



Fixed Income & FX Research

08 August 2025

Macro: The BOE cut rates but there was a second voting after the initial count saw a three-way split amongst policymakers. Malaysia's semiconductor exports to the US remain exempt from retaliatory tariffs for now.

Forex: The DXY held firm but near two-week lows. GBP strengthened 0.7%, as traders reacted to the BOE's unexpected split voting.

Fixed Income: Local government bond market continued to receive strong bids while IRS remained to see receiving interest as drop in global yields sustained the sentiment onshore.

Macro

Global: BOE delivered a highly anticipated 25 bps rate cut to the key Bank Rate to 4.00%. However, voting highlighted deep divisions, which saw the cut narrowly approved in a 5-4 second-round vote, following an initial vote that saw a three-way split. This marked the first time a second round of voting was required to reach a decision since 1997. US Commerce Secretary Howard Lutnick estimated government projections of tariff revenue to USD50 billion/month from August. Meanwhile, US initial jobless claims rose to 226k in the last week of July (consensus: 221k; prior: 219k) while outstanding claims continued exceeding expectations, consolidating view of a softening labour market.

Malaysia: The IPI rose a sharp 3.0% y/y in June (May: 0.3%), driven by output growth in the manufacturing sector at 3.6% (May: 2.8%) from domestic-oriented industries, while the electricity segment flipped to a positive 4.1% y/y (May: -0.1%). MITI Minister Tengku Zafrul said Malaysia's semiconductor exports to the US remain exempt from retaliatory tariffs for now but is clarifying the latest 100% tariff. We believe not all semiconductor exports are exempt from the US tariff hike. It appears the US is moving forward with sector-specific tariffs to further boost its already-high tariff revenue. Zafrul also clarified that investment commitments with the US will not raise the fiscal burden. Separately, the government is also considering a proposal to raise the tobacco tax, last raised in September 2014 and which accounts for 58.6% of retail prices.

Forex

Global: The DXY held firm but near two-week lows. GBP strengthened 0.7%, as traders reacted to the BOE's unexpected split voting, which suggests aggregate policymakers' concerns on still-high inflation, alongside the upward revision in inflation forecasts to 4.0% (prior: 3.7%). EUR (+0.1%) and JPY (+0.2%) held steady amid little catalysts, while AUD (+0.3%) marked its straight session of gains, as Australia's solid trade surplus of AUD5.4 billion in June (highest since March) boosted sentiment, after exports surged 6.0% y/y to a 16-month high of AUD44.3 billion.

Malaysia: MYR slightly weaker (-0.1%) with traders looking at tariff developments. Meanwhile, international reserves reached a 10-year high at USD121.3 billion end-July (prior: USD120.7 billion).

Fixed Income

Global Bonds: US Treasuries reversed early gains but continued to see overall support as traders remained wary over US growth concerns, especially after the rise in weekly jobless claims. However, longer tenor UST remained pressured by inflation concerns. Gilt yields rose amid split voting at BOE.

MYR Bonds: Local government bond market continued to receive strong bids while IRS remained to see receiving interest as drop in global yields sustained the sentiment onshore. The MYR2.5 billion public tender for the 20Y MGS saw firm bids of MYR6.8 billion. PDS market was aided by interest in higher grade papers. AAA rated PASB 07/34 fell 4 bps to close at 3.62% on MYR30 million flows.

Commodities

Brent prices (-0.7%) posted its sixth-day consecutive loss, as hopes of a peaceful resolution to the Russia-Ukraine war pressured prices. The prospects of increased unsanctioned oil supply from Russia outweighed the impact of Trump's additional 25% tariffs on India for purchasing Russian energy, the signaling of similar tariffs on China, and Saudi Arabia's bullish pricing strategy for oil sales to Asia.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.40	0.2
EUR/USD	1.167	0.1
AUD/USD	0.652	0.3
GBP/USD	1.344	0.7
USD/JPY	147.14	(0.2)
USD/MYR	4.233	0.1
USD/IDR	16,290	(0.4)
USD/THB	32.32	(0.3)
USD/SGD	1.283	(0.2)
USD/CNY	7.181	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.316	4.352
Support	4.220	4.160

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.73	1
UST 10Y	4.25	2
Germany 10Y	2.63	(2)
UK 10Y	4.55	2
Japan 10Y	1.49	(1)
Australia 10Y	4.24	(1)
China 10Y	1.70	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.03	(1)
5-Year	3.12	(3)
7-Year	3.29	(3)
10-Year	3.37	(1)
15-Year	3.60	(0)
20-Year	3.75	(0)
30-Year	3.91	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.06	(4)
IRS 3-Year	2.97	(4)
IRS 5-Year	3.04	(4)
IRS 7-Year	3.12	(3)
IRS 10-Year	3.24	(5)
3M KLIBOR	3.21	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	66.43	(0.7)
WTI (USD/bbl)	63.88	(0.7)
Gold (USD/oz)	3,396	0.8
CPO (RM/tonne)	4,202	(0.4)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	18-Sep
ECB Deposit Rate	2.00	11-Sep
BOE Base Rate	4.00	18-Sep
RBA Cash Rate	3.85	12-Aug
BOJ Cash Rate	0.50	19-Sep
PBOC 1Y LPR	3.00	n.a.
BOK Base Rate	3.00	-
BNM OPR	2.75	05-Sep

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 vs USD

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.40	98.18	99.97	97.52	103.20	0.2	(1.6)	0.9	(4.6)	(9.3)			
EUR/USD	1.167	1.166	1.142	1.173	1.092	0.1	2.2	(0.5)	6.8	12.7			
AUD/USD	0.652	0.650	0.643	0.653	0.652	0.3	1.5	(0.1)	0.1	5.4			
GBP/USD	1.344	1.336	1.321	1.359	1.269	0.7	1.8	(1.1)	5.9	7.4			
USD/JPY	147.14	147.37	150.75	146.58	146.68	(0.2)	(2.4)	0.4	0.3	(6.4)			
USD/MYR	4.233	4.230	4.265	4.240	4.498	0.1	(0.8)	(0.2)	(5.9)	(5.4)			
USD/IDR	16,290	16,363	16,455	16,208	16,035	(0.4)	(1.0)	0.5	1.6	1.2			
USD/THB	32.32	32.40	32.68	32.53	35.67	(0.3)	(1.1)	(0.7)	(9.4)	(5.2)			
USD/SGD	1.283	1.286	1.298	1.280	1.328	(0.2)	(1.1)	0.3	(3.4)	(6.0)			
USD/CNY	7.181	7.182	7.200	7.179	7.177	(0.01)	(0.3)	0.0	0.1	(1.6)			
USD/KRW	1,387	1,386	1,393	1,372	1,375	0.0	(0.5)	1.1	0.9	(5.8)			
USD/INR	87.71	87.74	87.60	85.70	83.95	(0.0)	0.1	2.3	4.5	2.5			
USD/PHP	57.01	57.51	58.33	56.36	57.54	(0.9)	(2.3)	1.2	(0.9)	(1.4)			
USD/TWD	29.79	29.98	29.87	29.06	32.69	(0.6)	(0.2)	2.5	(8.9)	(9.1)			
USD/HKD	7.850	7.850	7.850	7.850	7.798	0.0	0.0	0.0	0.7	1.0			
USD/VND	26,212	26,234	26,198	26,125	25,166	(0.1)	0.1	0.3	4.2	2.9			
NZD/USD	0.596	0.593	0.589	0.600	0.600	0.5	1.2	(0.6)	(0.6)	6.6			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.944	4.897	4.881	4.979	4.909	1.0	1.3	(0.7)	0.7	6.1			
GBP/MYR	5.659	5.625	5.642	5.765	5.716	0.6	0.3	(1.8)	(1.0)	0.8			
AUD/MYR	2.762	2.746	2.750	2.773	2.955	0.6	0.4	(0.4)	(6.5)	(0.7)			
JPY/MYR	2.879	2.869	2.831	2.893	3.066	0.4	1.7	(0.5)	(6.1)	1.2			
SGD/MYR	3.299	3.284	3.292	3.318	3.387	0.5	0.2	(0.6)	(2.6)	0.4			
10CNY/MYR	5.901	5.882	5.933	5.907	6.268	0.3	(0.5)	(0.1)	(5.9)	(3.7)			
100IDR/MYR	2.601	2.583	2.594	2.617	2.805	0.7	0.3	(0.6)	(7.3)	(6.2)			
THB/MYR	13.082	13.065	13.013	13.023	12.630	0.1	0.5	0.4	3.6	0.5			
10HKD/MYR	5.397	5.385	5.433	5.402	5.768	0.2	(0.7)	(0.1)	(6.4)	(6.3)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	66.43	66.89	72.53	70.15	78.33	(0.7)	(8.4)	(5.3)	(15.2)	(11.0)			
WTI (USD/barrel)	63.88	64.35	69.26	68.33	75.23	(0.7)	(7.8)	(6.5)	(15.1)	(10.9)			
Gold (USD/oz)	3,396	3,369	3,290	3,302	2,383	0.8	3.2	2.9	42.5	29.4			
Malaysia CPO (RM/tonne)	4,202	4,220	4,175	4,057	3,800	(0.4)	0.6	3.6	10.6	(13.6)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.03	3.04	3.05	3.12	3.33	(1)	(2)	(9)	(29)	(45)			
5-Year	3.12	3.15	3.15	3.17	3.51	(3)	(4)	(5)	(40)	(51)			
7-Year	3.29	3.32	3.34	3.36	3.70	(3)	(5)	(7)	(41)	(48)			
10-Year	3.37	3.38	3.37	3.43	3.77	(1)	0	(6)	(40)	(44)			
15-Year	3.60	3.61	3.61	3.68	3.90	(0)	(1)	(7)	(29)	(37)			
20-Year	3.75	3.75	3.76	3.77	4.05	(0)	(1)	(2)	(30)	(31)			
30-Year	3.91	3.91	3.91	4.00	4.15	(1)	(1)	(9)	(25)	(28)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.09	3.09	3.10	3.15	3.34	(1)	(1)	(6)	(26)	(34)			
5-Year	3.17	3.19	3.19	3.25	3.50	(2)	(2)	(8)	(33)	(45)			
7-Year	3.30	3.33	3.33	3.37	3.72	(3)	(3)	(7)	(42)	(44)			
10-Year	3.42	3.42	3.41	3.50	3.78	(0)	0	(8)	(36)	(42)			
15-Year	3.63	3.64	3.63	3.70	3.93	(1)	(1)	(7)	(30)	(35)			
20-Year	3.74	3.74	3.73	3.76	4.06	0	0	(2)	(33)	(35)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,340	6,345	6,339	6,226	5,200	(0.1)	0.0	1.8	21.9	65.1			
Dow Jones	43,969	44,193	44,131	44,241	38,763	(0.5)	(0.4)	(0.6)	13.4	32.6			
Nasdaq	21,243	21,169	21,122	20,418	16,196	0.3	0.6	4.0	31.2	103.0			
London FTSE	9,101	9,164	9,133	8,854	8,167	(0.7)	(0.4)	2.8	11.4	22.1			
German DAX	24,193	23,924	24,065	24,207	17,615	1.1	0.5	(0.1)	37.3	73.8			
Nikkei 225	41,059	40,795	41,070	39,689	35,090	0.6	(0.0)	3.5	17.0	57.3			
Japan TOPIX	2,988	2,967	2,943	2,817	2,489	0.7	1.5	6.1	20.0	57.9			
FBM KLCI	1,549	1,541	1,513	1,530	1,592	0.5	2.4	1.2	(2.7)	3.6			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.73	3.71	3.96	3.89	3.96	1	(23)	(16)	(23)	(51)			
UST 10Y	4.25	4.23	4.37	4.40	3.94	2	(12)	(15)	31	(32)			
Germany 2Y	1.92	1.92	1.96	1.87	2.41	0	(4)	5	(49)	(16)			
Germany 10Y	2.63	2.65	2.70	2.69	2.27	(2)	(6)	(6)	36	26			
UK 2Y	3.88	3.82	3.86	3.87	3.65	6	2	0	22	(52)			
UK 10Y	4.55	4.53	4.57	4.63	3.95	2	(2)	(9)	60	(2)			
Japan 2Y	0.77	0.77	0.82	0.74	0.28	(0)	(5)	3	49	16			
Japan 10Y	1.49	1.50	1.56	1.50	0.90	(1)	(7)	(1)	59	39			
Australia 2Y	3.33	3.35	3.35	3.36	3.80	(1)	(2)	(3)	(47)	(53)			
Australia 10Y	4.24	4.25	4.26	4.26	4.08	(1)	(2)	(2)	16	(12)			
China 2Y	1.41	1.42	1.44	1.37	1.52	(1)	(2)	5	(11)	31			
China 10Y	1.70	1.70	1.71	1.65	2.14	(1)	(1)	5	(44)	2			
Indonesia 2Y	5.66	5.74	5.83	5.97	6.59	(8)	(17)	(30)	(93)	(138)			
Indonesia 10Y	6.46	6.48	6.57	6.59	6.81	(2)	(11)	(13)	(36)	(54)			
Thailand 2Y	1.22	1.23	1.29	1.36	2.21	(1)	(7)	(14)	(99)	(78)			
Thailand 10Y	1.45	1.46	1.50	1.55	2.56	(1)	(5)	(10)	(111)	(80)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.06	3.10	3.13	3.24	3.43	(4)	(7)	(17)	(36)	(51)			
IRS 3-Year	2.97	3.01	3.06	3.13	3.37	(4)	(9)	(16)	(40)	(53)			
IRS 5-Year	3.04	3.08	3.13	3.20	3.42	(4)	(9)	(16)	(39)	(51)			
IRS 7-Year	3.12	3.15	3.20	3.29	3.53	(3)	(8)	(17)	(41)	(51)			
IRS 10-Year	3.24	3.29	3.33	3.41	3.59	(5)	(9)	(17)	(36)	(49)			
IRS 20-Year	3.54	3.62	3.62	3.69	3.70	(8)	(8)	(15)	(16)	(41)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.00	3.00	3.01	3.25	3.29	0	(1)	(25)	(29)	(29)			
3-Month Klibor	3.21	3.21	3.23	3.47	3.56	0	(2)	(26)	(35)	(52)			
6-Month Klibor	3.27	3.27	3.29	3.51	3.62	0	(2)	(24)	(35)	(50)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Aug-25	6-Aug-25	31-Jul-25	8-Jul-25	7-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.52	3.53	3.54	3.61	3.78	(1)	(2)	(9)	(26)	(31)			
3-Year AA	3.68	3.70	3.71	3.76	3.92	(1)	(2)	(8)	(24)	(33)			
3-Year A	4.55	4.52	4.55	4.55	4.88	4	0	1	(33)	(31)			
5-Year AAA	3.61	3.62	3.62	3.68	3.86	(1)	(1)	(7)	(25)	(32)			
5-Year AA	3.77	3.78	3.79	3.85	4.01	(1)	(2)	(8)	(24)	(33)			
5-Year A	4.70	4.65	4.70	4.68	5.13	5	1	3	(42)	(38)			
10-Year AAA	3.75	3.77	3.77	3.83	4.00	(2)	(2)	(8)	(25)	(31)			
10-Year AA	3.91	3.93	3.94	3.99	4.20	(2)	(3)	(8)	(28)	(33)			
10-Year A	5.09	5.01	5.07	5.02	5.62	8	2	7	(54)	(47)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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