



10 July 2025

Macro: FOMC minutes see divergence in members' inflation outlook. BNM cuts OPR by 25bps, citing economic threat posed by external uncertainties.

Forex: Currencies held steady as latest Trump tariffs geared towards smaller nations, with eyes ahead on further trade-related developments.

Fixed Income: UST rallied on FOMC meeting minutes, while JGB fell ahead of 20Y JGB auction. Front-end MGS led gains on OPR cut decision.

Macro

Global: Trump unveiled tariffs on several more countries, most notably a 50% rate on Brazil – which runs a small trade deficit with the US, as Trump cited its treatment of former right-winged President Jair Bolsonaro. This comes as the EU said it could reach an outline for a trade agreement with the US in the coming days. FOMC meeting minutes revealed a divide among Fed officials, driven by differing expectations of how inflation may evolve from current tariffs. Policymakers pointed to 'considerable uncertainty' on the timing, size, and duration of the tariffs' potential impact on inflation, with most FOMC members maintaining that an overall stable US economy provides them room to be patient in policy rate adjustments.

Malaysia: BNM lowered the OPR by 25bps to 2.75% at its July MPC meeting, a decision expected by a slim majority of economists including AmBank. BNM cited its commitment to support domestic economic momentum amid a weaker growth outlook and moderate inflation prospects, though added that it is not on any preset course. BNM also said it will release its revised 2025 growth forecasts in the fourth week of July, though added that it does not foresee a major revision to current projections of 4.5-5.5% y/y. MITI Minister Tengku Zafrul said the government is continuing negotiations with the US prior to finalisation in August, adding that the country has stood firm when necessary in trade talks.

Forex

Global: DXY held steady for another day, as Trump's latest barrage of tariffs were geared mostly towards smaller trade partners. G10 fared mixed but also closed little changed, as markets await with bated breaths for further trade-related developments. CHF and JPY rose 0.2% alongside the rally in other safe-haven assets, while AUD notched another 0.1% higher after RBA's surprise rate hold.

Malaysia: USDMYR gapped higher on opening, and traded within 4.245-4.255 for the day. A mild spike seen after BNM's OPR decision was announced, though the spike was subsequently pared near-closing session.

Fixed Income

Global Bonds: US Treasuries reacted to the FOMC meeting minutes overnight, as yields fell due to the minutes suggesting policymakers think a series of cuts may be needed, though some members also think tariffs may prompt inflationary pressures. JGB yields rose amid concerns over US-Japan trade relations (earlier 25% tariffs) as well as in anticipation of today's 20Y JGB auction, which will be in focus given recent rising yields from fiscal expansion plans due to a looming election.

MYR Bonds: Local government bonds closed modestly firmer yesterday post MPC, though gains were mainly on the front of the curve. Near 3.09%, the 3Y MGS should have room to strengthen further but we think the market may take time to assess Malaysia's macro conditions especially on the tariffs front. On the PDS front, net buying activity dominated but flows were light. Leading the action were AA1 rated KLK 09/34 which closed unchanged at 3.77% while KLK 03/32 fell 3 bps to 3.73%,

Commodities

The FOMC minutes not indicating clarity of when the first rate could occur sparked some demand for **gold** which rose slightly by 0.4% overnight. **Crude oil** prices held flat, as traders balanced the resurgence of Houthi attacks in the Red Sea, with news of the EIA reporting a higher than expected 7.1 million rise in US crude stocks in the week ended 4 July.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	97.56	0.0
EUR/USD	1.172	(0.0)
AUD/USD	0.654	0.1
GBP/USD	1.359	(0.0)
USD/JPY	146.33	(0.2)
USD/MYR	4.250	0.2
USD/IDR	16,243	0.2
USD/THB	32.70	0.5
USD/SGD	1.280	0.1
USD/CNY	7.181	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.268	4.327
Support	4.178	4.148

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.84	(5)
UST 10Y	4.33	(7)
Germany 10Y	2.67	(1)
UK 10Y	4.61	(2)
Japan 10Y	1.51	1
Australia 10Y	4.34	8
China 10Y	1.65	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.10	(2)
5-Year	3.15	(2)
7-Year	3.35	(1)
10-Year	3.44	0
15-Year	3.67	(0)
20-Year	3.77	0
30-Year	4.00	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.19	(5)
IRS 3-Year	3.12	(0)
IRS 5-Year	3.19	(1)
IRS 7-Year	3.29	0
IRS 10-Year	3.42	1
3M KLIBOR	3.47	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	70.19	0.1
WTI (USD/bbl)	68.38	0.1
Gold (USD/oz)	3,314	0.4
CPO (RM/tonne)	4,056	(0.0)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	30-Jul
ECB Deposit Rate	2.00	24-Jul
BOE Base Rate	4.25	07-Aug
RBA Cash Rate	3.85	12-Aug
BOJ Cash Rate	0.50	31-Jul
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		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	97.56	97.52	96.78	98.94	105.13	0.0	0.8	(1.4)	(7.2)	(10.1)			
EUR/USD	1.172	1.173	1.180	1.142	1.081	(0.0)	(0.7)	2.6	8.4	13.2			
AUD/USD	0.654	0.653	0.658	0.652	0.674	0.1	(0.7)	0.3	(3.1)	5.6			
GBP/USD	1.359	1.359	1.364	1.355	1.279	(0.0)	(0.4)	0.3	6.3	8.5			
USD/JPY	146.33	146.58	143.66	144.57	161.33	(0.2)	1.9	1.2	(9.3)	(6.9)			
USD/MYR	4.250	4.240	4.226	4.232	4.707	0.2	0.6	0.4	(9.7)	(5.0)			
USD/IDR	16,243	16,208	16,242	16,275	16,250	0.2	0.0	(0.2)	(0.0)	0.9			
USD/THB	32.70	32.53	32.45	32.67	36.40	0.5	0.8	0.1	(10.2)	(4.1)			
USD/SGD	1.280	1.280	1.273	1.286	1.351	0.1	0.6	(0.5)	(5.2)	(6.3)			
USD/CNY	7.181	7.179	7.163	7.179	7.273	0.03	0.2	0.0	(1.3)	(1.6)			
USD/KRW	1,375	1,372	1,356	1,355	1,384	0.2	1.4	1.5	(0.6)	(6.6)			
USD/INR	85.68	85.70	85.71	85.63	83.49	(0.0)	(0.0)	0.1	2.6	0.1			
USD/PHP	56.57	56.36	56.38	55.83	58.44	0.4	0.3	1.3	(3.2)	(2.2)			
USD/TWD	29.15	29.06	29.00	29.94	32.55	0.3	0.5	(2.7)	(10.5)	(11.1)			
USD/HKD	7.850	7.850	7.850	7.848	7.812	(0.0)	(0.0)	0.0	0.5	1.0			
USD/VND	26,138	26,125	26,162	26,041	25,419	0.0	(0.1)	0.4	2.8	2.6			
NZD/USD	0.600	0.600	0.609	0.605	0.613	0.0	(1.5)	(0.8)	(2.0)	7.3			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.981	4.979	4.976	4.836	5.094	0.0	0.1	3.0	(2.2)	6.9			
GBP/MYR	5.779	5.765	5.786	5.743	6.029	0.2	(0.1)	0.6	(4.1)	2.9			
AUD/MYR	2.777	2.773	2.774	2.762	3.172	0.1	0.1	0.5	(12.5)	(0.2)			
JPY/MYR	2.906	2.893	2.943	2.927	2.918	0.4	(1.2)	(0.7)	(0.4)	2.1			
SGD/MYR	3.320	3.318	3.318	3.293	3.486	0.1	0.1	0.8	(4.8)	1.1			
10CNY/MYR	5.921	5.907	5.900	5.893	6.472	0.3	0.4	0.5	(8.5)	(3.3)			
100IDR/MYR	2.615	2.617	2.602	2.598	2.897	(0.1)	0.5	0.7	(9.7)	(5.7)			
THB/MYR	13.016	13.023	13.057	12.948	12.910	(0.1)	(0.3)	0.5	0.8	(0.0)			
10HKD/MYR	5.416	5.402	5.385	5.393	6.025	0.3	0.6	0.4	(10.1)	(6.0)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	70.19	70.15	69.11	67.04	84.66	0.1	1.6	4.7	(17.1)	(6.0)			
WTI (USD/barrel)	68.38	68.33	67.45	65.29	81.41	0.1	1.4	4.7	(16.0)	(4.7)			
Gold (USD/oz)	3,314	3,302	3,357	3,326	2,364	0.4	(1.3)	(0.4)	40.2	26.3			
Malaysia CPO (RM/tonne)	4,056	4,057	4,034	3,920	4,015	(0.0)	0.5	3.5	1.0	(16.6)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.10	3.12	3.12	3.16	3.49	(2)	(2)	(6)	(40)	(38)			
5-Year	3.15	3.17	3.17	3.19	3.63	(2)	(2)	(4)	(48)	(47)			
7-Year	3.35	3.36	3.38	3.42	3.78	(1)	(3)	(7)	(43)	(42)			
10-Year	3.44	3.43	3.50	3.53	3.85	0	(7)	(9)	(42)	(38)			
15-Year	3.67	3.68	3.68	3.70	3.97	(0)	(1)	(3)	(29)	(30)			
20-Year	3.77	3.77	3.78	3.78	4.11	0	(1)	(1)	(34)	(29)			
30-Year	4.00	4.00	4.00	4.01	4.22	0	(0)	(2)	(23)	(19)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.14	3.15	3.16	3.17	3.46	(1)	(2)	(3)	(32)	(29)			
5-Year	3.24	3.25	3.27	3.30	3.61	(1)	(3)	(6)	(37)	(39)			
7-Year	3.36	3.37	3.39	3.41	3.77	(1)	(2)	(4)	(41)	(38)			
10-Year	3.49	3.50	3.50	3.53	3.87	(1)	(2)	(4)	(38)	(34)			
15-Year	3.69	3.70	3.70	3.70	3.99	(1)	(1)	(0)	(30)	(29)			
20-Year	3.76	3.76	3.76	3.77	4.12	(0)	(1)	(1)	(37)	(33)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.84	3.89	3.78	4.00	4.63	(5)	6	(16)	(78)	(40)			
UST 10Y	4.33	4.40	4.28	4.47	4.30	(7)	6	(14)	4	(24)			
Germany 2Y	1.86	1.87	1.86	1.86	2.92	(1)	(0)	(0)	(106)	(22)			
Germany 10Y	2.67	2.69	2.66	2.57	2.58	(1)	1	11	9	31			
UK 2Y	3.88	3.87	3.88	4.00	4.13	1	(0)	(12)	(25)	(51)			
UK 10Y	4.61	4.63	4.61	4.63	4.16	(2)	0	(2)	45	4			
Japan 2Y	0.76	0.74	0.75	0.78	0.36	3	1	(2)	41	16			
Japan 10Y	1.51	1.50	1.43	1.47	1.09	1	8	4	42	41			
Australia 2Y	3.41	3.36	3.24	3.32	4.20	5	17	9	(79)	(45)			
Australia 10Y	4.34	4.26	4.15	4.27	4.34	8	19	7	(0)	(2)			
China 2Y	1.38	1.37	1.37	1.43	1.64	1	1	(6)	(27)	28			
China 10Y	1.65	1.65	1.64	1.69	2.28	0	0	(4)	(63)	(3)			
Indonesia 2Y	5.98	5.97	6.01	6.21	6.81	2	(3)	(23)	(83)	(106)			
Indonesia 10Y	6.59	6.59	6.62	6.77	7.06	0	(2)	(18)	(47)	(40)			
Thailand 2Y	1.35	1.36	1.39	1.50	2.34	(1)	(3)	(15)	(98)	(64)			
Thailand 10Y	1.54	1.55	1.59	1.68	2.65	(1)	(6)	(15)	(112)	(72)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.19	3.24	3.24	3.26	3.58	(5)	(5)	(7)	(39)	(39)			
IRS 3-Year	3.12	3.13	3.12	3.15	3.58	(0)	0	(3)	(46)	(38)			
IRS 5-Year	3.19	3.20	3.20	3.23	3.63	(1)	(1)	(4)	(44)	(36)			
IRS 7-Year	3.29	3.29	3.28	3.33	3.73	0	1	(4)	(45)	(35)			
IRS 10-Year	3.42	3.41	3.41	3.45	3.86	1	1	(3)	(44)	(31)			
IRS 20-Year	3.68	3.69	3.70	3.73	4.18	(1)	(2)	(4)	(50)	(27)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.25	3.25	3.26	3.26	3.29	0	(1)	(1)	(4)	(4)			
3-Month Klibor	3.47	3.47	3.49	3.50	3.59	0	(2)	(3)	(12)	(26)			
6-Month Klibor	3.50	3.51	3.53	3.54	3.64	(1)	(3)	(4)	(14)	(27)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jul-25	8-Jul-25	2-Jul-25	9-Jun-25	9-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.61	3.61	3.61	3.62	3.85	0	(0)	(1)	(24)	(22)			
3-Year AA	3.76	3.76	3.77	3.77	3.98	0	(0)	(1)	(22)	(25)			
3-Year A	4.54	4.55	4.54	4.54	4.94	(0)	0	0	(40)	(31)			
5-Year AAA	3.68	3.68	3.68	3.69	3.94	0	(0)	(1)	(26)	(25)			
5-Year AA	3.85	3.85	3.85	3.86	4.07	0	(0)	(1)	(22)	(26)			
5-Year A	4.67	4.68	4.67	4.67	5.17	(0)	(0)	0	(50)	(41)			
10-Year AAA	3.83	3.83	3.84	3.84	4.08	0	(1)	(1)	(25)	(23)			
10-Year AA	3.99	3.99	4.00	4.01	4.26	0	(1)	(1)	(27)	(25)			
10-Year A	5.02	5.02	5.02	5.02	5.69	(0)	(0)	0	(68)	(54)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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