



Fixed Income & FX Research

22 May 2026

Macro: S&P PMI data points to weaker economic conditions in May. Malaysia is in the discussion stage to develop a new framework for subsidies/public aid eligibility.

Forex: G10 FX mostly closed little changed for the day. MYR strengthened 0.2%.

Fixed Income: DM sovereign curves flattened, with front-end weakness amid volatile pricing of the rates pathway. MGS strengthened 1 bp across the curve, supported by the earlier reversal in risk-off sentiment, and solid demand for the 7Y MGS 04/33 auction.

Macro

Global: S&P PMI data for May across major economies (US, Eurozone, Japan, UK) generally came in weaker compared to April, most manifestly within the services sector, as a war-driven surge in basic living costs suppressed discretionary household income and thereby services demand, while businesses and consumers generally reported supply shortages, rising inflation, softer labour conditions, and declining confidence in outlook.

Malaysia: Economy Minister Akmal Nasrullah said the government is studying a fairer and more comprehensive approach to determine eligibility for public aid and subsidies, using a Basic Expenditure for a Decent Living (PAKW) framework (data sourced from Padu) instead of the current B40/M40/T20 classifications for aid eligibility. However, the framework is still under discussion and has not yet been formally considered. Meanwhile, the Housing Contractors Association warned that the rise in diesel prices has raised building material costs by 20-30%, contributing to a 10-15% rise in overall construction costs.

Forex

Global: DXY rebounded 0.2%, aided by the 0.2% decline in the CAD, which comes amid the drop in oil prices and conflicting progress in US-Iran negotiations. Nevertheless, most G10 FX closed little changed vs. the USD, including the AUD, GBP, JPY, and EUR. Individually, Japanese exports rose 14.8% y/y in April amid solid demand from purchasing countries, as BOJ board member Koeda called for rate hikes amid risks of inflation overshooting. Australia's seasonally adjusted unemployment rate also edged up to 4.5% in April (consensus and March: 4.5%), its highest since November 2021, prompting markets to dial back bets of further RBA rate hikes, especially given the bearish Australia manufacturing and services PMI data for April.

Malaysia: USD/MYR fell 0.2% to 3.96, maintaining some distance over the key 4.00 level, with the ringgit supported by strength in local government bonds yesterday. Daily traded volumes also rebounded above USD21.5 billion/day this week, compared to slightly weaker sentiment last week.

Fixed Income

Global Bonds: Global sovereign DM bond curves flattened on Thursday, as front-end yields generally closed higher while duration tenors saw better support. The latter remain supported for a second day by receding inflation fears and technical rebounds amid oversold levels, though the front-end remains whipsawed by the continued repricing of policy interest rates ahead. 2Y UST yields closed 3 bps higher, supported by US manufacturing PMI data that unexpectedly accelerated in May, reinforcing the possibility of Fed rate hikes as an option ahead.

MYR Bonds: MGS broadly strengthened 1 bp across the curve, supported by the earlier reversal in risk-off sentiment, as well as the well-subscribed auction. The 7Y MGS 04/33 reopening auction (issuance size: MYR5.0 billion) garnered a solid BTC of 2.488x, with trading seen around the average 3.58% issued yield post-auction, suggesting some bargain hunting by investors.

Commodities

Oil prices closed 2% lower, reversing an intraday rise of 3% after US Secretary of State Rubio also echoed Trump's optimism about an agreement with Iran. This is despite sources indicating that Iran has directed that near-weapons-grade uranium should not be sent abroad, hardening Iran's stance on one of the US's key demands in negotiations. Iran is also in discussions with Oman on a permanent toll system for Hormuz to control maritime traffic.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.26	0.2
EUR/USD	1.162	(0.0)
AUD/USD	0.715	(0.0)
GBP/USD	1.343	(0.0)
USD/JPY	158.98	0.0
USD/MYR	3.960	(0.2)
USD/IDR	17,654	0.3
USD/THB	32.64	(0.2)
USD/SGD	1.278	(0.0)
USD/CNY	6.800	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.035	4.094
Support	3.914	3.850

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.08	3
UST 10Y	4.57	(2)
Germany 10Y	3.10	0
UK 10Y	4.97	(2)
Japan 10Y	2.77	(1)
Australia 10Y	4.97	(10)
China 10Y	1.75	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.24	(1)
5-Year	3.42	(1)
7-Year	3.54	(1)
10-Year	3.61	(1)
15-Year	3.84	(2)
20-Year	3.97	(1)
30-Year	4.08	(2)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	(0)
IRS 3-Year	3.47	(0)
IRS 5-Year	3.56	0
IRS 7-Year	3.65	2
IRS 10-Year	3.77	(1)
3M KLIBOR	3.35	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	102.58	(2.3)
WTI (USD/bbl)	96.35	(1.9)
Gold (USD/oz)	4,543	(0.0)
CPO (RM/tonne)	4,403	(2.5)

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.00	11-Jun
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	27-May
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	09-Jul

Sources: Bloomberg, Trading Economics, AmBank Economics
Note: Changes are based on day-on-day percentage, except for MGS Yield, Sovereign Yields, and IRS, where changes are in bps.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.26	99.09	98.82	98.39	99.56	0.2	0.4	0.9	(0.3)	1.0			
EUR/USD	1.162	1.162	1.167	1.174	1.133	(0.0)	(0.4)	(1.1)	2.5	(1.1)			
AUD/USD	0.715	0.715	0.722	0.715	0.644	(0.0)	(1.0)	(0.0)	11.1	7.1			
GBP/USD	1.343	1.344	1.340	1.351	1.342	(0.0)	0.2	(0.6)	0.1	(0.3)			
USD/JPY	158.98	158.92	158.37	159.37	143.68	0.0	0.4	(0.2)	10.6	1.4			
USD/MYR	3.960	3.970	3.931	3.951	4.271	(0.2)	0.7	0.2	(7.3)	(2.5)			
USD/IDR	17,654	17,605	17,465	17,144	16,395	0.3	1.1	3.0	7.7	5.8			
USD/THB	32.64	32.69	32.33	32.10	32.79	(0.2)	1.0	1.7	(0.5)	3.6			
USD/SGD	1.278	1.278	1.276	1.274	1.289	(0.0)	0.2	0.3	(0.8)	(0.6)			
USD/CNY	6.800	6.802	6.787	6.829	7.204	(0.0)	0.2	(0.4)	(5.6)	(2.5)			
USD/KRW	1,509	1,497	1,493	1,481	1,371	0.8	1.1	1.9	10.0	4.8			
USD/INR	96.20	96.83	95.77	93.50	85.64	(0.6)	0.5	2.9	12.3	7.0			
USD/PHP	61.59	61.74	61.64	59.94	55.66	(0.2)	(0.1)	2.8	10.7	4.7			
USD/TWD	31.60	31.66	31.51	31.48	30.15	(0.2)	0.3	0.4	4.8	0.6			
USD/HKD	7.834	7.834	7.833	7.830	7.832	0.0	0.0	0.0	0.0	0.7			
USD/VND	26,355	26,368	26,345	26,329	25,966	(0.0)	0.0	0.1	1.5	0.2			
NZD/USD	0.588	0.587	0.591	0.589	0.594	0.1	(0.6)	(0.3)	(1.1)	2.0			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.606	4.600	4.603	4.646	4.841	0.1	0.1	(0.9)	(4.9)	(3.3)			
GBP/MYR	5.323	5.313	5.311	5.334	5.727	0.2	0.2	(0.2)	(7.1)	(2.4)			
AUD/MYR	2.825	2.824	2.849	2.825	2.750	0.1	(0.8)	0.0	2.8	4.1			
JPY/MYR	2.492	2.498	2.482	2.479	2.973	(0.2)	0.4	0.5	(16.2)	(3.8)			
SGD/MYR	3.098	3.099	3.088	3.106	3.309	(0.0)	0.3	(0.3)	(6.4)	(1.9)			
10 CNY/MYR	5.825	5.835	5.794	5.797	5.931	(0.2)	0.5	0.5	(1.8)	0.3			
1 million IDR/MYR	2.242	2.248	2.242	2.305	2.605	(0.3)	0.0	(2.7)	(13.9)	(7.9)			
THB/MYR	12.110	12.150	12.155	12.325	13.038	(0.3)	(0.4)	(1.7)	(7.1)	(5.6)			
10 HKD/MYR	5.056	5.068	5.019	5.045	5.453	(0.2)	0.7	0.2	(7.3)	(3.1)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	102.58	105.02	105.72	98.48	64.91	(2.3)	(3.0)	4.2	58.0	68.6			
WTI (USD/barrel)	96.35	98.26	101.17	92.13	61.57	(1.9)	(4.8)	4.6	56.5	67.8			
Gold (USD/oz)	4,543	4,544	4,652	4,720	3,315	(0.0)	(2.3)	(3.7)	37.0	5.2			
Malaysia CPO (RM/tonne)	4,403	4,515	4,350	4,491	3,891	(2.5)	1.2	(2.0)	13.2	10.1			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.24	3.24	3.21	3.18	3.19	(1)	2	6	5	24			
5-Year	3.42	3.43	3.36	3.33	3.28	(1)	6	9	14	16			
7-Year	3.54	3.55	3.47	3.45	3.46	(1)	7	9	7	16			
10-Year	3.61	3.62	3.58	3.56	3.59	(1)	3	5	2	10			
15-Year	3.84	3.86	3.82	3.85	3.72	(2)	2	(1)	12	7			
20-Year	3.97	3.98	3.95	3.99	3.83	(1)	2	(2)	14	12			
30-Year	4.08	4.10	4.07	4.12	4.06	(2)	1	(4)	3	10			

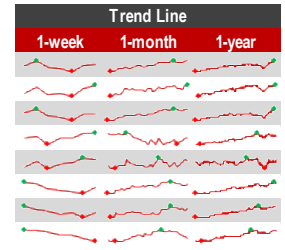
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.24	3.24	3.21	3.19	3.20	0	3	5	4	14			
5-Year	3.37	3.38	3.34	3.32	3.35	(0)	3	5	2	12			
7-Year	3.57	3.58	3.53	3.49	3.48	(1)	4	8	10	23			
10-Year	3.62	3.63	3.61	3.57	3.59	(1)	2	5	3	10			
15-Year	3.90	3.90	3.86	3.88	3.75	(0)	4	2	15	15			
20-Year	3.98	3.98	3.97	4.00	3.86	(0)	1	(2)	12	12			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25
S&P500 Index	7,446	7,433	7,501	7,064	5,845
Dow Jones	50,286	50,009	50,063	49,149	41,860
Nasdaq	26,293	26,270	26,635	24,260	18,873
London FTSE	10,443	10,432	10,373	10,498	8,786
German DAX	24,607	24,737	24,456	24,271	24,122
Nikkei 225	61,684	59,804	62,654	59,349	37,299
Japan TOPIX	3,854	3,792	3,879	3,770	2,733
FBM KLCI	1,708	1,718	1,746	1,715	1,545

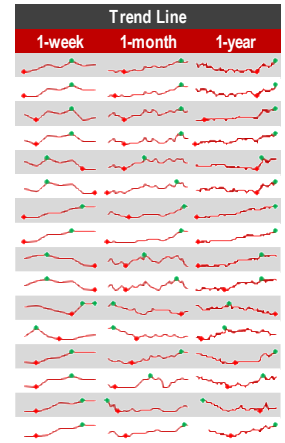
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	(0.7)	5.4	27.4	93.9
0.6	0.4	2.3	20.1	51.7
0.1	(1.3)	8.4	39.3	151.2
0.1	0.7	(0.5)	18.9	40.1
(0.5)	0.6	1.4	2.0	76.7
3.1	(1.5)	3.9	65.4	136.4
1.6	(0.7)	2.2	41.0	103.7
(0.5)	(2.1)	(0.4)	10.6	14.2



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25
UST 2Y	4.08	4.06	4.02	3.78	4.02
UST 10Y	4.57	4.59	4.48	4.29	4.60
Germany 2Y	2.69	2.66	2.65	2.53	1.87
Germany 10Y	3.10	3.10	3.04	3.00	2.65
UK 2Y	4.38	4.37	4.43	4.27	4.08
UK 10Y	4.97	4.99	4.99	4.88	4.76
Japan 2Y	1.45	1.45	1.40	1.36	0.72
Japan 10Y	2.77	2.78	2.63	2.40	1.53
Australia 2Y	4.62	4.71	4.70	4.58	3.42
Australia 10Y	4.97	5.07	5.02	4.91	4.45
China 2Y	1.28	1.25	1.27	1.30	1.48
China 10Y	1.75	1.75	1.75	1.75	1.68
Indonesia 2Y	6.65	6.65	6.35	5.90	6.24
Indonesia 10Y	6.78	6.82	6.69	6.60	6.83
Thailand 2Y	1.28	1.29	1.18	1.21	1.58
Thailand 10Y	2.38	2.40	2.16	2.09	1.87

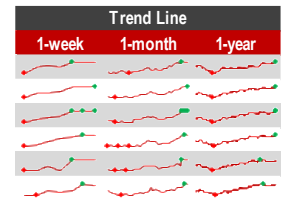
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
3	7	30	6	61
(2)	9	28	(3)	40
3	3	16	81	56
0	5	9	45	24
1	(5)	10	29	64
(1)	5	9	72	27
(1)	14	38	125	71
(9)	(8)	4	120	56
(10)	(5)	6	52	22
3	1	(2)	(20)	(10)
0	0	(0)	8	(10)
(0)	31	75	41	166
(4)	9	18	(5)	71
(1)	10	7	(30)	16
(2)	22	29	51	74



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25
IRS 1-Year	3.40	3.40	3.37	3.32	3.31
IRS 3-Year	3.47	3.47	3.42	3.36	3.20
IRS 5-Year	3.56	3.56	3.48	3.42	3.28
IRS 7-Year	3.65	3.63	3.57	3.51	3.39
IRS 10-Year	3.77	3.78	3.69	3.65	3.51
IRS 20-Year	4.10	4.11	4.03	3.97	3.82

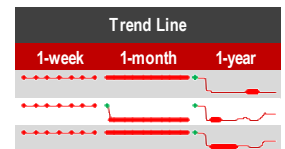
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	3	8	9	20
(0)	6	11	27	21
0	8	15	28	21
2	8	14	26	24
(1)	7	12	26	21
(1)	6	13	28	22



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.27
3-Month Klibor	3.35	3.35	3.35	3.35	3.55
6-Month Klibor	3.39	3.39	3.39	3.39	3.59

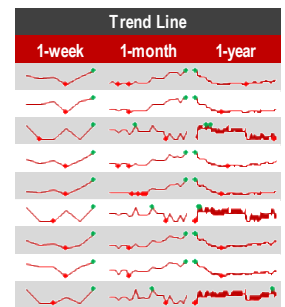
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(27)	0
0	0	0	(20)	7
0	0	0	(20)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	21-May-26	20-May-26	14-May-26	21-Apr-26	21-May-25
3-Year AAA	3.58	3.57	3.57	3.55	3.70
3-Year AA	3.71	3.70	3.70	3.69	3.85
3-Year A	4.48	4.45	4.48	4.48	4.52
5-Year AAA	3.66	3.65	3.65	3.63	3.77
5-Year AA	3.79	3.78	3.78	3.77	3.93
5-Year A	4.66	4.62	4.66	4.66	4.65
10-Year AAA	3.83	3.82	3.83	3.79	3.91
10-Year AA	3.96	3.96	3.96	3.94	4.06
10-Year A	5.08	5.03	5.08	5.06	5.01

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	0	3	(13)	7
0	0	2	(14)	4
2	0	(1)	(4)	(7)
1	1	3	(11)	7
1	1	2	(14)	4
4	0	0	1	(4)
1	1	4	(7)	6
1	0	3	(10)	4
5	0	2	7	(3)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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