: RM16.6b)**
  - **Total trade** growth accelerated to 28.6% YoY (Mar: 9.3%), a 43-month high, with MoM growth expanded sharply to 23.3% (Mar: 11.4%), marking two consecutive months of expansion.
- **We revise our 2026 export growth forecast to 9.7% (2025: 6.4%) from 5.1%**
  - **Outlook:** The revision reflects strong year-to-date growth of 19.0% (Jan-Mar: 12.7%) and April's upside surprise. Near-term strength should persist on continued front-loading and stockpiling activity amid geopolitical tensions. That said, we expect moderation in 2H26 on base effects and normalisation in trade flows. E&E exports remain the key driver, underpinned by strong AI-related demand given that global semiconductor sales remained strong, with the Semiconductor Industry Association (SIA) reporting growth of 79.2% YoY in March (Feb: 62.6%).
  - **Risks:** Near-term strength may not last. Key risks include geopolitical tensions, supply disruptions, US policy uncertainty and a potential softening in global tech demand.
  - **GDP Outlook:** Strong April exports support near-term growth, but durability is less certain. Weak capital and intermediate goods imports signal caution on investment. Resilient domestic demand, however, should provide an offsetting cushion. We maintain our 2026 GDP growth forecast at 4.5% (2025: 5.2%), with a cautiously optimistic bias for 2H26 growth

Graph 1: External Trade Growth



Source: Dept. of Statistics, Kenanga Research

Graph 2: Exports by Destination



Source: Dept. of Statistics, Kenanga Research

Table 1: Malaysia External Trade Growth Trend

		2022	2023	2024	2025	Apr-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Total Trade	%YoY	27.6	-7.3	9.2	-7.2	17.8	11.1	9.9	12.3	9.5	9.3	28.6
Trade Balance	**RM bil**	**256.2**	**215.2**	**139.1**	**154.6**	**5.1**	**6.1**	**22.1**	**22.0**	**16.7**	**24.5**	**28.8**
Exports	**%YoY**	**24.9**	**-8.0**	**5.8**	**6.4**	**15.9**	**7.0**	**10.2**	**19.6**	**10.7**	**8.4**	**36.9**
	%MoM					-2.8	-9.0	13.2	-3.9	-10.8	13.6	22.8
Manufacturing	%YoY	22.4	-6.9	5.9	7.7	19.0	7.9	13.4	22.3	12.7	9.6	40.1
	Shr	84.2	85.3	85.4	86.4	86.7	85.9	87.0	86.7	87.2	87.9	88.7
Agriculture	%YoY	23.3	-21.8	11.7	5.8	3.4	-6.1	-7.5	-2.5	-15.8	-7.8	5.2
	Shr	7.8	6.6	7.0	7.0	6.3	6.6	6.4	6.1	5.6	5.1	4.9
Mining	%YoY	67.0	-10.0	-2.0	-10.8	-1.3	9.4	-15.2	2.7	12.2	0.5	25.6
	Shr	7.6	7.4	6.9	5.7	6.1	6.6	5.6	6.0	6.2	5.9	5.6
Others	%YoY	51.5	26.8	15.4	37.5	8.2	-18.9	25.3	17.2	-24.2	19.4	-9.6
	Shr	0.5	0.6	0.7	0.9	0.9	0.9	1.0	1.3	1.1	1.1	0.8
Imports	**%YoY**	**31.0**	**-6.4**	**13.1**	**6.0**	**19.9**	**15.8**	**9.5**	**4.8**	**8.2**	**10.4**	**20.0**
	%MoM					14.1	0.7	1.4	-4.5	-8.5	8.8	23.9
Capital	%YoY	15.8	7.1	29.0	29.0	113.9	56.6	-12.9	-21.0	15.0	24.2	-20.7
	Shr	9.3	10.6	12.1	14.8	18.3	16.1	11.6	12.6	13.9	13.0	12.1
Intermediate	%YoY	29.5	-12.2	20.0	-3.5	-1.7	5.0	0.1	-5.0	0.9	-0.7	-18.8
	Shr	54.6	51.2	54.4	49.5	45.3	51.5	46.7	46.2	51.8	47.1	30.7
Consumption	%YoY	24.0	0.1	12.8	1.8	-0.4	-1.5	21.4	12.0	1.4	-7.8	5.6
	Shr	8.0	8.6	8.6	8.2	7.6	7.7	9.5	9.0	8.0	7.2	6.7

**Shr = share to total exports or imports,*

Source: Dept. of Statistics preliminary release, Kenanga Research

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