



Fixed Income & FX Research

14 October 2026

Macro: IMF warns of a bifurcated global growth outlook despite slight upward revision to 2026 growth. Fitch Ratings noted Malaysia's gradual pace of fiscal consolidation amid subsidy/support measures.

Forex: DXY fell 0.4% amid dovish comments from NY Fed President Williams. JPY gains lagged, while GBP and AUD saw a stronger rise on external/hawkish support. USD/MYR remained steady.

Fixed Income: UST yields closed mixed ahead of US CPI/PPI data and commentary from additional central bankers. MGS continued to strengthen, ahead of the incoming 15Y 01/41 MGS auction.

Macro

Global: The IMF now sees global growth at 3.1% y/y for 2026 (prior: 3%) and 3.4% for 2027 (unchanged) as advanced economies remain buoyed by rising AI investments, while low-income countries remain vulnerable to energy price shocks. New York Fed President John Williams said that while he sees one more hike as appropriate this year, he doesn't believe more would be necessary next year, with inflation shocks from energy prices and tariffs (among other signs) expected to fade. However, he qualified that his outlook remains shrouded in a high level of uncertainty – especially regarding AI-driven components of inflation.

Malaysia: IMF growth projections for the ASEAN-5 economies (including Malaysia) were revised to a collective 4.4% for 2026 (prior: 4.1%), largely reflecting continued investment in data centres. Fitch Ratings noted that Malaysia's generous spending on subsidies and household/businesses support will limit the pace of fiscal consolidation, which may be made more challenging as the general election approaches. Economy Minister Akmal Nasrullah indicated that 49% of the workforce will be exempt from the minimum wage hike starting June 2027, while inflation is expected to remain manageable, as previous minimum wage adjustments have not led to higher prices.

Forex

Global: DXY (-0.4%) reversed earlier gains as the USD weakened 0.2-0.8% against G10 FX peers, driven by dovish comments from a key FOMC member. JPY (+0.2%) lagged peers after Japan's PPI rose 6.8% y/y in September (consensus: 7.6%) – its slowest since May; while BOJ Governor Ueda indicated the timing and pace of further hikes will depend on pass-through effects of higher PPI towards household spending and CPI. Sources also indicate that BOJ officials are opposed to a back-to-back rate hike this month, with any further hike later depending on incoming economic data. GBP (+0.4%) drew support from the IMF's upward revision to the UK's growth forecast at 1.3% y/y for this year (prior: 1%), as well as being the only major economy having set out clear plans to reduce government debt. AUD also rose 0.4% after RBA meeting minutes noted that several identified upside risks to inflation were building or had materialised, suggesting greater importance of the 3Q2026 CPI data later this month (besides employment data on Thursday).

Asia: Regional currencies (including the MYR) largely closed flat for the day. Meanwhile, the MAS unexpectedly left monetary policy unchanged this morning (consensus: Expected a steeper SGD \$NEER slope/hawkish bias), while narrowing its core inflation forecast to 1.5-2% for this year (prior: 1.5-2.5%), suggesting that earlier efforts to tamp down inflationary pressures were successful.

Fixed Income

Global Bonds: As US fixed income traders returned from the Columbus Day break, bond markets closed mixed, with sentiment remaining focused on recent attacks in Saudi Arabia, US CPI/PPI due today/tomorrow, and central bank speeches. Meanwhile, the IMF warned that surging government bond yields are the biggest emerging risks to the global financial system, including potential spillovers risks from an AI-driven market correction towards system-wide losses.

MYR Bonds: Local government bonds made further gains yesterday while we noted UST yields had come down from weekly highs. Meanwhile, authorities announced details for the next govies auction, comprising a MYR3.5 billion tender for the 15Y MGS 01/41 and a MYR1.5 billion private placement.

Commodities**FX Daily Rates**

Vs. USD	Last Close	Per cent
DXY	102.22	(0.4)
EUR/USD	1.120	0.4
AUD/USD	0.698	0.4
GBP/USD	1.326	0.4
USD/JPY	158.33	(0.2)
USD/MYR	4.085	0.0
USD/IDR	17,896	(0.0)
USD/THB	33.61	0.0
USD/SGD	1.280	(0.0)
USD/CNY	6.693	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.107	4.130
Support	4.054	4.023

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.79	0
UST 10Y	5.21	(3)
Germany 10Y	3.47	(1)
UK 10Y	5.45	1
Japan 10Y	3.01	(1)
Australia 10Y	5.29	(3)
China 10Y	1.66	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.43	(1)
5-Year	3.66	(3)
7-Year	3.80	(3)
10-Year	3.83	(4)
15-Year	4.15	(1)
20-Year	4.24	(2)
30-Year	4.37	(2)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.70	(1)
IRS 3-Year	3.75	(1)
IRS 5-Year	3.79	(2)
IRS 7-Year	3.86	(2)
IRS 10-Year	4.02	0
3M KLIBOR	3.55	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	105.69	(0.9)
WTI (USD/bbl)	94.14	0.4
Gold (USD/oz)	4,161	(0.3)
CPO (RM/tonne)	4,398	4.7

Policy Rates (%)

Central Banks	Current	Next
US Fed Funds	4.00	28-Oct
ECB Deposit Rate	2.50	29-Oct
BOE Base Rate	3.75	05-Nov
RBA Cash Rate	4.60	03-Nov
BOJ Cash Rate	1.25	30-Oct
RBNZ Cash Rate	2.75	28-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-Nov

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.

CPO prices rose 5% d/d. While higher expected inventories earlier weighed on CPO prices, improving export demand and lower production in 4Q2026 have helped drive a rebound amid expectations of a reduced surplus. Weather-related production risks, alongside Indonesia's continued B50 push, are further expected to support prices. Meanwhile, OPEC+ indicated a sharp jump in oil production in September – driven by increases in Saudi Arabia even despite ongoing disruptions.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	102.22	102.59	101.83	99.12	99.27	(0.4)	0.4	3.1	3.0	4.0			
EUR/USD	1.120	1.116	1.126	1.160	1.157	0.4	(0.5)	(3.4)	(3.2)	(4.7)			
AUD/USD	0.698	0.696	0.698	0.717	0.652	0.4	0.0	(2.6)	7.2	4.7			
GBP/USD	1.326	1.321	1.328	1.352	1.333	0.4	(0.2)	(2.0)	(0.6)	(1.6)			
USD/JPY	158.33	158.61	158.1	153.61	152.28	(0.2)	0.1	3.1	4.0	1.0			
USD/MYR	4.085	4.084	4.085	4.071	4.228	0.0	(0.0)	0.4	(3.4)	0.6			
USD/IDR	17,896	17,903	17,900	17,600	16,560	(0.0)	(0.0)	1.7	8.1	7.2			
USD/THB	33.61	33.61	33.62	33.04	32.72	0.0	(0.0)	1.7	2.7	6.7			
USD/SGD	1.280	1.281	1.278	1.267	1.299	(0.0)	0.2	1.0	(1.4)	(0.4)			
USD/CNY	6.693	6.695	6.702	6.708	7.138	(0.0)	(0.1)	(0.2)	(6.2)	(4.1)			
USD/KRW	1,342	1,336	1,339	1,343	1,425	0.5	0.2	(0.0)	(5.8)	(6.8)			
USD/INR	95.28	95.78	96.43	95.56	88.68	(0.5)	(1.2)	(0.3)	7.5	6.0			
USD/PHP	62.81	62.76	62.78	62.70	58.24	0.1	0.0	0.2	7.8	6.8			
USD/TWD	32.16	31.92	31.80	31.65	30.69	0.7	1.1	1.6	4.8	2.3			
USD/HKD	7.848	7.848	7.848	7.842	7.781	0.0	0.0	0.1	0.9	0.8			
USD/VND	25,916	25,932	25,994	25,920	26,344	(0.1)	(0.3)	(0.0)	(1.6)	(1.5)			
NZD/USD	0.561	0.559	0.562	0.582	0.573	0.4	(0.2)	(3.5)	(2.0)	(2.5)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.568	4.567	4.593	4.720	4.902	0.0	(0.6)	(3.2)	(6.8)	(4.1)			
GBP/MYR	5.408	5.406	5.409	5.499	5.639	0.0	(0.0)	(1.7)	(4.1)	(0.9)			
AUD/MYR	2.848	2.847	2.847	2.918	2.758	0.0	0.0	(2.4)	3.3	5.0			
JPY/MYR	2.581	2.575	2.584	2.650	2.776	0.2	(0.1)	(2.6)	(7.0)	(0.4)			
SGD/MYR	3.192	3.189	3.195	3.211	3.258	0.1	(0.1)	(0.6)	(2.0)	1.1			
10 CNY/MYR	6.104	6.102	6.095	6.068	5.928	0.0	0.2	0.6	3.0	5.1			
1 million IDR/MYR	2.283	2.280	2.283	2.311	2.551	0.1	0.0	(1.2)	(10.5)	(6.2)			
THB/MYR	12.169	12.146	12.159	12.316	13.003	0.2	0.1	(1.2)	(6.4)	(5.2)			
10 HKD/MYR	5.206	5.204	5.206	5.191	5.437	0.0	0.0	0.3	(4.2)	(0.2)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	105.69	106.65	100.58	104.61	63.32	(0.9)	5.1	1.0	66.9	73.7			
WTI (USD/barrel)	94.14	93.74	89.44	100.05	59.49	0.4	5.3	(5.9)	58.2	63.9			
Gold (USD/oz)	4,161	4,172	4,164	4,349	4,110	(0.3)	(0.1)	(4.3)	1.2	(3.7)			
Malaysia CPO (RM/tonne)	4,398	4,200	4,340	4,550	4,420	4.7	1.3	(3.3)	(0.5)	10.0			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.43	3.44	3.47	3.56	3.08	(1)	(4)	(13)	35	43			
5-Year	3.66	3.70	3.76	3.86	3.20	(3)	(10)	(20)	47	41			
7-Year	3.80	3.83	3.97	4.11	3.42	(3)	(17)	(31)	39	42			
10-Year	3.83	3.87	3.99	4.17	3.46	(4)	(16)	(34)	37	33			
15-Year	4.15	4.16	4.20	4.38	3.69	(1)	(5)	(23)	46	38			
20-Year	4.24	4.26	4.32	4.48	3.86	(2)	(8)	(24)	39	40			
30-Year	4.37	4.39	4.42	4.51	3.99	(2)	(5)	(13)	38	39			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.46	3.47	3.52	3.52	3.11	(1)	(6)	(7)	35	36			
5-Year	3.72	3.75	3.80	3.80	3.24	(3)	(8)	(8)	48	46			
7-Year	3.82	3.86	3.98	4.07	3.35	(4)	(17)	(25)	47	48			
10-Year	3.91	3.94	4.05	4.15	3.48	(3)	(13)	(24)	43	39			
15-Year	4.15	4.17	4.20	4.32	3.70	(2)	(5)	(17)	46	40			
20-Year	4.29	4.31	4.35	4.39	3.89	(2)	(6)	(10)	40	43			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	7,805	7,807	7,819	7,657	6,655	(0.0)	(0.2)	1.9	17.3	103.3			
Dow Jones	51,670	51,851	51,521	52,573	46,068	(0.3)	0.3	(1.7)	12.2	55.9			
Nasdaq	27,204	27,246	27,600	26,333	22,695	(0.2)	(1.4)	3.3	19.9	159.9			
London FTSE	10,650	10,656	10,542	10,650	9,443	(0.1)	1.0	(0.0)	12.8	42.9			
German DAX	25,260	25,278	25,449	25,569	24,388	(0.1)	(0.7)	(1.2)	3.6	81.4			
Nikkei 225	67,778	69,031	70,684	64,011	48,089	(1.8)	(4.1)	5.9	40.9	159.7			
Japan TOPIX	4,111	4,105	4,184	4,028	3,198	0.1	(1.7)	2.0	28.6	117.3			
FBM KLCI	1,623	1,618	1,633	1,687	1,615	0.3	(0.6)	(3.8)	0.5	8.5			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	4.79	4.79	4.80	4.63	3.50	0	(1)	16	129	132			
UST 10Y	5.21	5.24	5.28	4.97	4.03	(3)	(7)	24	118	104			
Germany 2Y	3.15	3.16	3.11	3.20	1.94	(0)	4	(4)	121	103			
Germany 10Y	3.47	3.48	3.48	3.50	2.64	(1)	(1)	(4)	83	61			
UK 2Y	4.93	4.91	4.82	4.81	3.95	2	11	12	98	119			
UK 10Y	5.45	5.44	5.38	5.34	4.66	1	7	10	79	97			
Japan 2Y	1.93	1.92	1.93	1.84	0.92	1	(0)	9	101	75			
Japan 10Y	3.01	3.02	3.11	2.99	1.69	(1)	(10)	2	132	95			
Australia 2Y	4.88	4.90	4.93	5.00	3.47	(2)	(5)	(12)	141	83			
Australia 10Y	5.29	5.32	5.40	5.37	4.29	(3)	(11)	(8)	100	55			
China 2Y	1.25	1.26	1.24	1.26	1.44	(0)	1	(0)	(19)	(12)			
China 10Y	1.66	1.67	1.68	1.69	1.85	(1)	(2)	(3)	(19)	(20)			
Indonesia 2Y	6.78	6.78	6.78	6.87	4.86	0	0	(8)	192	179			
Indonesia 10Y	7.19	7.19	7.21	7.15	6.10	0	(2)	4	109	112			
Thailand 2Y	1.24	1.24	1.28	1.24	1.19	0	(4)	(0)	4	12			
Thailand 10Y	2.31	2.31	2.35	2.29	1.50	0	(4)	2	81	67			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.70	3.71	3.73	3.71	3.20	(1)	(2)	(0)	51	50			
IRS 3-Year	3.75	3.76	3.80	3.79	3.14	(1)	(5)	(4)	61	48			
IRS 5-Year	3.79	3.82	3.84	3.86	3.19	(2)	(5)	(7)	60	44			
IRS 7-Year	3.86	3.89	3.92	3.94	3.28	(2)	(6)	(8)	58	45			
IRS 10-Year	4.02	4.01	4.04	4.06	3.39	0	(3)	(4)	63	46			
IRS 20-Year	4.21	4.24	4.27	4.31	3.76	(2)	(6)	(9)	45	33			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.02	3.03	3.03	3.01	3.00	(1)	(1)	1	2	2			
3-Month Klibor	3.55	3.55	3.55	3.47	3.22	0	0	8	33	27			
6-Month Klibor	3.58	3.58	3.58	3.50	3.26	0	0	8	32	28			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-Oct-26	12-Oct-26	6-Oct-26	13-Sep-26	13-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.86	3.84	3.82	3.75	3.52	1	4	11	33	35			
3-Year AA	4.02	4.01	3.97	3.90	3.68	1	5	12	34	35			
3-Year A	4.67	4.66	4.65	4.58	4.52	1	2	9	15	13			
5-Year AAA	4.07	4.06	4.02	3.95	3.60	1	5	13	48	48			
5-Year AA	4.27	4.25	4.21	4.12	3.76	2	6	15	51	52			
5-Year A	4.93	4.92	4.90	4.82	4.66	1	2	11	27	23			
10-Year AAA	4.35	4.33	4.29	4.22	3.76	2	6	13	59	58			
10-Year AA	4.54	4.53	4.48	4.39	3.92	2	7	15	62	62			
10-Year A	5.35	5.35	5.33	5.26	5.03	1	3	10	33	25			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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