AmBank Group

AmBank Economics

Market Wrap-up for the Week ended 10 July 2026

Weekly Fixed Income & FX Research Commentary

Markets to monitor fresh US-Iran hostilities and Kevin Warsh's statements this week.

Monday, 13 July 2026

Snapshot Summary…

Global Rates: Yields highest since May 2026 due to US-Iran drama.

MYR Bonds: MGS+GII market moved sideways in a narrow range w/w.

Global FX: USD steady ahead of Warsh testimony and US inflation data. JPY sees two sharp intraday spikes on Friday, paring weekly declines.

USD/MYR: MYR closed steady amid several local developments, including BNM's MPC meeting, macro data releases, and Johor state elections.

Fixed Income

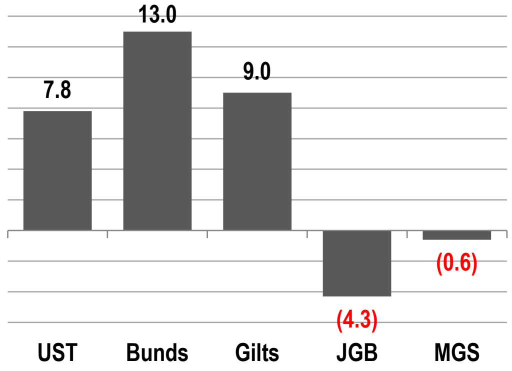
Global Bonds: DM government bonds fell w/w despite a midweek bargain hunting activity after US yields had risen to near their highest since May. Last week started more bullishly after last month's weaker-than-expected NFP data. However, US and Iranian military attacks stoked oil prices, threatening the USD80 per barrel level and heightening inflation fears, weakening UST and DM bonds during most of last week. The gilt market remained cautious amid political risks, while another week of large UST supply further pressured sentiment. Meanwhile, UST was also pressured by the Japanese FM, who encouraged its state pension fund to buy more Japanese assets. Japan is the largest non-US holder of UST securities, which is reportedly around USD1.2 trillion. But JGB 10Y rallied amid the news, down >10 bps last Friday.

Malaysia Government Bonds: MGS+GII market moved sideways in a narrow range w/w, though this sustained their gains of the past one month. Generally, UST movements largely dictated local bond sentiment, and we noted that USD/MYR movements also guided yields. Local drivers were lacking, except for ongoing govvies auctions, with the BNM policy meeting last week not swaying bond sentiment much or if at all.

Malaysia Government Bonds View: Players await the 2Q2026 advance GDP and the June CPI data. If numbers largely come in line, then bond trading may post a muted reaction. With inflation still within expectations and Malaysia's economy set to show sustained growth, we anticipate MGS+GII to show limited movement ahead of the data release. However, this month we also have MGS 07/26 (MYR20 billion) set to mature, which could provide some trading liquidity. On the other hand, there is the 3Y GII auction (closes tomorrow) for players to tackle, at size MYR5.0 billion.

Malaysia Corporate Bonds: Corporate bond market sentiment was largely guarded amid mixed-to-weaker MGS+GII performance. Plus, we noted PDS flows were thinner; we found the average daily volume was closer to MYR600 million per day (including CPs) last week vs MYR1.0 billion the week prior. Flows were noticeably heavier on higher grade names (especially quasi-government names), suggesting that positive sentiment was largely lacking.

Weekly Major 10Y Sovereign Yield Changes (bps)



Weekly Major Bond Yields (%)

Major Bond Yields	10-Jul-26	3-Jul-26	w/w (bps)
2-year UST	4.21	4.14	7
10-year UST	4.56	4.48	8
2-year Bund	2.65	2.54	11
10-year Bund	3.07	2.94	13
2-year Gilt	4.22	4.12	10
10-year Gilt	4.87	4.78	9
2-year JGB	1.43	1.39	4
10-year JGB	2.74	2.79	(4)
2-year AGB	4.45	4.45	(0)
10-year AGB	4.84	4.80	4

Weekly MGS Yields (%)

MGS Yields	10-Jul-26	3-Jul-26	w/w (bps)
3-year	3.26	3.26	(0)
5-year	3.40	3.40	0
7-year	3.54	3.54	0
10-year	3.62	3.63	(1)
15-year	3.84	3.84	0
20-year	3.95	3.96	(1)
30-year	4.09	4.09	(1)

Weekly GII Yields (%)

GII Yields	10-Jul-26	3-Jul-26	w/w (bps)
3-year	3.26	3.26	1
5-year	3.38	3.38	(0)
7-year	3.54	3.54	0
10-year	3.62	3.62	0
15-year	3.89	3.89	0
20-year	3.97	3.98	(0)

MYR Swap & KLIBOR Rates (%)

IRS & KLIBOR	10-Jul-26	3-Jul-26	w/w (bps)
IRS 3-Year	3.49	3.47	2
IRS 5-Year	3.53	3.53	1
IRS 7-Year	3.62	3.60	3
IRS 10-Year	3.73	3.72	1
3-Month KLIBOR	3.45	3.45	0
6-Month KLIBOR	3.48	3.48	0

Forex

DXY Index: DXY (+0.1%) little changed for the week, with trading seen stable within a 100.6 – 101.3 range during the week, as market directional conviction was soft given a dearth of major US data releases last week. However, this trend is expected to break with continued US-Iran attacks on one another, developments that reduce safety and confidence assessments and may lead to reduced energy flows across the vital Strait of Hormuz, thereby leading to a firmer USD on a flight to safety, higher Fed rates, and a stronger US trade balance. Indeed, last week's Fed minutes showed FOMC members noting that inflation risks remain elevated, driven not only by the US-Iran conflict but also by a stable labour market and strong AI-related demand. Nevertheless, conviction for more than one Fed hike ahead remains unconvincing, with the minutes revealing robust discussions about the evolution of the economy and monetary policy. Ahead, attention is expected to focus on Kevin Warsh's House Committee hearing and Senate testimony mid-week, which will coincide with the US June CPI and PPI data releases.

Europe: EUR performance (-0.2% w/w) remained weaker than its GBP (+0.4%) counterpart. Confidence in UK assets continued to return amid rising fiscal confidence, driven by reports that the incoming PM, Andy Burnham, is considering a larger budget plan this year, including revenue-raising measures. GBP also remains a net beneficiary of carry trades, given the high-yielding UK Gilts relative to other major peers. Meanwhile, the EUR was weighed by headwinds from higher energy prices, higher-than-expected planned fiscal borrowing in Germany, and a downward revision of growth forecasts for France. However, recent comments from ECB policymaker Stournaras (that the ECB is 'back to square one' in fighting inflation) may provide some support for the EUR, as upside inflation risks ahead suggest a higher terminal policy rate for the ECB.

APAC: JPY (-0.2% w/w) generally traded weaker during the week, before paring losses on Friday after two sharp spikes of strength were seen intraday. The first spike was sharper than the second and was also unexpected, suggesting FX interventions by authorities. The intraday rally was sustained during the second spike after Japan's Finance Minister Katayama indicated that the government would encourage domestic pension funds to 'substantially' raise their holdings of Japanese financial assets, thereby supporting the JPY and long-dated JGBs. Pending a credible plan and visible portfolio rotations, pressure on the JPY is likely to continue amid rising UST-JGB yield differentials and stable FX volatility. Meanwhile, the AUD rose 0.2% w/w. Though rising geopolitical tensions were headwinds for the AUD, overall risk sentiment remained positive as AI-equities continued to advance, while the IMF's statement (that Australia's inflation is expected to remain elevated around 4% through this year) also sustained the case for higher-for-longer RBA policy rates.

Malaysia: In line with a stable US dollar, the ringgit (alongside the CNH and SGD) closed flat w/w – even despite rising UST yields and several local developments. BNM kept the Overnight Policy Rate (OPR) unchanged at 2.75% as expected at its MPC meeting last week, deeming its policy stance still supportive of the growth and inflation outlook. Malaysia's IPI also rose 8.4% y/y while the unemployment rate held steady at 3.0% in May, ahead of the advance 2Q2026 GDP data this Friday. Meanwhile, the weekend also saw the Barisan Nasional (BN) coalition winning Johor's state elections with

Indicative PDS Yields (%)

PDS Indicative Yields	10-Jul-26	3-Jul-26	w/w (bps)
3-Year AAA	3.58	3.58	0
3-Year AA	3.72	3.71	0
3-Year A	4.44	4.45	(1)
5-Year AAA	3.67	3.66	0
5-Year AA	3.80	3.80	0
5-Year A	4.61	4.62	(1)
10-Year AAA	3.84	3.84	0
10-Year AA	3.97	3.97	0
10-Year A	5.01	5.01	(1)

FX Weekly – vs. USD

FX Against USD	10-Jul-26	3-Jul-26	w/w (%)
DXY Index	100.95	100.86	0.1
EUR/USD	1.142	1.144	(0.2)
AUD/USD	0.695	0.694	0.2
GBP/USD	1.340	1.335	0.4
USD/JPY	161.7	161.3	0.2
NZD/USD	0.576	0.571	0.9
USD/MYR	4.073	4.072	0.0
USD/IDR	18,055	17,954	0.6
USD/THB	33.32	33.14	0.6
USD/SGD	1.292	1.292	(0.0)
USD/CNY	6.775	6.779	(0.1)
USD/KRW	1,499	1,530	(2.0)
USD/INR	95.33	95.22	0.1
USD/PHP	61.52	61.43	0.1

FX Weekly – Cross Rates vs. MYR

Cross FX Against MYR	10-Jul-26	3-Jul-26	w/w (%)
EUR/MYR	4.65	4.66	(0.1)
GBP/MYR	5.46	5.44	0.5
AUD/MYR	2.83	2.83	0.1
JPY/MYR	2.52	2.52	(0.2)
SGD/MYR	3.15	3.15	(0.0)
10 CNY/MYR	6.01	6.00	0.1
1 million IDR/MYR	225.40	226.60	(0.5)
THB/MYR	12.24	12.29	(0.4)
100 INR/MYR	4.27	4.28	(0.2)
100 PHP/MYR	6.62	6.62	0.0

Sources: Bank Negara Malaysia (BNM), Bloomberg, Trading Economics, AmBank Economics a supermajority of 48 out of 56 state seats (2022: 40 seats), suggesting support in BN's traditional stronghold state has effectively returned. Next come the Negeri Sembilan state elections on 1 August.

Technical Pair Summary

DXY	Resistance Level			
	R1	101.97	R2	102.83
	Support Level			
	S1	99.91	S2	98.69
	Outlook: Neutral			

EUR/USD	Resistance Level			
	R1	1.155	R2	1.170
	Support Level			
	S1	1.130	S2	1.120
	Outlook: Neutral			

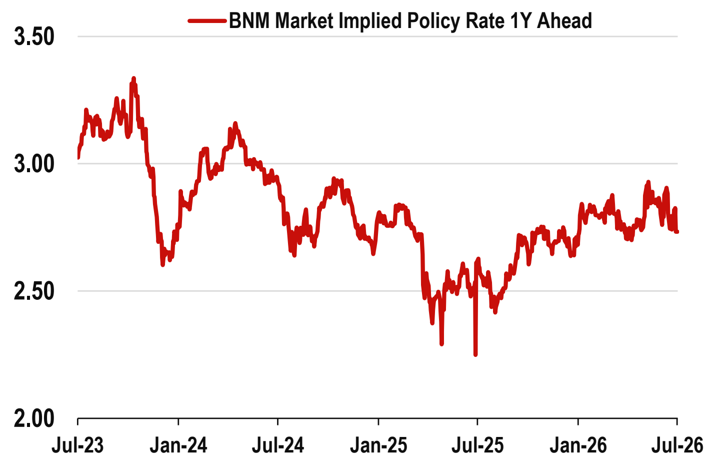
USD/JPY	Resistance Level			
	R1	163.1	R2	164.2
	Support Level			
	S1	160.4	S2	158.8
	Outlook: Slightly bearish			

USD/MYR	Resistance Level			
	R1	4.137	R2	4.201
	Support Level			
	S1	4.019	S2	3.966
	Outlook: Neutral			

GBP/USD	Resistance Level			
	R1	1.348	R2	1.358
	Support Level			
	S1	1.322	S2	1.307
	Outlook: Neutral			

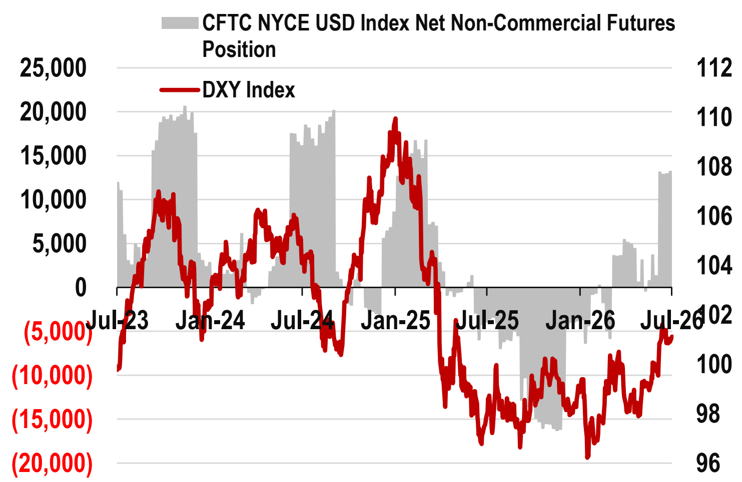
AUD/USD	Resistance Level			
	R1	0.705	R2	0.715
	Support Level			
	S1	0.686	S2	0.678
	Outlook: Neutral			

Exhibit 1: BNM BBG MIPR 1Y Ahead (%)



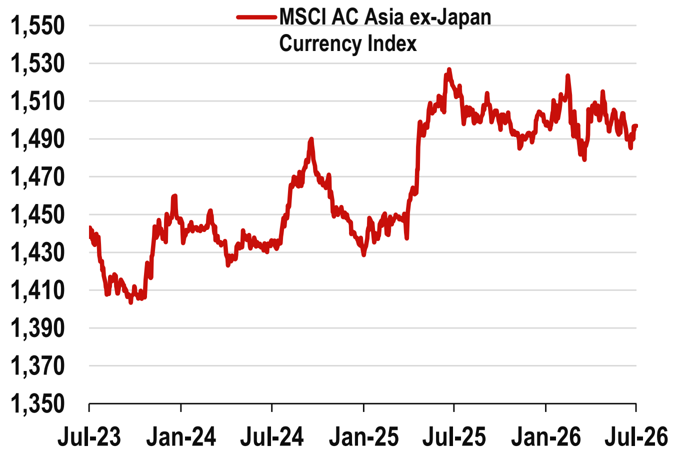
Sources: BPAM, AmBank Economics

Exhibit 2: CFTC Dollar Insti. Net Fut. Positioning vs. DXY



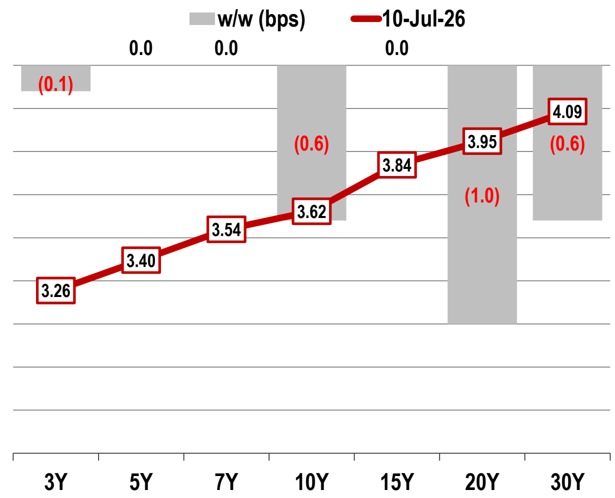
Sources: Bloomberg, AmBank Economics

Exhibit 3: MSCI AC Asia Ex-JP Currency Index



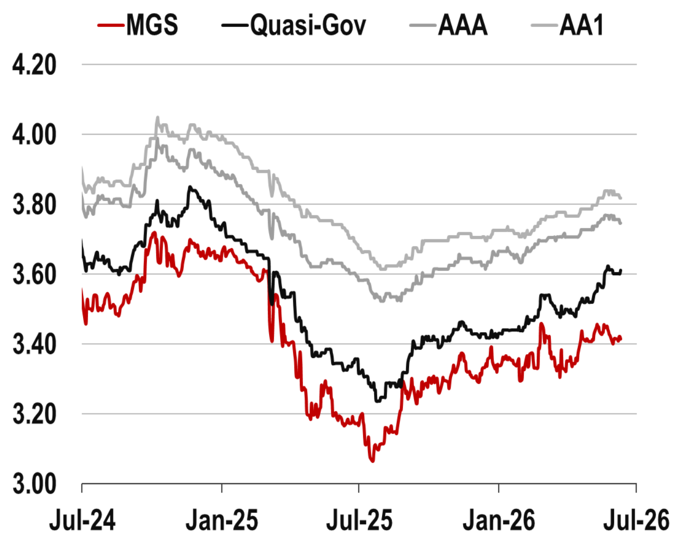
Sources: Bloomberg, AmBank Economics

Exhibit 4: MGS w/w yield curve changes



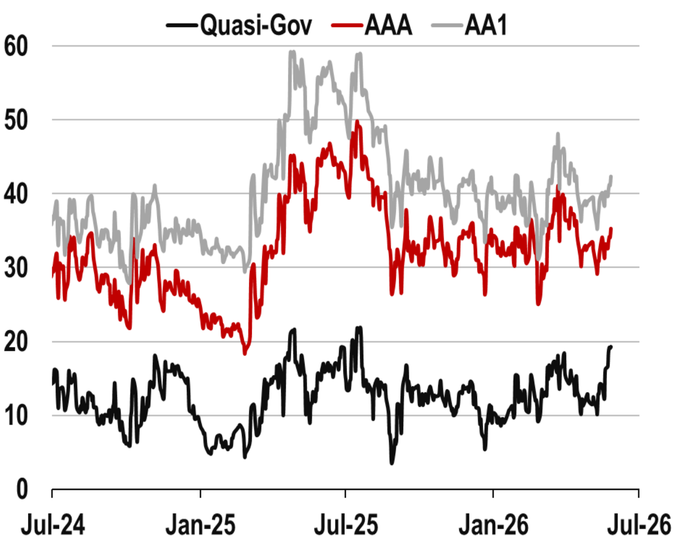
Sources: BNM, BPAM, Bloomberg, AmBank Economics
Using the MGIY ticker on Bloomberg

Exhibit 5: MGS and PDS yields (5Y tenor) (%)



Sources: BPAM, AmBank Economics

Exhibit 6: PDS spreads vs. MGS (5Y tenor) (bps)



Sources: BPAM, AmBank Economics

Macroeconomic Data/Events Calendar (13 July 2026 – 17 July 2026)

Date	Time (+8 GMT)	Country	Indicator	Period	Unit	Survey Median	Prior
2026-07-14	10:00	CH	Exports YoY	Jun	%	19.2	19.4
2026-07-14	**08:00**	**SG**	**GDP YoY**	**2Q A**	**%**	**5.6**	**6.0**
2026-07-14	08:30	AU	Westpac Consumer Conf SA MoM	Jul	%	-	(2.9)
2026-07-14	12:30	JP	Industrial Production MoM	May F	%	-	0.5
2026-07-14	20:30	US	CPI MoM	Jun	%	(0.1)	0.5
2026-07-14	**20:30**	**US**	**CPI YoY**	**Jun**	**%**	**3.8**	**4.2**
2026-07-15	10:00	CH	GDP YoY	2Q	%	4.5	5.0
2026-07-15	10:00	CH	Retail Sales YoY	Jun	%	(0.1)	(0.6)
2026-07-15	10:00	CH	Industrial Production YoY	Jun	%	4.6	4.5
2026-07-15	07:50	JP	Core Machine Orders MoM	May	%	(4.2)	8.7
2026-07-15	12:30	JP	Tertiary Industry Index MoM	May	%	0.4	1.3
2026-07-15	19:00	US	MBA Mortgage Applications	Jul 10	%	-	(2.2)
2026-07-15	20:30	US	Empire Manufacturing	Jul		9.7	5.7
2026-07-15	**20:30**	**US**	**PPI Final Demand MoM**	**Jun**	**%**	**0.0**	**1.1**
2026-07-16	**20:30**	**US**	**Retail Sales Advance MoM**	**Jun**	**%**	**0.3**	**0.9**
2026-07-16	20:30	US	Initial Jobless Claims	Jul 11	k	217.0	215.0
2026-07-16	14:00	UK	Industrial Production MoM	May	%	(0.1)	0.0
2026-07-16	14:00	UK	Manufacturing Production MoM	May	%	(0.2)	0.4
2026-07-17	08:30	SG	Non-oil Domestic Exports YoY	Jun	%	30.4	38.4
2026-07-17	20:30	US	Housing Starts	Jun	k	1314.5	1177.0
2026-07-17	21:15	US	Industrial Production MoM	Jun	%	0.2	0.1
2026-07-17	**22:00**	**US**	**U. of Mich. Sentiment**	**Jul P**		**51.0**	**49.5**
2026-07-17	06:45	NZ	Food Prices MoM	Jun	%	-	1.0
2026-07-17	**12:00**	**MY**	**GDP YoY**	**2Q A**	**%**	**5.4**	**5.4**
2026-07-17	17:00	EU	CPI YoY	Jun F	%	2.8	2.8
2026-07-17	17:00	EU	CPI MoM	Jun F	%	(0.1)	(0.1)

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