



Fixed Income & FX Research

12 September 2025

Macro: US CPI accelerated to 2.9% y/y in August (consensus: 2.9%; July: 2.7%), its highest since January. ECB held rates and declared the disinflationary process as 'over'. Malaysia's IPI rose a sharp 4.2% y/y in July.

Forex: Lack of support for DXY after US inflation data fared as expected. EUR rose 0.3%, driven by the hawkish tone adopted by the ECB.

Fixed Income: UST eked out slim gains while 10Y UST auction saw larger acceptance for indirect bids. There was slight wariness in MYR bonds ahead of the 30Y GII auction.

Macro

Global: US CPI accelerated to 2.9% y/y in August (consensus: 2.9%; July: 2.7%), its highest since January, marked by faster price increases for food and vehicles, and a rebound in energy prices. Core inflation, however, held steady at 3.1% y/y and 0.3% m/m, matching July's pace and market expectations. Meanwhile, US initial claims surged 27k to 263k for the first week of September (consensus: 235k; prior: 236k), aligning with other recent data that points to a softening labour market. We think the lack of upside inflation surprises combined with weak labour market prints suggests a September Fed rate cut is imminent, though the Fed will likely err on the cautious and adopt a 'data-dependency' approach regarding the pathway beyond, given still-present upside inflation risks from US tariffs.

Malaysia: Malaysia's IPI rose a sharp 4.2% y/y in July (consensus: 2.8%; June: 2.9%), as mining production rebounded from negative territory while manufacturing activities accelerated to 4.4% y/y (June: 2.9%), led by a recovery in export-oriented electronics and machinery products.

Forex

Global: DXY (-0.3%) fell after US inflation data fared as per market expectations. The EUR rose 0.3%, driven by the hawkish tone adopted by the ECB as it declared the disinflationary process 'over' – reinforcing the message of no further rate cuts ahead. This comes after the ECB left policy rates unchanged for a second consecutive meeting.

Asia: JPY rebounded slightly (+0.2%) amid an improvement in Japan's business sentiment, supported by a sharp rebound in exports to the US. AUD (+0.7%) fared well amid improving global risk appetite and rising Australian consumer inflation expectations, reflecting resilient household demand and private sector growth. Ringgit was in a narrow range still. The Malaysian currency was aided by lack of support for USD, but cautious sentiment was seen ahead of US CPI release.

Fixed Income

Global Bonds: US Treasuries eked out slim gains and we noted 2Y UST held steady at 3.54%. Expectations for a Fed cut remains substantial (WIRP showing small possibility of >25 bps cut) and release of in-line CPI against consensus did little to move UST sentiment. The 10Y UST auction garnered firm BTC of 2.650x when prior 10Y auction was lower at 2.350x. Indirect bidders were largely supportive, ending up with 83.0% of the acceptance vs. 64.2% previous auction.

MYR Bonds: The local government bond market was still cautious yesterday. Players were cautious ahead of the 30Y GII auction and also that players were uncertain after the planned Khadamat structure issuance was cancelled for this auction. Corporate bond market remained cautious as well though we found various higher grade and AA names being traded. Heavier trades include GG Prasarana 09/42 at 3.78% (unch) on MYR40 million volume.

Commodities

Oil prices (-2%) snapped a three-day rebound amid fresh demand concerns (weakening growth outlook), while the IEA's flagging of stronger-than-expected supply growth outlook added to the drag. Meanwhile, the MPOC said it was pleased that the Malaysian Sustainable **Palm Oil** (MSPO) certification was recognised by the EU, which is expected to strengthen market access to the EU, while bolstering consumer confidence on consumption of palm oil-related products. CPO was +1.0%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	97.53	(0.3)
EUR/USD	1.173	0.3
AUD/USD	0.666	0.7
GBP/USD	1.357	0.3
USD/JPY	147.21	(0.2)
USD/MYR	4.220	(0.0)
USD/IDR	16,462	0.0
USD/THB	31.85	0.2
USD/SGD	1.282	(0.1)
USD/CNY	7.119	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.257	4.304
Support	4.185	4.160

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.54	(0)
UST 10Y	4.02	(2)
Germany 10Y	2.66	0
UK 10Y	4.61	(3)
Japan 10Y	1.58	1
Australia 10Y	4.23	(4)
China 10Y	1.81	(2)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.05	1
5-Year	3.13	0
7-Year	3.34	1
10-Year	3.42	2
15-Year	3.61	0
20-Year	3.75	0
30-Year	3.87	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.18	3
IRS 3-Year	3.11	3
IRS 5-Year	3.17	2
IRS 7-Year	3.24	4
IRS 10-Year	3.37	3
3M KLIBOR	3.22	1

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	66.37	(1.7)
WTI (USD/bbl)	62.37	(2.0)
Gold (USD/oz)	3,634	(0.2)
CPO (RM/tonne)	4,383	1.0

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	18-Sep
ECB Deposit Rate	2.00	30-Oct
BOE Base Rate	4.00	18-Sep
RBA Cash Rate	3.60	30-Sep
BOJ Cash Rate	0.50	19-Sep
RBNZ Cash Rate	3.00	08-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	06-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.

Currencies vs USD

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	97.53	97.78	98.35	98.10	101.68	(0.3)	(0.8)	(0.6)	(4.1)	(10.1)			
EUR/USD	1.173	1.170	1.165	1.168	1.101	0.3	0.7	0.5	6.6	13.3			
AUD/USD	0.666	0.661	0.652	0.653	0.667	0.7	2.2	2.0	(0.2)	7.6			
GBP/USD	1.357	1.353	1.343	1.350	1.304	0.3	1.0	0.5	4.1	8.5			
USD/JPY	147.21	147.46	148.49	147.84	142.36	(0.2)	(0.9)	(0.4)	3.4	(6.4)			
USD/MYR	4.220	4.220	4.229	4.231	4.330	(0.0)	(0.2)	(0.3)	(2.5)	(5.6)			
USD/IDR	16,462	16,461	16,420	16,289	15,400	0.0	0.3	1.1	6.9	2.2			
USD/THB	31.85	31.79	32.33	32.33	33.65	0.2	(1.5)	(1.5)	(5.3)	(6.6)			
USD/SGD	1.282	1.283	1.290	1.284	1.304	(0.1)	(0.6)	(0.2)	(1.7)	(6.2)			
USD/CNY	7.119	7.121	7.142	7.181	7.119	(0.0)	(0.3)	(0.9)	(0.0)	(2.5)			
USD/KRW	1,389	1,389	1,395	1,384	1,340	0.1	(0.4)	0.4	3.6	(5.6)			
USD/INR	88.44	88.10	88.15	87.71	83.98	0.4	0.3	0.8	5.3	3.3			
USD/PHP	57.21	57.13	57.07	57.08	55.97	0.1	0.2	0.2	2.2	(1.1)			
USD/TWD	30.33	30.29	30.70	30.02	32.12	0.1	(1.2)	1.0	(5.6)	(7.5)			
USD/HKD	7.789	7.789	7.801	7.850	7.799	(0.0)	(0.2)	(0.8)	(0.1)	0.3			
USD/VND	26,396	26,392	26,387	26,259	24,590	0.0	0.0	0.5	7.3	3.6			
NZD/USD	0.598	0.594	0.585	0.596	0.614	0.6	2.2	0.4	(2.6)	6.8			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.934	4.943	4.924	4.910	4.781	(0.2)	0.2	0.5	3.2	5.9			
GBP/MYR	5.698	5.715	5.684	5.694	5.666	(0.3)	0.2	0.1	0.6	1.5			
AUD/MYR	2.787	2.789	2.757	2.746	2.883	(0.1)	1.1	1.5	(3.3)	0.2			
JPY/MYR	2.868	2.862	2.848	2.862	3.042	0.2	0.7	0.2	(5.7)	0.8			
SGD/MYR	3.286	3.290	3.280	3.288	3.325	(0.1)	0.2	(0.1)	(1.2)	0.0			
10 CNY/MYR	5.931	5.926	5.924	5.892	6.082	0.1	0.1	0.7	(2.5)	(3.2)			
1 million IDR/MYR	2.566	2.562	2.575	2.598	2.811	0.2	(0.3)	(1.2)	(8.7)	(7.4)			
THB/MYR	13.251	13.280	13.089	13.027	12.829	(0.2)	1.2	1.7	3.3	1.8			
10 HKD/MYR	5.421	5.417	5.423	5.389	5.551	0.1	(0.0)	0.6	(2.3)	(5.9)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	66.37	67.49	66.99	66.12	70.61	(1.7)	(0.9)	0.4	(6.0)	(11.1)			
WTI (USD/barrel)	62.37	63.67	63.48	63.17	67.31	(2.0)	(1.7)	(1.3)	(7.3)	(13.0)			
Gold (USD/oz)	3,634	3,641	3,546	3,348	2,512	(0.2)	2.5	8.5	44.7	38.5			
Malaysia CPO (RM/tonne)	4,383	4,340	4,371	4,343	3,967	1.0	0.3	0.9	10.5	(9.8)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.05	3.05	3.03	3.02	3.34	1	2	3	(29)	(43)			
5-Year	3.13	3.12	3.12	3.10	3.49	0	1	3	(36)	(49)			
7-Year	3.34	3.33	3.32	3.28	3.69	1	2	6	(35)	(43)			
10-Year	3.42	3.40	3.40	3.38	3.73	2	2	4	(31)	(40)			
15-Year	3.61	3.61	3.61	3.60	3.88	0	(1)	1	(27)	(36)			
20-Year	3.75	3.75	3.75	3.74	4.04	0	(0)	1	(29)	(31)			
30-Year	3.87	3.87	3.88	3.90	4.18	0	(1)	(3)	(30)	(31)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.07	3.07	3.06	3.05	3.33	1	1	2	(25)	(35)			
5-Year	3.15	3.15	3.14	3.15	3.51	0	0	0	(36)	(48)			
7-Year	3.28	3.27	3.28	3.25	3.69	1	0	3	(41)	(46)			
10-Year	3.43	3.42	3.43	3.39	3.78	0	(1)	4	(35)	(41)			
15-Year	3.62	3.62	3.61	3.60	3.93	0	1	2	(31)	(36)			
20-Year	3.77	3.77	3.76	3.73	4.08	0	1	4	(31)	(31)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,587	6,532	6,502	6,446	5,554	0.8	1.3	2.2	18.6	71.6			
Dow Jones	46,108	45,491	45,621	44,459	40,862	1.4	1.1	3.7	12.8	39.1			
Nasdaq	22,043	21,886	21,708	21,682	17,396	0.7	1.5	1.7	26.7	110.6			
London FTSE	9,298	9,225	9,217	9,148	8,194	0.8	0.9	1.6	13.5	24.8			
German DAX	23,704	23,633	23,770	24,025	18,330	0.3	(0.3)	(1.3)	29.3	70.2			
Nikkei 225	44,373	43,838	42,580	42,718	35,620	1.2	4.2	3.9	24.6	70.0			
Japan TOPIX	3,148	3,141	3,080	3,066	2,531	0.2	2.2	2.7	24.4	66.4			
FBM KLCI	1,583	1,591	1,578	1,568	1,640	(0.5)	0.3	1.0	(3.5)	5.8			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.54	3.54	3.59	3.73	3.64	(0)	(5)	(19)	(10)	(70)			
UST 10Y	4.02	4.05	4.16	4.29	3.65	(2)	(14)	(27)	37	(55)			
Germany 2Y	1.99	1.95	1.96	1.97	2.15	3	2	2	(17)	(10)			
Germany 10Y	2.66	2.65	2.72	2.74	2.11	0	(6)	(9)	55	29			
UK 2Y	3.93	3.94	3.95	3.89	3.79	(1)	(2)	5	14	(46)			
UK 10Y	4.61	4.63	4.72	4.63	3.76	(3)	(11)	(2)	85	4			
Japan 2Y	0.86	0.86	0.85	0.77	0.39	1	1	9	47	26			
Japan 10Y	1.58	1.57	1.60	1.50	0.86	1	(2)	8	73	48			
Australia 2Y	3.36	3.38	3.41	3.33	3.61	(1)	(4)	3	(25)	(50)			
Australia 10Y	4.23	4.27	4.35	4.24	3.85	(4)	(12)	(1)	38	(13)			
China 2Y	1.45	1.45	1.41	1.42	1.37	0	4	3	8	35			
China 10Y	1.81	1.82	1.76	1.73	2.11	(2)	5	8	(31)	13			
Indonesia 2Y	5.37	5.41	5.32	5.62	6.53	(5)	4	(25)	(116)	(167)			
Indonesia 10Y	6.38	6.42	6.40	6.43	6.59	(4)	(1)	(5)	(21)	(61)			
Thailand 2Y	1.10	1.08	1.10	1.21	2.16	1	(1)	(12)	(106)	(90)			
Thailand 10Y	1.25	1.23	1.24	1.44	2.54	3	1	(19)	(129)	(100)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.18	3.14	3.13	3.07	3.42	3	4	11	(25)	(40)			
IRS 3-Year	3.11	3.08	3.06	3.00	3.32	3	5	11	(21)	(39)			
IRS 5-Year	3.17	3.15	3.14	3.08	3.37	2	3	9	(21)	(38)			
IRS 7-Year	3.24	3.21	3.20	3.14	3.47	4	4	10	(22)	(39)			
IRS 10-Year	3.37	3.34	3.32	3.28	3.57	3	5	9	(21)	(36)			
IRS 20-Year	3.59	3.59	3.56	3.60	3.93	0	4	(1)	(33)	(36)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.00	3.00	3.00	3.00	3.28	0	0	0	(28)	(29)			
3-Month Klibor	3.22	3.21	3.21	3.21	3.53	1	1	1	(31)	(51)			
6-Month Klibor	3.26	3.26	3.26	3.26	3.61	0	0	0	(35)	(51)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Sep-25	10-Sep-25	4-Sep-25	12-Aug-25	11-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.52	3.51	3.51	3.53	3.75	0	0	(2)	(24)	(32)			
3-Year AA	3.68	3.67	3.67	3.70	3.89	0	1	(2)	(21)	(34)			
3-Year A	4.51	4.51	4.55	4.52	4.87	(1)	(4)	(1)	(36)	(35)			
5-Year AAA	3.60	3.60	3.59	3.62	3.83	0	1	(2)	(24)	(33)			
5-Year AA	3.76	3.76	3.76	3.78	3.98	(0)	0	(2)	(22)	(34)			
5-Year A	4.65	4.65	4.70	4.65	5.12	(1)	(5)	(1)	(48)	(44)			
10-Year AAA	3.75	3.74	3.74	3.77	3.99	1	1	(2)	(24)	(32)			
10-Year AA	3.91	3.91	3.90	3.93	4.16	(0)	0	(2)	(25)	(33)			
10-Year A	5.00	5.02	5.08	5.01	5.62	(1)	(8)	(0)	(62)	(56)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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