



Fixed Income & FX Research

13 June 2025

Macro: US PPI and initial claims data reinforced market bets of two more FFR cuts this year. Malaysia to seek US tariffs below 10% for strategic sectors on 18 June.

Forex: DXY fell below 98.0, while safe-haven FX outperformed on ME tensions. MYR gains remain limited compared to peers amid tempered yuan appreciation.

Fixed Income: Boost to UST continued amid data releases and solid 30Y auction. MGS reversed earlier losses to track UST rally, while corporate demand held solid.

Macro

Global: US PPI rose 0.1% m/m in May (consensus: 0.2%; Apr: 0.2%), with the subdued reading driven by mild 0.1% m/m gains for services, aiding market conviction that inflation remains contained despite the tariff-driven turmoil. Initial jobless claims also held steady at 248k for the first week of June, remaining at its highest level since Trump's election, reinforcing signs of a minor softening of US labour market conditions. President Trump said he may further raise US auto tariffs (current: 25%) to boost domestic auto manufacturing, citing evidence of success by General Motors' plan to invest USD4bn in US plants within two years. Meanwhile, the IMF cautioned that the effect of a boost to growth (from a frontloading of trade and activity to bypass US tariffs) is starting to wane, with the environment still subject to very high uncertainty.

Malaysia: MITI Minister Tengku Zafrul revealed that for the upcoming round of negotiations with the US on 18 June, he will seek tariffs below 10% for strategic sectors such as palm oil and furniture, though reiterating that negotiations 'will not be easy'.

Forex

Global: The floodgates of dollar weakness continue to burst open, with the DXY falling to a session nadir of 97.6 (weakest since early-2022) on US data release, before edging up to 97.9 at the close. Middle East tensions also continue to fuel sentiment, lifting the JPY (+0.7%), EUR (+0.8%), and CHF (+1.3%), while the GBP (+0.5%) underperformed peers after data indicated the UK economy contracted 0.3% m/m in April, which aside from US tariffs' impact on exports, was also contributed by a 0.4% m/m services output decline amid higher costs.

MYR: Despite better gains for regional peers such as the KRW (+0.9%) and TWD (+0.9%), the MYR saw a milder 0.35% d/d climb, mirroring gains of the offshore yuan. Correlation is expected to stay tight in the near term, suggesting limited gains ahead given market expectations that the PBOC may set a weaker yuan fixing in the near term to limit currency volatility.

Fixed Income

Global Bonds: UST yields drifted lower on Thursday. Safe-haven demand caused by fresh US tariff threats, US PPI and initial claims data, and the very well-bid 30Y UST auction aided bond market sentiment, boosting Fed rate cuts to just over two cuts this year. UK government bonds also rallied amid data showing the UK economy contracted more than expected in April.

MYR Bonds: The Malaysian government bond market strengthened yesterday, aided by the previous day's UST rally post US CPI release, though late profit-taking activity capped the market gains. The 30Y GII auction was 1 bp higher yesterday, ahead of the auction this week. In the corporate bond market, net buying action was also mostly seen, with gains led by higher grade AAA names. We noted AAA PLUS 01/28 leading flows on MYR50 million volume, down 1 bps to 3.54%, while Cagamas ASEAN Social 06/28 (AAA) debuted at 3.45%.

Other Markets

Commodities: Oil prices were seen surging more than 5% early this morning (13 June) while gold prices also climbed 1%, following breaking news that Israel has launched airstrikes directly on Iran's capital city Tehran, indicating a major escalation amidst US-Iran nuclear program talks.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	97.92	(0.7)
EUR/USD	1.158	0.8
AUD/USD	0.653	0.5
GBP/USD	1.361	0.5
USD/JPY	143.48	(0.7)
USD/MYR	4.222	(0.3)
USD/IDR	16,235	(0.2)
USD/THB	32.46	(0.5)
USD/SGD	1.279	(0.5)
USD/CNY	7.173	(0.2)

Ringgit Outlook for The Week

	1	2
Resistance	4.310	4.320
Support	4.210	4.200

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.91	(4)
UST 10Y	4.36	(6)
Germany 10Y	2.48	(6)
UK 10Y	4.48	(7)
Japan 10Y	1.45	(2)
Australia 10Y	4.24	(5)
China 10Y	1.70	2

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.19	(0)
5-Year	3.24	(1)
7-Year	3.47	0
10-Year	3.55	(0)
15-Year	3.71	(0)
20-Year	3.79	(0)
30-Year	4.02	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.27	(1)
IRS 3-Year	3.18	(2)
IRS 5-Year	3.26	(2)
IRS 7-Year	3.38	0
IRS 10-Year	3.49	(1)
3M KLIBOR	3.50	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	69.36	(0.6)
WTI (USD/bbl)	68.04	(0.2)
Gold (USD/oz)	3,386	0.9
CPO (RM/tonne)	3,855	0.0

Policy Rates

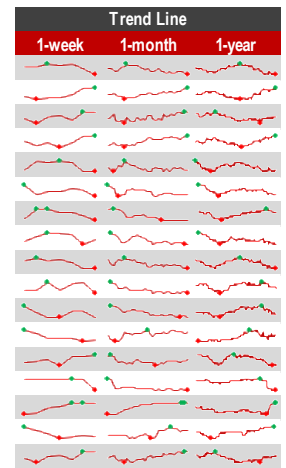
Central Banks	Current	Next
US Fed Funds	4.50	18-Jun
ECB Deposit Rate	2.00	24-Jul
BOE Base Rate	4.25	19-Jun
RBA Cash Rate	3.85	28-Jul
BOJ Cash Rate	0.50	17-Jun
PBOC 1Y LPR	3.00	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	09-Jul

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.

Currencies vs USD

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
DXY Dollar Index	97.92	98.63	98.74	101.00	104.65
EUR/USD	1.158	1.149	1.145	1.119	1.081
AUD/USD	0.653	0.650	0.651	0.647	0.666
GBP/USD	1.361	1.355	1.357	1.331	1.280
USD/JPY	143.48	144.56	143.53	147.48	156.72
USD/MYR	4.222	4.237	4.227	4.322	4.717
USD/IDR	16,235	16,260	16,275	16,515	16,295
USD/THB	32.46	32.64	32.51	33.22	36.69
USD/SGD	1.279	1.285	1.286	1.301	1.347
USD/CNY	7.173	7.190	7.178	7.205	7.241
USD/KRW	1,356	1,369	1,356	1,416	1,376
USD/INR	85.60	85.52	85.80	85.35	83.54
USD/PHP	55.88	55.88	55.64	55.80	58.70
USD/TWD	29.64	29.91	29.92	30.45	32.39
USD/HKD	7.849	7.849	7.846	7.797	7.809
USD/VND	26,031	26,028	26,081	25,959	25,443
NZD/USD	0.607	0.603	0.604	0.594	0.619

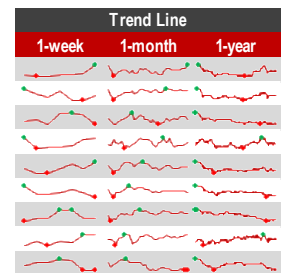
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	(0.8)	(3.1)	(6.4)	(9.7)
0.8	1.2	3.6	7.2	11.9
0.5	0.4	1.0	(2.0)	5.6
0.5	0.3	2.3	6.4	8.8
(0.7)	(0.0)	(2.7)	(8.4)	(8.7)
(0.3)	(0.1)	(2.3)	(10.5)	(5.6)
(0.2)	(0.2)	(1.7)	(0.4)	0.8
(0.5)	(0.2)	(2.3)	(11.5)	(4.8)
(0.5)	(0.6)	(1.7)	(5.1)	(6.4)
(0.24)	(0.1)	(0.4)	(0.9)	(1.7)
(0.9)	0.0	(4.2)	(1.4)	(7.9)
0.1	(0.2)	0.3	2.5	(0.0)
0.0	0.4	0.2	(4.8)	(3.4)
(0.9)	(0.9)	(2.6)	(8.5)	(9.6)
0.0	0.0	0.7	0.5	1.0
0.0	(0.2)	0.3	2.3	2.1
0.7	0.6	2.2	(1.9)	8.5



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
EUR/MYR	4.884	4.843	4.827	4.800	5.072
GBP/MYR	5.733	5.719	5.734	5.711	6.018
AUD/MYR	2.744	2.760	2.752	2.772	3.120
JPY/MYR	2.941	2.929	2.944	2.925	3.010
SGD/MYR	3.297	3.293	3.290	3.312	3.489
10CNY/MYR	5.883	5.895	5.891	6.001	6.515
100IDR/MYR	2.598	2.605	2.595	2.600	2.895
THB/MYR	13.044	12.979	12.953	13.013	12.952
10HKD/MYR	5.376	5.396	5.387	5.544	6.040

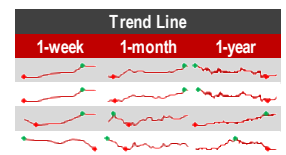
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.8	1.2	1.7	(3.7)	4.8
0.2	(0.0)	0.4	(4.7)	2.1
(0.6)	(0.3)	(1.0)	(12.1)	(1.3)
0.4	(0.1)	0.6	(2.3)	3.3
0.1	0.2	(0.4)	(5.5)	0.4
(0.2)	(0.1)	(2.0)	(9.7)	(4.0)
(0.3)	0.1	(0.1)	(10.3)	(6.3)
0.5	0.7	0.2	0.7	0.2
(0.4)	(0.2)	(3.0)	(11.0)	(6.7)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
Brent (USD/barrel)	69.36	69.77	65.34	66.63	82.6
WTI (USD/barrel)	68.04	68.15	63.37	63.67	78.50
Gold (USD/oz)	3,386	3,355	3,353	3,250	2,325
Malaysia CPO (RM/tonne)	3,855	3,855	3,936	3,890	3,972

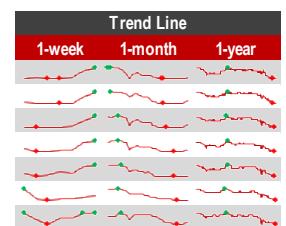
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.6)	6.2	4.1	(16.0)	(7.1)
(0.2)	7.4	6.9	(13.3)	(5.1)
0.9	1.0	4.2	45.6	29.0
0.0	(2.1)	(0.9)	(2.9)	(21.7)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
3-Year	3.19	3.19	3.16	3.20	3.54
5-Year	3.24	3.25	3.20	3.30	3.65
7-Year	3.47	3.47	3.40	3.49	3.80
10-Year	3.55	3.55	3.52	3.60	3.86
15-Year	3.71	3.71	3.70	3.75	4.00
20-Year	3.79	3.79	3.78	3.87	4.13
30-Year	4.02	4.02	4.01	4.05	4.22

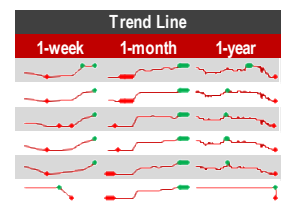
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	2	(1)	(36)	(29)
(1)	4	(5)	(41)	(38)
0	7	(2)	(33)	(30)
(0)	3	(5)	(31)	(27)
(0)	1	(4)	(29)	(26)
(0)	1	(8)	(34)	(27)
0	1	(4)	(20)	(17)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
3-Year	3.18	3.18	3.17	3.22	3.51
5-Year	3.33	3.32	3.30	3.40	3.64
7-Year	3.42	3.41	3.41	3.51	3.80
10-Year	3.56	3.55	3.53	3.60	3.88
15-Year	3.70	3.70	3.70	3.75	4.02
20-Year	3.77	3.77	3.77	3.86	4.13

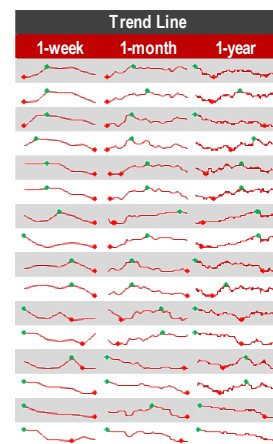
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	(4)	(33)	(25)
1	3	(8)	(32)	(30)
0	1	(9)	(38)	(33)
1	2	(4)	(32)	(27)
0	0	(4)	(31)	(28)
0	1	(9)	(36)	(31)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
UST 2Y	3.91	3.95	3.92	4.00	4.75
UST 10Y	4.36	4.42	4.39	4.47	4.32
Germany 2Y	1.82	1.85	1.87	1.94	2.95
Germany 10Y	2.48	2.54	2.58	2.68	2.53
UK 2Y	3.87	3.91	4.01	3.98	4.22
UK 10Y	4.48	4.55	4.62	4.67	4.13
Japan 2Y	0.76	0.76	0.76	0.72	0.35
Japan 10Y	1.45	1.47	1.47	1.44	0.99
Australia 2Y	3.31	3.36	3.29	3.53	4.03
Australia 10Y	4.24	4.28	4.25	4.43	4.28
China 2Y	1.43	1.43	1.45	1.44	1.75
China 10Y	1.70	1.69	1.70	1.66	2.31
Indonesia 2Y	6.21	6.25	6.21	6.40	6.66
Indonesia 10Y	6.69	6.75	6.77	6.86	7.03
Thailand 2Y	1.50	1.50	1.51	1.55	2.37
Thailand 10Y	1.68	1.70	1.73	1.87	2.77

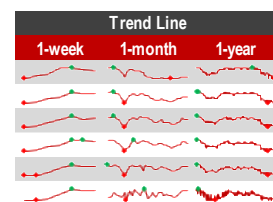
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(4)	(1)	(9)	(84)	(33)
(6)	(3)	(11)	4	(21)
(3)	(6)	(12)	(114)	(27)
(6)	(10)	(20)	(5)	11
(5)	(14)	(11)	(36)	(53)
(7)	(14)	(19)	35	(9)
(1)	(1)	3	41	15
(2)	(2)	1	47	35
(5)	2	(22)	(71)	(55)
(5)	(1)	(19)	(4)	(12)
0	(1)	(0)	(31)	33
2	0	4	(60)	3
(4)	(0)	(19)	(45)	(83)
(6)	(9)	(17)	(34)	(31)
(0)	(2)	(6)	(88)	(50)
(1)	(4)	(19)	(109)	(57)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
IRS 1-Year	3.27	3.28	3.24	3.38	3.60
IRS 3-Year	3.18	3.19	3.12	3.20	3.59
IRS 5-Year	3.26	3.28	3.20	3.26	3.65
IRS 7-Year	3.38	3.38	3.30	3.33	3.75
IRS 10-Year	3.49	3.50	3.43	3.49	3.88
IRS 20-Year	3.78	3.80	3.72	3.78	4.23

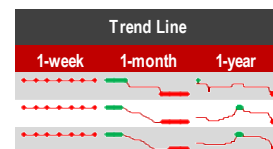
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	3	(11)	(33)	(30)
(2)	5	(3)	(41)	(33)
(2)	5	(0)	(40)	(29)
0	8	5	(37)	(26)
(1)	6	1	(39)	(24)
(2)	6	(0)	(45)	(17)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
1-Month Klibor	3.26	3.26	3.26	3.27	3.29
3-Month Klibor	3.50	3.50	3.50	3.60	3.59
6-Month Klibor	3.54	3.54	3.54	3.66	3.64

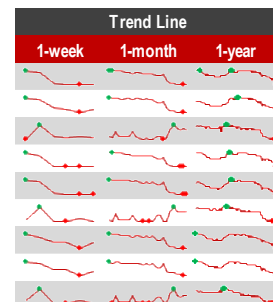
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(3)	(3)
0	0	(10)	(9)	(23)
0	0	(12)	(10)	(23)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	12-Jun-25	11-Jun-25	5-Jun-25	13-May-25	12-Jun-24
3-Year AAA	3.62	3.61	3.63	3.73	3.83
3-Year AA	3.77	3.77	3.78	3.86	3.98
3-Year A	4.54	4.54	4.53	4.47	4.94
5-Year AAA	3.69	3.69	3.70	3.80	3.93
5-Year AA	3.85	3.85	3.87	3.93	4.08
5-Year A	4.67	4.68	4.67	4.59	5.17
10-Year AAA	3.84	3.84	3.85	3.93	4.10
10-Year AA	4.00	4.00	4.02	4.07	4.29
10-Year A	5.01	5.03	5.04	4.92	5.64

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	(12)	(22)	(22)
0	(1)	(9)	(21)	(24)
(0)	1	7	(41)	(32)
0	(1)	(11)	(25)	(24)
0	(2)	(8)	(23)	(25)
(1)	(1)	7	(50)	(42)
1	(1)	(8)	(26)	(22)
1	(1)	(6)	(28)	(24)
(2)	(2)	9	(63)	(55)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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