

To Zheng Hong

(603) 7890 8888 (ext 2099)

[zhenghong.to@apexsecurities.com.my](mailto:zhenghong.to@apexsecurities.com.my)

3Q25 GDP Growth:	+5.2%
2025 GDP Growth Forecast:	+4.7%
2026 GDP Growth Forecast:	+4.3%
11M25 Export Growth:	+6.1%
2025 Export Growth Forecast:	+6.0%
2026 Export Growth Forecast:	+4.8%
11M25 Unemployment Rate:	3.0%
2025 Unemployment Rate Forecast:	3.0%
2026 Unemployment Rate Forecast:	3.1%
11M25 Headline Inflation:	+1.4%
2025 Headline Inflation Forecast:	+1.4%
2026 Headline Inflation Forecast:	+1.8%
End-2025 OPR	2.75%
End-2026 OPR Forecast:	2.75%

## Malaysia Labour Market

### Positive conditions supportive of growth outlook

- The labour market remained resilient in November, with the unemployment rate easing further to an 11-year low of 2.9%.
- Services should remain a key anchor for employment in 2026, supported by resilient consumption, Visit Malaysia 2026 and sustained investment flows.
- Easing tariff concerns and steady global semiconductor demand provide further tailwinds for manufacturing, supporting continued hiring in the sector.
- We maintain our unemployment forecasts at 3.0% for 2025 (11M25: 3.0%; 2024: 3.2%) and 3.1% for 2026.
- Accordingly, we keep our GDP growth projections at +4.7% YoY for 2025 and a more moderate +4.3% for 2026 amid lingering external uncertainties.

### Unemployment rate falls to 11-year low

Malaysia's labour market remained resilient in November, with the unemployment rate easing further to an 11-year low of 2.9%, reflecting a firmer growth outlook alongside an improving external backdrop. The number of unemployed edged down to 518.4k (Oct: 518.9k), while active jobseekers declined marginally to 413.5k (Oct: 413.8k).

Employment continued to expand at a steady pace of +0.2% MoM (Oct: +0.2%), underpinned by sustained hiring in the services sector, particularly human health & social work activities, wholesale & retail trade and F&B. Employment gains were also recorded across manufacturing, construction, agriculture and mining sectors during the month.

By employment status, the number of employers (+0.8% MoM; Oct: +0.9%) and own-account workers (+0.3%; Oct: +0.4%) moderated slightly, while employees (+0.1%; Oct: +0.1%) was largely unchanged. The labour force expanded by +0.2% to 17.61m (Oct: 17.58m), with the participation rate steady at 70.9%.

### External resilience provides further tailwinds

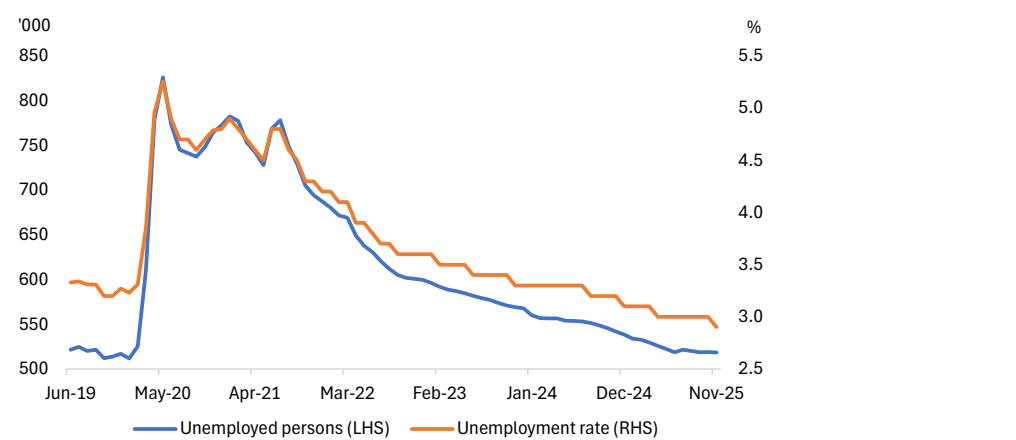
Steady hiring momentum in services, which accounts for nearly two-thirds of total employment, should remain a key anchor in 2026, supported by resilient consumption, Visit Malaysia 2026 and sustained investment flows. A tight labour market, alongside income-related measures including the one-off RM100 SARA subsidy to be disbursed in February, should continue to underpin domestic demand.

Externally, easing tariff concerns and a steady outlook for global semiconductor demand amid the AI-led technology upcycle provide further tailwinds for manufacturing, the second-largest contributor to employment. In addition, Malaysia's December manufacturing PMI recorded a second straight month of employment growth, as firms ramped up hiring ahead of new projects and staff replacement. External resilience should continue to provide near-term support to hiring in manufacturing.

### Maintain a positive growth outlook

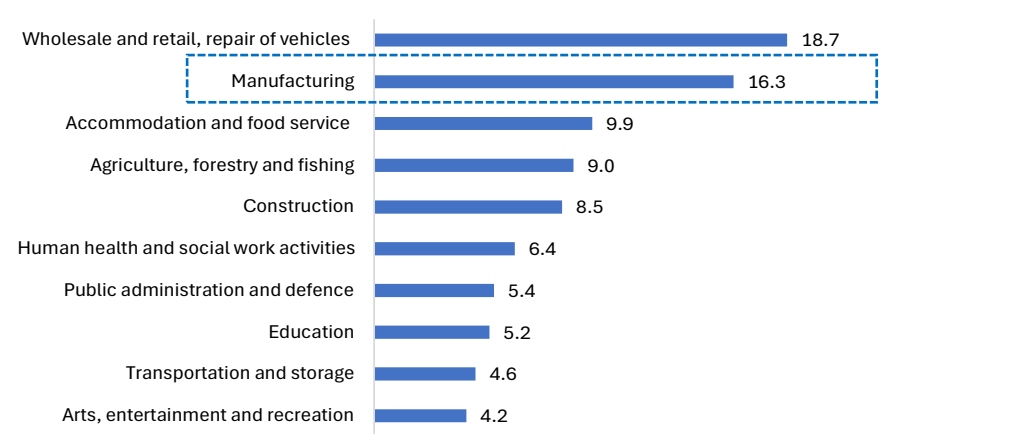
Overall, firm labour market conditions remain supportive of consumption momentum, consistent with our real private consumption growth forecast of +5.1% YoY in 2026 (9M25: +5.1%). We **maintain our unemployment forecasts at 3.0% for 2025** (11M25: 3.0%; 2024: 3.2%) **and 3.1% for 2026**. Accordingly, we **keep our GDP growth projections at +4.7% for 2025** and a **more moderate +4.3% for 2026** amid lingering external uncertainties.

Figure 1: Unemployment rate fell to an 11-year low of 2.9% in November



Source: Department of Statistics, Apex Securities

Figure 2: Manufacturing sector accounted for 16.3% share of employment in 2024



Source: Department of Statistics, Apex Securities

---

## Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

---

## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

---

**Disclaimer:** The report is for internal and private circulation only and shall not be reproduced either in part or otherwise without the prior written consent of Apex Securities Berhad. The opinions and information contained herein are based on available data believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell the securities covered by this report.

Opinions, estimates and projections in this report constitute the current judgment of the author. They do not necessarily reflect the opinion of Apex Securities Berhad and are subject to change without notice. Apex Securities Berhad has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Apex Securities Berhad does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against Apex Securities Berhad. Apex Securities Berhad may from time to time have an interest in the company mentioned by this report. This report may not be reproduced, copied or circulated without the prior written approval of Apex Securities Berhad.

As of **Monday, 12 Jan, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

---