



Fixed Income & FX Research

16 June 2026

Macro: Markets took the positives from the US-Iran deal news and the expectation that the Strait of Hormuz would reopen as part of the agreement.

Forex: Whiplash for the FX markets amid US-Iran developments, with the USD on the retreat amid lower safe-haven demand.

Fixed Income: Malaysian bonds followed the firm sentiment in global markets yesterday, on the heels of news of the US-Iran deal.

Macro

Global: As per our report yesterday, both the US and Iran have reached a preliminary peace agreement and to reopen the Strait of Hormuz. However, a lasting peace deal may also be tricky, given that Israel was not part of the negotiations and is still waging war against the Hezbollah group in Lebanon. Additionally, Israeli PM Benjamin Netanyahu reportedly said Israel will keep its forces in Lebanon. Meanwhile, the IMF warns it is still on 'high alert' due to the war's impact, while ECB President Lagarde reiterated that higher energy prices are starting to spill over into second-round inflation in the Eurozone.

Malaysia: Economy Minister Akmal Nasrullah noted that global oil supplies will still take time to recover despite the recent US-Iran peace deal and that the government will continue to maintain mitigation measures to ease economic pressures. Nasrullah also added that inflation is expected to stay under control at 1.5-2.5% y/y for 2026.

Forex

Global: Whiplash for the dollar as the DXY was seen 0.5% lower amid US-Iran developments, with the USD on the retreat amid lowered safe-haven demand, falling UST yields, and reduced trade account support from higher energy prices. EUR (+0.2%) and GBP (+0.1%) advanced slightly, while AUD (+0.4%) was among frontrunners for G10 FX gains, ahead of the RBA's policy meeting today with no expected changes to the policy rate. USD/JPY continues to hover around the 160 level despite broad-based USD weakness, driven by persistent bearish bets and carry trade positions – even amid an expected 25bps rate hike by the BOJ today.

Asia: MYR (+0.2%) found support following weekend developments, though gains trailed that of Asian peers such as the PHP, IDR, and INR – currencies that saw more significant declines from March-June given their reliance on energy imports.

Fixed Income

Global Bonds: UST rallied after news of the US-Iran deal lowered expectations of a Fed rate hike this year. Bloomberg reported that swap rates are pricing in an 80% probability of a rate hike by December. A week ago, the probability from swap prices was 100%. Bunds, Gilts and JGB yields closed 2-4 bps lower. Though the ECB recently raised rates, the BOE is expected to hold, while the BOJ may hike.

MYR Bonds: Local government bonds followed the firm sentiment in global markets yesterday, on the heels of news of the US-Iran deal. Benchmark MGS and GII yields were 1-2 bps lower, but further gains were limited, as greater clarity on the deal was still lacking. MYR corporate bonds were also supported. GG and AAA infra names led flows and banking papers, though focused on <5Y tenors. PASB 06/31 (AAA) closed at 3.78%, up 1 bps.

Commodities

Brent prices closed 4% lower on Monday, affirming the sharp opening decline on the latest US-Iran developments. **Gold** rebounded more than 2% on Monday on easing interest rate expectations.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.63	(0.1)
EUR/USD	1.159	0.2
AUD/USD	0.707	0.4
GBP/USD	1.341	0.1
USD/JPY	160.34	0.1
USD/MYR	4.051	(0.2)
USD/IDR	17,703	(0.9)
USD/THB	32.57	(0.3)
USD/SGD	1.283	(0.1)
USD/CNY	6.759	(0.1)

Ringgit Outlook for The Week

	1	2
Resistance	4.111	4.176
Support	3.945	3.843

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.07	(1)
UST 10Y	4.47	(1)
Germany 10Y	2.95	(4)
UK 10Y	4.81	(2)
Japan 10Y	2.58	(4)
Australia 10Y	4.81	(1)
China 10Y	1.74	(0)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.23	(1)
5-Year	3.42	0
7-Year	3.54	(1)
10-Year	3.58	(0)
15-Year	3.83	(1)
20-Year	3.96	(1)
30-Year	4.08	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.39	(2)
IRS 3-Year	3.43	(2)
IRS 5-Year	3.48	(0)
IRS 7-Year	3.56	(2)
IRS 10-Year	3.70	(1)
3M KLIBOR	3.36	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	83.17	(4.8)
WTI (USD/bbl)	80.75	(4.9)
Gold (USD/oz)	4,312	2.2
CPO (RM/tonne)	4,406	0.4

Policy Rates

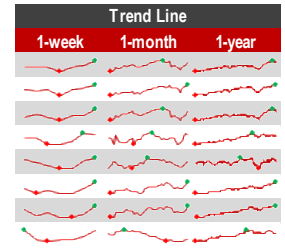
Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.25	23-Jul
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	08-Jul
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	09-Jul

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.

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	15-Jun-26	12-Jun-26	8-Jun-26	16-May-26	15-Jun-25
S&P500 Index	7,554	7,431	7,406	7,409	5,977
Dow Jones	51,671	51,202	50,786	49,526	42,198
Nasdaq	26,684	25,889	25,930	26,225	19,407
London FTSE	10,431	10,472	10,373	10,195	8,851
German DAX	24,894	24,635	24,616	23,951	23,516
Nikkei 225	69,318	66,020	64,025	61,409	37,834
Japan TOPIX	4,000	3,882	3,852	3,864	2,756
FBM KLCI	1,691	1,684	1,680	1,740	1,518

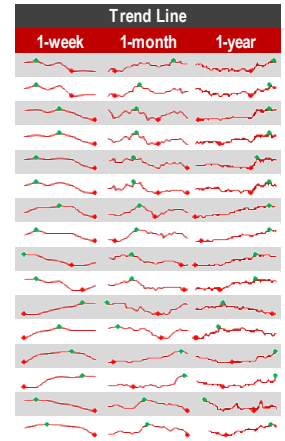
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.7	2.0	2.0	26.4	96.8
0.9	1.7	4.3	22.4	55.9
3.1	2.9	1.7	37.5	154.9
(0.4)	0.6	2.3	17.9	40.0
1.1	1.1	3.9	5.9	78.8
5.0	8.3	12.9	83.2	165.6
3.0	3.8	3.5	45.1	111.4
0.5	0.7	(2.8)	11.4	13.1



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	15-Jun-26	12-Jun-26	8-Jun-26	16-May-26	15-Jun-25
UST 2Y	4.07	4.08	4.16	4.07	3.95
UST 10Y	4.47	4.48	4.56	4.59	4.40
Germany 2Y	2.57	2.62	2.71	2.74	1.86
Germany 10Y	2.95	3.00	3.06	3.17	2.54
UK 2Y	4.17	4.24	4.38	4.55	3.94
UK 10Y	4.81	4.84	4.94	5.17	4.55
Japan 2Y	1.40	1.41	1.42	1.42	0.74
Japan 10Y	2.58	2.63	2.73	2.72	1.41
Australia 2Y	4.48	4.47	4.60	4.75	3.26
Australia 10Y	4.81	4.81	4.91	5.07	4.15
China 2Y	1.29	1.28	1.26	1.27	1.43
China 10Y	1.74	1.74	1.73	1.76	1.70
Indonesia 2Y	7.07	7.27	7.21	6.35	6.23
Indonesia 10Y	7.42	7.42	7.28	6.69	6.72
Thailand 2Y	1.13	1.16	1.23	1.21	1.48
Thailand 10Y	2.07	2.21	2.28	2.21	1.68

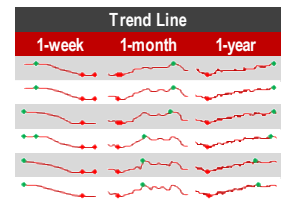
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(10)	(0)	12	59
(1)	(9)	(12)	7	31
(4)	(13)	(17)	72	45
(4)	(11)	(21)	42	10
(6)	(21)	(38)	23	44
(2)	(13)	(36)	26	33
(1)	(2)	(1)	66	23
(4)	(15)	(14)	117	52
1	(11)	(26)	122	43
(1)	(10)	(27)	65	7
1	3	2	(14)	(8)
(0)	2	(2)	4	(11)
(20)	(15)	72	83	207
0	14	73	69	135
(3)	(10)	(8)	(35)	1
(14)	(21)	(14)	39	43



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	15-Jun-26	12-Jun-26	8-Jun-26	16-May-26	15-Jun-25
IRS 1-Year	3.39	3.40	3.43	3.39	3.29
IRS 3-Year	3.43	3.44	3.48	3.44	3.19
IRS 5-Year	3.48	3.49	3.57	3.50	3.28
IRS 7-Year	3.56	3.58	3.64	3.58	3.37
IRS 10-Year	3.70	3.70	3.77	3.70	3.50
IRS 20-Year	4.02	4.03	4.10	4.06	3.78

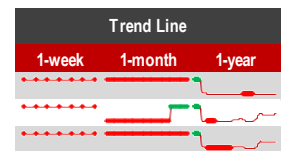
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(4)	(1)	10	18
(2)	(6)	(2)	24	16
(0)	(8)	(2)	21	13
(2)	(7)	(2)	20	15
(1)	(8)	0	20	14
(1)	(8)	(4)	24	14



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	15-Jun-26	12-Jun-26	8-Jun-26	16-May-26	15-Jun-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.26
3-Month Klibor	3.36	3.36	3.36	3.35	3.50
6-Month Klibor	3.39	3.39	3.39	3.39	3.54

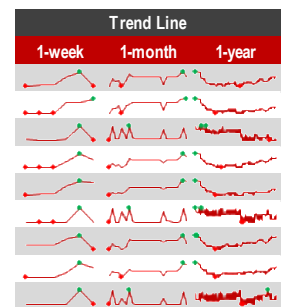
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(26)	0
0	0	1	(14)	8
0	0	0	(15)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	15-Jun-26	12-Jun-26	8-Jun-26	16-May-26	15-Jun-25
3-Year AAA	3.57	3.58	3.57	3.57	3.62
3-Year AA	3.71	3.71	3.71	3.70	3.77
3-Year A	4.45	4.47	4.45	4.45	4.57
5-Year AAA	3.66	3.67	3.65	3.65	3.69
5-Year AA	3.80	3.80	3.79	3.78	3.85
5-Year A	4.62	4.66	4.62	4.62	4.72
10-Year AAA	3.83	3.84	3.83	3.82	3.83
10-Year AA	3.97	3.98	3.96	3.96	4.00
10-Year A	5.02	5.07	5.03	5.03	5.09

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	0	0	(4)	7
0	0	1	(6)	4
(2)	(0)	0	(12)	(9)
(0)	1	2	(3)	7
(0)	1	1	(6)	4
(4)	0	0	(9)	(8)
(1)	(0)	1	(1)	6
(1)	1	2	(3)	5
(5)	(0)	(0)	(7)	(9)



Sources: Bloomberg, AmBank Economics
 Note: All values are end-period

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