



Fixed Income & FX Research

07 January 2026

Macro: Malaysia makes several announcements on legislative reforms, cost of living support, postponement of e-invoicing, and 1MDB lawsuits. Heavy batch of US data releases today.

Forex: DXY rebounded 0.3% as risk-on sentiment returns in full swing. MYR rose 0.6%, more than recovering prior day's weaknesses.

Fixed Income: Moderately volatile action for UST ahead of data drivers. Front tenor MGS weakened amid stronger paying interest in IRS segment.

Macro

Global: The drought of overnight data drivers ends today with a flood of releases, including the US's ADP employment, JOLTS job openings, ISM services, and factory orders; and inflation data for the EU and Australia.

Malaysia: Several announcements were made by PM Anwar Ibrahim in the prior day, including a parliament bill to limit a PM's tenure to 10 years (to be tabled by this year), a bill to separate the powers of public prosecutor and AG (in the upcoming January Parliament session), and the Ombudsman Bill. Sara and STR (cost-of-living support) payments will also be made within these two months, excess tax refunds from 2023 and 2024 (totalling MYR 22.5 billion) are targeted to be settled this year, while the rollout of e-invoicing for SMEs with annual sales of MYR1-5 million has been postponed by another year (to 2027). Meanwhile, the government is also requesting courts to expedite hearing dates for existing 1MDB-linked legal suits against global financial institutions to speed up funds' recovery.

Forex

Global: DXY rebounded 0.3% as markets pared back geopolitical risk premiums amid no further major developments in Venezuela, with risk-reversal sentiments most clearly expressed in AUD's advance (+0.3%) and CHF's decline (-0.5%) against the USD. Investors are also bracing for Australia's November inflation data today, given earlier RBA cautions on persistent price pressures. EUR and GBP slipped 0.3%, while JPY's better performance (-0.2%) continue to reflect more hawkish comments by the BOJ recently.

Asia: MYR strengthened 0.6%, significantly outperforming all Asian FX for the day, while more than recovering prior day's weaknesses. Significant gains on London opening session suggests offshore flows back to Malaysia, while coinciding with investors' reversion back to risk-on sentiment. Meanwhile, daily turnover reverted back to near-average volumes of around USD20 billion.

Fixed Income

Global Bonds: US Treasuries continued to be moderately volatile as market participants was cautious ahead of the December jobs reports due later this week. FFR futures trading is pricing a small probability of a Fed rate cut this month and about 50% probability of a rate cut by March; thus, we think modest variations in the actual December NFP this week against consensus may not drive too much volatility in the US bond market in the short-term period. However, the January month tend to show added primary activity in the US corporate bond market. That may drive some flows out of the UST market - assuming better risk appetite for credits, which we think there is now especially amid expectations of lower interest rates in 2026.

MYR Bonds: Ringgit government bonds weakened yesterday, where shorter dated benchmarks rose 2-3 bps driven by paying interest in IRS segment. Adding to the weak sentiment was news of weak demand at 10Y JGB auction. As for Ringgit corporate bonds, we noted active trading yesterday on mainly net buying activity though flows were slanted on higher grade GGs and AAA names. AAA rated ALR 10/32 fell 1 bps to 3.65% on MYR40 million volume.

Commodities

Oil prices retreated (-2.0%) as Ukraine's European and US allies converged towards a security agreement long sought by Kiev. However, **gold** (+1.0%) prices continued climbing, driven by significant gains for precious metals for the day, such as silver (+6.1%) and platinum (+7.5%).

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.58	0.3
EUR/USD	1.169	(0.3)
AUD/USD	0.674	0.4
GBP/USD	1.350	(0.3)
USD/JPY	156.65	0.2
USD/MYR	4.047	(0.6)
USD/IDR	16,750	0.1
USD/THB	31.25	(0.3)
USD/SGD	1.281	(0.2)
USD/CNY	6.981	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.134	4.191
Support	4.033	3.989

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.46	1
UST 10Y	4.17	1
Germany 10Y	2.84	(3)
UK 10Y	4.48	(3)
Japan 10Y	2.14	1
Australia 10Y	4.79	(0)
China 10Y	1.88	3

MGS Bond Yields (%)

MGS	Last	bps
3-Year	2.99	0
5-Year	3.25	(0)
7-Year	3.38	0
10-Year	3.51	0
15-Year	3.74	(0)
20-Year	3.83	(0)
30-Year	3.98	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.23	1
IRS 3-Year	3.29	(0)
IRS 5-Year	3.41	1
IRS 7-Year	3.48	1
IRS 10-Year	3.63	2
3M KLIBOR	3.27	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	60.70	(1.7)
WTI (USD/bbl)	57.13	(2.0)
Gold (USD/oz)	4,495	1.0
CPO (RM/tonne)	3,928	(0.6)

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	28-Jan
ECB Deposit Rate	2.00	05-Feb
BOE Base Rate	3.75	05-Feb
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.75	23-Jan
RBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	22-Jan

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		
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.58	98.27	98.24	98.99	108.26	0.3	0.3	(0.4)	(8.9)	0.3			
EUR/USD	1.169	1.172	1.175	1.164	1.039	(0.3)	(0.5)	0.4	12.5	(0.5)			
AUD/USD	0.674	0.671	0.670	0.664	0.625	0.4	0.6	1.5	7.9	1.0			
GBP/USD	1.350	1.354	1.347	1.333	1.252	(0.3)	0.2	1.3	7.8	0.2			
USD/JPY	156.65	156.38	156.41	155.33	157.62	0.2	0.2	0.8	(0.6)	(0.0)			
USD/MYR	4.047	4.072	4.049	4.111	4.511	(0.6)	(0.0)	(1.5)	(10.3)	(0.3)			
USD/IDR	16,750	16,740	16,769	16,644	16,195	0.1	(0.1)	0.6	3.4	0.4			
USD/THB	31.25	31.33	31.51	32.04	34.62	(0.3)	(0.8)	(2.5)	(9.8)	(0.8)			
USD/SGD	1.281	1.283	1.285	1.296	1.363	(0.2)	(0.3)	(1.2)	(6.1)	(0.4)			
USD/CNY	6.981	6.984	6.992	7.069	7.346	(0.0)	(0.2)	(1.3)	(5.0)	0.1			
USD/KRW	1,448	1,445	1,440	1,472	1,461	0.1	0.5	(1.7)	(0.9)	0.5			
USD/INR	90.18	90.29	89.79	89.99	85.83	(0.1)	0.4	0.2	5.1	0.3			
USD/PHP	59.20	59.11	58.82	58.94	58.29	0.1	0.6	0.4	1.6	0.6			
USD/TWD	31.52	31.54	31.41	31.24	32.87	(0.1)	0.4	0.9	(4.1)	0.3			
USD/HKD	7.789	7.786	7.781	7.785	7.775	0.0	0.1	0.0	0.2	0.1			
USD/VND	26,276	26,271	26,270	26,363	25,388	0.0	0.0	(0.3)	3.5	(0.1)			
NZD/USD	0.579	0.579	0.579	0.578	0.564	(0.1)	(0.1)	0.2	2.5	0.5			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.740	4.757	4.764	4.793	4.672	(0.4)	(0.5)	(1.1)	1.5	(0.5)			
GBP/MYR	5.478	5.474	5.471	5.486	5.627	0.1	0.1	(0.1)	(2.7)	0.4			
AUD/MYR	2.719	2.719	2.714	2.726	2.817	0.0	0.2	(0.3)	(3.5)	0.2			
JPY/MYR	2.583	2.603	2.587	2.647	2.862	(0.8)	(0.1)	(2.4)	(9.7)	(0.3)			
SGD/MYR	3.163	3.162	3.155	3.176	3.301	0.0	0.3	(0.4)	(4.2)	0.2			
10 CNY/MYR	5.795	5.831	5.786	5.817	6.156	(0.6)	0.2	(0.4)	(5.9)	(0.2)			
1 million IDR/MYR	2.415	2.433	2.414	2.470	2.785	(0.7)	0.0	(2.2)	(13.3)	(0.8)			
THB/MYR	12.951	13.008	12.878	12.905	13.019	(0.4)	0.6	0.4	(0.5)	0.9			
10 HKD/MYR	5.196	5.229	5.202	5.282	5.803	(0.6)	(0.1)	(1.6)	(10.5)	(0.4)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	60.7	61.76	61.92	63.75	76.3	(1.7)	(2.0)	(4.8)	(20.4)	(0.2)			
WTI (USD/barrel)	57.13	58.32	57.95	60.08	73.56	(2.0)	(1.4)	(4.9)	(22.3)	(0.5)			
Gold (USD/oz)	4,495	4,449	4,339	4,198	2,636	1.0	3.6	7.1	70.5	4.1			
Malaysia CPO (RM/tonne)	3,928	3,950	4,027	4,095	4,690	(0.6)	(2.5)	(4.1)	(16.2)	(1.8)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	2.99	2.99	3.00	3.02	3.45	0	(1)	(2)	(45)	(0)			
5-Year	3.25	3.25	3.25	3.25	3.61	(0)	(0)	(1)	(37)	(1)			
7-Year	3.38	3.38	3.39	3.46	3.78	0	(1)	(7)	(40)	0			
10-Year	3.51	3.51	3.52	3.48	3.83	0	(1)	3	(32)	0			
15-Year	3.74	3.75	3.77	3.75	3.95	(0)	(3)	(0)	(21)	(2)			
20-Year	3.83	3.83	3.86	3.85	4.04	(0)	(3)	(2)	(21)	(2)			
30-Year	3.98	3.98	3.98	3.98	4.18	(0)	(1)	(1)	(20)	(0)			

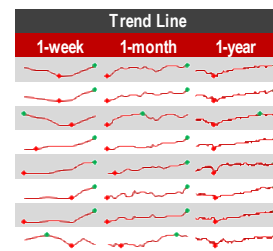
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.09	3.09	3.10	3.12	3.40	(0)	(1)	(2)	(31)	(1)			
5-Year	3.26	3.25	3.26	3.26	3.62	0	(0)	(1)	(37)	0			
7-Year	3.33	3.33	3.35	3.35	3.75	(0)	(2)	(2)	(42)	(1)			
10-Year	3.51	3.51	3.54	3.53	3.83	0	(3)	(2)	(31)	(1)			
15-Year	3.74	3.74	3.75	3.76	3.96	(0)	(2)	(2)	(22)	(1)			
20-Year	3.86	3.86	3.87	3.89	4.08	0	(1)	(3)	(22)	(1)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25
S&P500 Index	6,945	6,902	6,896	6,870	5,975
Dow Jones	49,462	48,977	48,367	47,955	42,707
Nasdaq	23,547	23,396	23,419	23,578	19,865
London FTSE	10,123	10,005	9,941	9,667	8,250
German DAX	24,892	24,869	24,490	24,028	20,216
Nikkei 225	52,518	51,833	50,339	50,492	39,307
Japan TOPIX	3,538	3,478	3,409	3,363	2,756
FBM KLCI	1,672	1,680	1,685	1,617	1,625

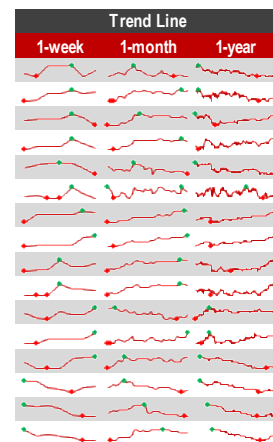
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.6	0.7	1.1	16.2	80.9
1.0	2.3	3.1	15.8	49.2
0.6	0.5	(0.1)	18.5	125.0
1.2	1.8	4.7	22.7	35.8
0.1	1.6	3.6	23.1	78.8
1.3	4.3	4.0	33.6	101.3
1.8	3.8	5.2	28.4	87.0
(0.5)	(0.7)	3.5	2.9	11.8



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25
UST 2Y	3.46	3.45	3.45	3.56	4.27
UST 10Y	4.17	4.16	4.12	4.14	4.63
Germany 2Y	2.10	2.13	2.12	2.10	2.19
Germany 10Y	2.84	2.87	2.86	2.80	2.45
UK 2Y	3.70	3.72	3.73	3.78	4.43
UK 10Y	4.48	4.51	4.50	4.48	4.61
Japan 2Y	1.19	1.20	1.18	1.05	0.63
Japan 10Y	2.14	2.13	2.07	1.95	1.14
Australia 2Y	4.08	4.08	4.04	3.95	3.92
Australia 10Y	4.79	4.80	4.75	4.68	4.47
China 2Y	1.40	1.37	1.39	1.43	1.03
China 10Y	1.88	1.86	1.86	1.83	1.60
Indonesia 2Y	5.16	5.15	4.99	5.08	7.02
Indonesia 10Y	6.10	6.09	6.09	6.20	7.06
Thailand 2Y	1.11	1.11	1.12	1.34	2.01
Thailand 10Y	1.63	1.62	1.64	1.74	2.32

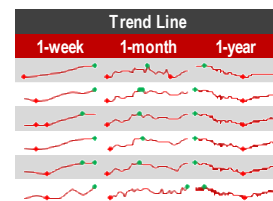
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	(10)	(81)	(1)
1	5	4	(46)	1
(3)	(2)	0	(9)	(2)
(3)	(1)	4	40	(1)
(2)	(3)	(8)	(74)	(4)
(3)	(2)	0	(13)	0
(1)	1	14	56	1
1	7	19	100	7
0	4	14	17	3
(0)	5	11	32	5
2	1	(3)	37	2
3	3	5	29	3
1	17	8	(186)	16
1	1	(10)	(97)	3
0	(1)	(23)	(90)	(1)
0	(1)	(11)	(69)	(1)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25
IRS 1-Year	3.23	3.22	3.20	3.23	3.56
IRS 3-Year	3.29	3.29	3.28	3.26	3.49
IRS 5-Year	3.41	3.39	3.35	3.34	3.55
IRS 7-Year	3.48	3.47	3.43	3.41	3.61
IRS 10-Year	3.63	3.61	3.57	3.56	3.72
IRS 20-Year	3.88	3.93	3.85	3.88	3.95

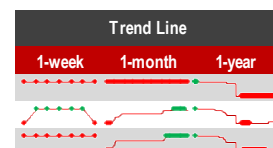
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	3	(0)	(34)	2
(0)	2	3	(20)	2
1	5	6	(14)	5
1	5	7	(13)	6
2	6	7	(10)	7
(5)	3	0	(7)	0



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.29
3-Month Klibor	3.27	3.28	3.28	3.26	3.72
6-Month Klibor	3.30	3.30	3.30	3.29	3.76

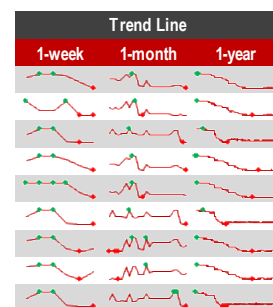
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(29)	0
(1)	(1)	1	(45)	(1)
0	0	1	(46)	0



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	6-Jan-26	5-Jan-26	30-Dec-25	7-Dec-25	6-Jan-25
3-Year AAA	3.50	3.50	3.50	3.52	3.83
3-Year AA	3.67	3.67	3.67	3.68	4.01
3-Year A	4.48	4.48	4.52	4.55	4.82
5-Year AAA	3.58	3.58	3.59	3.59	3.92
5-Year AA	3.75	3.75	3.75	3.76	4.09
5-Year A	4.61	4.61	4.66	4.70	5.03
10-Year AAA	3.76	3.76	3.77	3.76	4.06
10-Year AA	3.92	3.92	3.92	3.91	4.23
10-Year A	4.98	4.99	5.05	5.10	5.47

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(1)	(2)	(33)	(1)
0	(0)	(1)	(35)	(0)
0	(3)	(7)	(34)	(6)
(0)	(1)	(1)	(34)	(1)
(0)	(0)	(0)	(34)	(0)
(0)	(5)	(9)	(43)	(9)
0	(0)	0	(30)	(1)
0	(0)	1	(30)	(0)
(1)	(7)	(11)	(49)	(13)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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