



Fixed Income & FX Research

20 March 2025

Snapshot Summary...

Global FX: The dollar rose during the early session before declining after the Fed kept its interest rate unchanged

Global Rates: The UST market pared gains as more Fed policymakers increased their outlook for less rate cuts

MYR Bonds: The local government bond market remained strong

USD/MYR: We are wary of the ringgit direction given the strong dollar

Macro News

Japan: The BoJ kept its interest rate unchanged at 0.5% during its March meeting, marking the third month of steady rates aligning with market expectations. The central bank highlighted ongoing uncertainties in the domestic outlook due to higher U.S. tariffs and external challenges. At the same time, Japan's economy showed moderate recovery, with private consumption rising, supported by wage hikes despite continued cost pressures, while exports and industrial output mainly remained stagnant.

US: The Federal Reserve maintained the federal funds rate at 4.25%-4.5%, continuing the pause in its rate-cut cycle that started in January, as widely expected. Policymakers acknowledged growing uncertainty surrounding the economic outlook but reiterated their projection of reducing interest rates by approximately 50 bps this year, consistent with their December forecast.

Indonesia: The Bank of Indonesia kept its benchmark interest rate unchanged at 5.75% during its March 2025 meeting, which was in line with market expectations. The decision followed a sharp decline in the rupiah and Jakarta's main stock index on Tuesday, driven by traders' concerns over the government's fiscal policies and the outlook for the country's economic growth.

Fixed Income

Global Bonds: Fed policymakers still maintained an overall outlook for two rate cuts this year, though more policymakers increased their outlook for fewer rate cuts in anticipation of tariffs influencing higher inflationary pressures. As a result, the UST market pared gains.

MYR Government Bonds: The local government bond market remained strong. Expected global risks to trade and growth played on sentiment. Yesterday, Fitch's report that the lower anticipated fiscal expansion this year will reduce government borrowing aided local sentiment.

MYR Corporate Bonds: Yesterday, the ringgit corporate bond market was also supported. Various AAA and AA names were picked up. Notable trades involved AAA PLUS, including 01/32 and 01/35, which closed steady at 3.85% (-2 bps) and 3.88% (-6 bps), respectively.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	103.43	0.2
EUR/USD	1.090	(0.4)
AUD/USD	0.636	(0.1)
GBP/USD	1.300	0.0
USD/JPY	148.69	(0.4)
USD/MYR	4.436	(0.2)
USD/IDR	16,525	0.6
USD/THB	33.64	0.2
USD/SGD	1.331	0.0
USD/CNY	7.229	0.1
USD/KRW	1,464	0.8
USD/INR	86.44	(0.1)
USD/PHP	57.31	(0.0)
USD/TWD	33.05	0.1
USD/HKD	7.771	0.0
USD/VND	25,541	0.0
NZD/USD	0.582	(0.1)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.837	(0.7)
GBP/MYR	5.754	(0.5)
AUD/MYR	2.809	(1.0)
JPY/MYR	2.983	0.1
SGD/MYR	3.327	(0.4)
10CNY/MYR	6.136	(0.3)
100IDR/MYR	2.684	(0.8)
THB/MYR	13.188	(0.4)
10HKD/MYR	5.710	(0.2)
100INR/MYR	5.130	0.0

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.35	(3)
5-Year	08/29	3.54	(2)
7-Year	07/32	3.69	(1)
10-Year	07/34	3.75	(1)
15-Year	04/39	3.91	(2)
20-Year	05/44	4.00	(2)
30-Year	03/53	4.15	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.56	(1)
IRS 3-Year	3.46	(0)
IRS 5-Year	3.49	(1)
IRS 7-Year	3.54	(2)
IRS 10-Year	3.64	(2)
3-M KLIBOR	3.66	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.97	(7)
UST 10Y	4.24	(4)
Germany 10Y	2.80	(1)
UK 10Y	4.63	(1)
Japan 10Y	1.52	1
Australia 10Y	4.42	2
China 10Y	1.88	(1)
Korea 10Y	2.80	1
Indonesia 10Y	7.10	7
Thailand 10Y	2.13	(0)
Malaysia 10Y	3.75	(1)

Forex

US: The dollar rose during the early session from multi-month lows before declining after the Fed kept its interest rate unchanged. The sharp selloff in Turkish assets initially supported the single currency after authorities detained Turkish President Tayyip Erdogan's main political rival. It also found support after FOMC raised its core inflation forecast this year. Fed Powell stated that the US economy remains robust overall, and the Fed sees no urgency to alter its policy stance amid increased economic uncertainty. However, the gains were limited after FOMC cut its US 2025 GDP forecast and raised its year-end US unemployment estimate.

Europe: EUR/USD declined following lower-than-expected inflation data before the FOMC meeting. Eurozone's inflation rate rose 0.4% m/m in February, while its wage growth rose 4.1% y/y in 4Q2024, compared to a 4.3% rise in 3Q. The euro's decline is likely attributed to a possibility of fading optimism in the Eurozone, given that the euro has already factored in the approval of the spending reform amid US reciprocal tariffs on 2 April. The pound hovered around 1.300 ahead of UK unemployment data and BOE interest rate meeting today

Asia Pacific: The yen dropped to a two-week low against the dollar today after the BOJ decided to keep interest rates unchanged during its policy meeting. Weaker-than-expected Japanese trade data further weighed on the yen. Hawkish remarks from Governor Ueda offered little relief as he mentioned the central bank would raise rates if its economic outlook materialises as anticipated. The CNY eased against the dollar as traders looked for more clues on the outlook for the US economy during the FOMC meeting. On another note, China is anticipated to maintain its benchmark lending rates unchanged on Thursday, showing recovery signs while narrowing interest rates for lenders to lessen the need for further monetary easing.

Malaysia: In their quarterly projections update, the Fed revised growth projections downward and inflation upward, indicating that the dollar's path could turn towards the downside. This would, in turn, improve risk appetite and support global cyclical currencies, possibly including the ringgit. However, we continue to be cautious about the ringgit's prospects amidst tariff salvos, especially ahead of April's retaliatory tariff deadline.

Other Markets

Gold: Gold hovered near record highs above USD3,030/oz after the FOMC meeting, briefly touching USD3,040 on safe-haven buying driven by escalating geopolitical risks — particularly in the Middle East — and intensifying trade frictions.

Oil: Crude oil rallied as a modest 1.7-million-barrel inventory build matched forecasts and soothed nerves after the larger API estimate

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.81	(1)
3-Year AA	3.96	(3)
3-Year A	4.79	(1)
5-Year AAA	3.88	(1)
5-Year AA	4.05	(2)
5-Year A	4.98	(1)
10-Year AAA	4.01	(3)
10-Year AA	4.18	(2)
10-Year A	5.37	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	70.78	0.3
WTI (USD/bl)	67.16	0.4
Gold (USD/oz)	3,048	0.4
CPO (RM/tonne)	4,693	(1.2)

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,675	1.1
Dow Jones	41,965	0.9
Nasdaq	17,751	1.4
London FTSE	8,707	0.0
German DAX	23,288	(0.4)
Nikkei 225	37,752	(0.2)
Japan TOPIX	2,796	0.4
FBM KLCI	1,518	(0.7)
Strait Times	3,908	0.3
Jakarta	6,312	1.4
Shanghai	3,426	(0.1)
MSCI Asia Pac	190	(0.1)
MSCI World	3,702	0.8
Hang Seng	24,771	0.1
KOSPI	2,629	0.6
Thai Stock Exc	1,190	1.1
Taiwan	21,961	(1.4)
India	75,449	0.2
Australia	7,828	(0.4)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	08-May
ECB Main Refinancing	2.65	17-Apr
BOE Base Rate	4.50	20-Mar
RBA Cash Rate	4.10	01-Apr
BOJ Cash Rate	0.50	01-May
PBOC 1Y LPR	3.10	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	08-May

Ringgit Outlook for The Week

	1	2
Resistance	4.464	4.491
Support	4.377	4.366

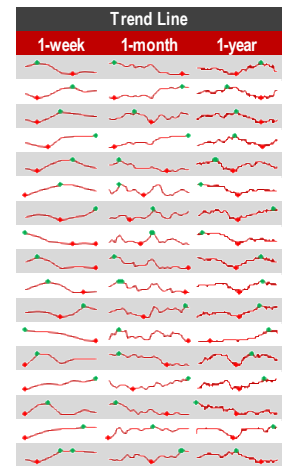
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
DXY Dollar Index	103.43	103.24	103.61	106.58	103.82
EUR/USD	1.090	1.095	1.089	1.048	1.087
AUD/USD	0.636	0.636	0.632	0.636	0.653
GBP/USD	1.300	1.300	1.296	1.263	1.272
USD/JPY	148.69	149.27	148.25	151.51	150.86
USD/MYR	4.436	4.446	4.428	4.434	4.737
USD/IDR	16,525	16,425	16,445	16,215	15,715
USD/THB	33.64	33.58	33.86	33.71	36.09
USD/SGD	1.331	1.331	1.333	1.342	1.342
USD/CNY	7.229	7.226	7.238	7.264	7.199
USD/KRW	1,464	1,451	1,452	1,443	1,340
USD/INR	86.44	86.57	87.21	86.88	83.04
USD/PHP	57.31	57.31	57.37	58.02	55.92
USD/TWD	33.05	33.00	32.97	32.71	31.78
USD/HKD	7.771	7.770	7.769	7.781	7.823
USD/VND	25,541	25,531	25,462	25,476	24,750
NZD/USD	0.582	0.582	0.573	0.574	0.605

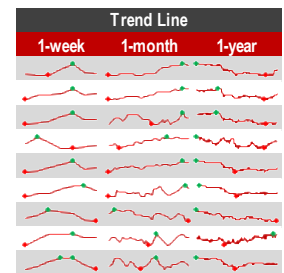
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	(0.2)	(3.0)	(0.4)	(4.7)
(0.4)	0.1	4.0	0.3	5.3
(0.1)	0.6	0.0	(2.7)	2.7
0.0	0.3	3.0	2.2	3.9
(0.4)	0.3	(1.9)	(1.4)	(5.4)
(0.2)	0.2	0.0	(6.4)	(0.8)
0.6	0.5	1.9	5.2	2.6
0.2	(0.6)	(0.2)	(6.8)	(1.3)
0.0	(0.2)	(0.8)	(0.8)	(2.6)
0.05	(0.1)	(0.5)	0.4	(1.0)
0.8	0.8	1.4	9.2	(0.6)
(0.1)	(0.9)	(0.5)	4.1	1.0
(0.0)	(0.1)	(1.2)	2.5	(0.9)
0.1	0.3	1.0	4.0	0.8
0.0	0.0	(0.1)	(0.7)	0.0
0.0	0.3	0.3	3.2	0.2
(0.1)	1.5	1.4	(3.9)	4.0



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
EUR/MYR	4.837	4.870	4.833	4.643	5.133
GBP/MYR	5.754	5.782	5.727	5.583	6.003
AUD/MYR	2.809	2.837	2.785	2.823	3.082
JPY/MYR	2.983	2.978	2.987	2.926	3.140
SGD/MYR	3.327	3.342	3.320	3.305	3.527
10CNY/MYR	6.136	6.155	6.118	6.102	6.580
100IDR/MYR	2.684	2.707	2.692	2.732	3.014
THB/MYR	13.188	13.237	13.097	13.154	13.129
10HKD/MYR	5.710	5.724	5.699	5.698	6.055

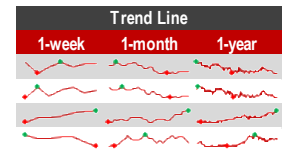
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	0.1	4.2	(5.8)	3.8
(0.5)	0.5	3.1	(4.1)	2.5
(1.0)	0.9	(0.5)	(8.9)	1.0
0.1	(0.1)	1.9	(5.0)	4.8
(0.4)	0.2	0.7	(5.6)	1.3
(0.3)	0.3	0.5	(6.8)	0.2
(0.8)	(0.3)	(1.8)	(10.9)	(3.2)
(0.4)	0.7	0.3	0.4	1.3
(0.2)	0.2	0.2	(5.7)	(0.9)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
Brent (USD/barrel)	70.78	70.56	70.95	75.22	87.38
WTI (USD/barrel)	67.16	66.9	67.68	70.74	83.47
Gold (USD/oz)	3,048	3,035	2,935	2,897	2,158
Malaysia CPO (RM/tonne)	4,693	4,749	4,801	4,737	4,343

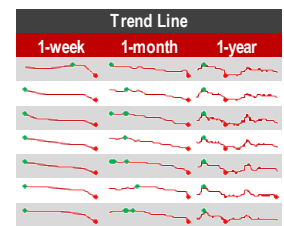
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.3	(0.2)	(5.9)	(19.0)	(5.2)
0.4	(0.8)	(5.1)	(19.5)	(6.4)
0.4	3.9	5.2	41.3	16.1
(1.2)	(2.3)	(0.9)	8.1	(4.6)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
3-Year	3.35	3.37	3.39	3.45	3.48
5-Year	3.54	3.56	3.56	3.61	3.59
7-Year	3.69	3.70	3.71	3.77	3.77
10-Year	3.75	3.76	3.76	3.80	3.88
15-Year	3.91	3.92	3.94	3.96	3.99
20-Year	4.00	4.02	4.04	4.06	4.07
30-Year	4.15	4.16	4.16	4.18	4.20

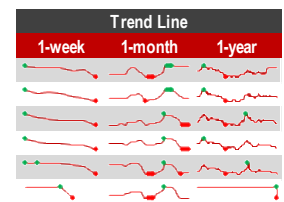
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(3)	(4)	(10)	(13)	(13)
(2)	(2)	(7)	(5)	(8)
(1)	(2)	(8)	(8)	(8)
(1)	(1)	(5)	(13)	(6)
(2)	(3)	(6)	(9)	(6)
(2)	(4)	(6)	(7)	(6)
(1)	(2)	(4)	(5)	(4)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
3-Year	3.52	3.54	3.54	3.55	3.46
5-Year	3.58	3.59	3.60	3.63	3.62
7-Year	3.70	3.72	3.72	3.78	3.77
10-Year	3.76	3.77	3.78	3.82	3.88
15-Year	3.91	3.93	3.93	3.95	3.99
20-Year	4.03	4.05	4.05	4.08	4.12

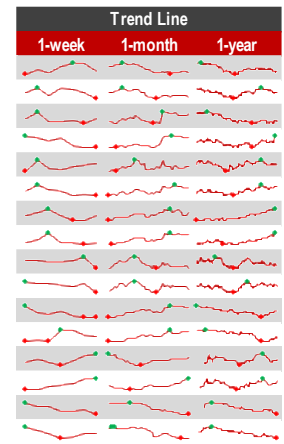
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(2)	(3)	6	10
(1)	(2)	(5)	(4)	(5)
(2)	(2)	(8)	(7)	(4)
(2)	(2)	(6)	(12)	(7)
(2)	(2)	(4)	(8)	(7)
(2)	(2)	(5)	(9)	(5)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
UST 2Y	3.97	4.04	3.99	4.26	4.68
UST 10Y	4.24	4.28	4.31	4.48	4.29
Germany 2Y	2.20	2.18	2.23	2.14	2.92
Germany 10Y	2.80	2.81	2.88	2.49	2.45
UK 2Y	4.21	4.20	4.23	4.20	4.26
UK 10Y	4.63	4.64	4.72	4.53	4.06
Japan 2Y	0.84	0.82	0.85	0.81	0.18
Japan 10Y	1.52	1.51	1.52	1.40	0.74
Australia 2Y	3.78	3.76	3.76	3.86	3.82
Australia 10Y	4.42	4.40	4.44	4.45	4.08
China 2Y	1.55	1.56	1.59	1.40	2.00
China 10Y	1.88	1.89	1.85	1.69	2.29
Indonesia 2Y	6.61	6.60	6.59	6.56	6.41
Indonesia 10Y	7.10	7.03	6.93	6.78	6.65
Thailand 2Y	1.82	1.84	1.86	2.05	2.13
Thailand 10Y	2.13	2.13	2.14	2.31	2.55

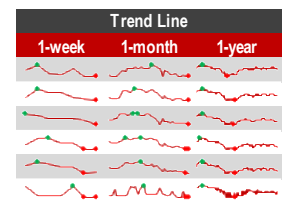
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(7)	(1)	(29)	(71)	(27)
(4)	(7)	(23)	(5)	(33)
2	(3)	6	(72)	11
(1)	(7)	32	35	44
1	(2)	0	(5)	(19)
(1)	(9)	10	57	109
2	(1)	2	66	23
1	(1)	12	78	42
2	2	(8)	(4)	(8)
2	(2)	(3)	34	6
(1)	(4)	15	(45)	45
(1)	3	19	(41)	21
1	2	5	20	(43)
7	17	32	44	10
(2)	(4)	(23)	(31)	(18)
(0)	(1)	(18)	(42)	(12)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
IRS 1-Year	3.56	3.57	3.57	3.59	3.59
IRS 3-Year	3.46	3.46	3.47	3.52	3.56
IRS 5-Year	3.49	3.49	3.50	3.56	3.65
IRS 7-Year	3.54	3.56	3.58	3.63	3.76
IRS 10-Year	3.64	3.66	3.67	3.74	3.89
IRS 20-Year	3.88	4.01	3.91	4.07	4.23

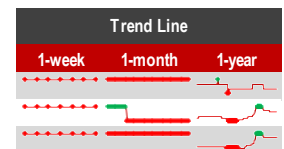
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(1)	(3)	(4)	(1)
(0)	(1)	(6)	(10)	(4)
(1)	(2)	(7)	(17)	(6)
(2)	(4)	(10)	(22)	(9)
(2)	(4)	(11)	(26)	(9)
(13)	(3)	(19)	(35)	(7)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
1-Month Klibor	3.28	3.28	3.28	3.28	3.29
3-Month Klibor	3.66	3.66	3.66	3.66	3.57
6-Month Klibor	3.73	3.73	3.73	3.73	3.63

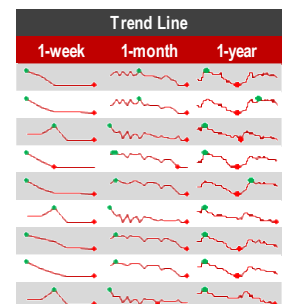
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(1)	(1)
0	0	0	9	(7)
0	0	0	10	(4)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	19-Mar-25	18-Mar-25	12-Mar-25	17-Feb-25	19-Mar-24
3-Year AAA	3.81	3.81	3.82	3.83	3.80
3-Year AA	3.96	3.97	4.00	4.01	4.00
3-Year A	4.79	4.79	4.80	4.84	5.05
5-Year AAA	3.88	3.88	3.90	3.91	3.89
5-Year AA	4.05	4.05	4.07	4.08	4.08
5-Year A	4.98	4.98	4.99	5.04	5.31
10-Year AAA	4.01	4.01	4.03	4.04	4.07
10-Year AA	4.18	4.18	4.20	4.21	4.27
10-Year A	5.37	5.37	5.38	5.43	5.83

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(1)	(2)	1	(2)
(0)	(3)	(5)	(3)	(5)
(0)	(1)	(5)	(26)	(7)
0	(1)	(3)	(0)	(4)
(0)	(2)	(3)	(3)	(5)
(0)	(1)	(6)	(33)	(11)
(0)	(3)	(3)	(6)	(6)
(0)	(2)	(3)	(9)	(6)
(0)	(1)	(6)	(46)	(19)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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