



## Fixed Income &amp; FX Research

14 May 2026

**Macro:** US monthly PPI soared to its highest since the Russia-Ukraine war. Trump/Xi to weigh USD30 billion in tariff cuts. Malaysia could see factory stoppages in June as inputs dry up.

**Forex:** DXY uptrend continued amid downtick in UST yields and oil prices. European FX and JPY remain under pressure. MYR rose amid elevated trading volumes yesterday.

**Fixed Income:** The long end of USTs was pressured by persistent inflationary risks. Local bonds closed modestly weaker with decent two-way flows, ahead of today's 10Y GII auction.

**Macro**

**Global:** US producer inflation soared 1.4% m/m in April (consensus: +0.5%; March: +0.7%), its largest monthly increase since March 2022, led mostly by a surge in energy and chemical prices, though the price of services also rose a sharp 1.2% m/m. This comes as the US Senate narrowly confirmed Kevin Warsh as the next Fed chair, ahead of Powell's end-of-term tomorrow (15 May). Meanwhile, Trump and Xi are reportedly weighing tariff cuts of up to USD30 billion in goods in talks today/tomorrow, with reported 'constructive' trade talks held by the US's Bessent and China's He in South Korea on Wednesday.

**Malaysia:** Economic Adviser to the PM Nurhisham Hussein indicated that Malaysian factories could begin to see production stoppages in June as raw materials and inputs dry up, with the FMM earlier indicating petrochemicals, industrial chemicals, metals, and packaging materials as the most affected inputs.

**Forex**

**Global:** DXY uptrend (+0.2%) continued, albeit with slowing momentum, amid hot PPI data and a downtick in UST yields and oil prices. European FX such as the SEK (-0.4%) and EUR (-0.2%) continue to lead G10 FX losses, while the GBP (-0.1%) fared better amid a slight rebound in UK Gilts from multi-year lows. JPY pressure (-0.1%) also persisted despite Bessent's supportive comments and the release of the BOJ's Summary of Opinions on Tuesday, which indicated policymakers' consideration of rate hikes as soon as its June meeting due to inflation concerns. While the OECD said the BOJ may raise rates by up to 5 times by end-2027, overnight data also showed Japan's inflation-adjusted household spending declining 2.9% y/y in March, even as wages continued to grow, suggesting a tough balancing act for the BOJ. AUD (+0.2%) bulls were rewarded post-Australia FY2026-2027 budget, which largely left the task of controlling inflation to the RBA. Alongside higher-than-expected fiscal deficits, this suggests more persistent inflationary pressures in Australia, implying policy interest rates will be kept higher-for-longer as well, while the impact of significant changes to housing tax policies remains unclear.

**Malaysia:** MYR (+0.1%) managed slight gains despite weaknesses across MGS/GII bonds. FX volumes traded were notably higher yesterday (USD33.8 billion; prior 3-day average: USD19.3 billion), potentially driven by pent-up demand amid unresolved US-Iran uncertainty.

**Fixed Income**

**Global Bonds:** The release of higher-than-expected US PPI pushed long-dated UST yields to their highest since the middle of last year. Continued stalemate, with diminished hopes of a peace deal, added to the pressure on the long end of the curve. BTC at USD25 billion 30Y UST auction was 2.30x, or the weakest since last November.

**MYR Bonds:** Local government bonds modestly weakened on decent two-way volumes. Sentiment was guarded after the prior day's higher-than-expected US CPI print and before today's 10Y 04/35 GII auction (size: MYR5 billion). WI was heard around 3.610-3.615%.

**Commodities**

The rally in oil prices (-2%) paused after three sessions. Saudi Arabia told OPEC its production dropped to the lowest level since 1990, while the IEA said observed oil stockpiles fell by around 4mbpd in March and April, warning that with declining inventories, further volatility is likely ahead of

**FX Daily Rates**

Vs. USD	Last Close	Per cent
DXY	98.52	0.2
EUR/USD	1.171	(0.2)
AUD/USD	0.726	0.2
GBP/USD	1.352	(0.1)
USD/JPY	157.86	0.1
USD/MYR	3.931	(0.1)
USD/IDR	17,465	(0.2)
USD/THB	32.35	(0.2)
USD/SGD	1.273	0.1
USD/CNY	6.787	(0.1)

**Ringgit Outlook for The Week**

	1	2
Resistance	4.011	4.101
Support	3.869	3.818

**Major Sovereign Yields (%)**

Sov. Yield	Last Close	bps
UST 2Y	3.98	(1)
UST 10Y	4.47	1
Germany 10Y	3.10	(0)
UK 10Y	5.07	(4)
Japan 10Y	2.59	3
Australia 10Y	5.06	3
China 10Y	1.75	(1)

**MGS Bond Yields (%)**

MGS	Last	bps
3-Year	3.21	1
5-Year	3.36	1
7-Year	3.48	2
10-Year	3.59	1
15-Year	3.82	0
20-Year	3.95	0
30-Year	4.07	1

**MYR Swap Rates (%)**

Swap / Rates	Last Close	bps
IRS 1-Year	3.38	2
IRS 3-Year	3.42	1
IRS 5-Year	3.48	0
IRS 7-Year	3.56	0
IRS 10-Year	3.70	1
3M KLIBOR	3.35	0

**Key Commodities**

Commodities	Last Close	Per cent
Brent (USD/bl)	105.63	(2.0)
WTI (USD/bl)	101.02	(1.1)
Gold (USD/oz)	4,689	(0.6)
CPO (RM/tonne)	4,390	(1.4)

**Policy Rates**

Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.00	11-Jun
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	27-May
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.

peak summer demand, while the market could remain severely undersupplied until October even if the conflict ends next month.

**Currencies**

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.52	98.30	98.02	98.37	101.00	0.2	0.5	0.2	(2.5)	0.2			
EUR/USD	1.171	1.174	1.175	1.176	1.119	(0.2)	(0.3)	(0.4)	4.7	(0.3)			
AUD/USD	0.726	0.724	0.724	0.710	0.647	0.2	0.3	2.3	12.2	8.8			
GBP/USD	1.352	1.354	1.359	1.351	1.331	(0.1)	(0.5)	0.1	1.6	0.4			
USD/JPY	157.86	157.63	156.39	159.45	147.48	0.1	0.9	(1.0)	7.0	0.7			
USD/MYR	3.931	3.935	3.923	3.977	4.322	(0.1)	0.2	(1.2)	(9.1)	(3.2)			
USD/IDR	17,465	17,500	17,389	17,103	16,515	(0.2)	0.4	2.1	5.8	4.6			
USD/THB	32.35	32.42	32.23	32.15	33.22	(0.2)	0.4	0.6	(2.6)	2.7			
USD/SGD	1.273	1.272	1.268	1.273	1.301	0.1	0.3	(0.0)	(2.2)	(1.0)			
USD/CNY	6.787	6.791	6.814	6.820	7.199	(0.1)	(0.4)	(0.5)	(5.7)	(2.7)			
USD/KRW	1,489	1,493	1,448	1,482	1,416	(0.3)	2.9	0.5	5.2	3.4			
USD/INR	95.71	95.63	94.62	93.38	85.35	0.1	1.2	2.5	12.1	6.5			
USD/PHP	61.39	61.47	61.35	60.15	55.80	(0.1)	0.1	2.1	10.0	4.4			
USD/TWD	31.52	31.50	31.48	31.81	30.45	0.1	0.1	(0.9)	3.5	0.3			
USD/HKD	7.830	7.829	7.836	7.831	7.797	0.0	(0.1)	(0.0)	0.4	0.6			
USD/VND	26,348	26,334	26,326	26,341	25,959	0.1	0.1	0.0	1.5	0.2			
NZD/USD	0.594	0.595	0.596	0.587	0.594	(0.3)	(0.3)	1.2	(0.0)	3.1			

**Ringgit Cross Rates**

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.602	4.622	4.622	4.648	4.800	(0.4)	(0.4)	(1.0)	(4.1)	(3.4)			
GBP/MYR	5.314	5.328	5.346	5.341	5.711	(0.3)	(0.6)	(0.5)	(7.0)	(2.6)			
AUD/MYR	2.848	2.843	2.849	2.802	2.772	0.2	(0.0)	1.6	2.8	4.9			
JPY/MYR	2.490	2.496	2.510	2.494	2.925	(0.3)	(0.8)	(0.2)	(14.9)	(3.9)			
SGD/MYR	3.089	3.091	3.097	3.118	3.312	(0.1)	(0.2)	(0.9)	(6.7)	(2.1)			
10 CNY/MYR	5.788	5.791	5.762	5.821	6.001	(0.1)	0.4	(0.6)	(3.6)	(0.4)			
1 million IDR/MYR	2.249	2.244	2.258	2.325	2.600	0.2	(0.4)	(3.3)	(13.5)	(7.6)			
THB/MYR	12.147	12.129	12.167	12.338	13.013	0.1	(0.2)	(1.5)	(6.7)	(5.4)			
10 HKD/MYR	5.020	5.026	5.009	5.078	5.544	(0.1)	0.2	(1.1)	(9.5)	(3.8)			

**Commodities**

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	105.63	107.77	101.27	99.36	66.63	(2.0)	4.3	6.3	58.5	73.6			
WTI (USD/barrel)	101.02	102.18	95.08	99.08	63.67	(1.1)	6.2	2.0	58.7	75.9			
Gold (USD/oz)	4,689	4,715	4,691	4,740	3,250	(0.6)	(0.1)	(1.1)	44.3	8.6			
Malaysia CPO (RM/tonne)	4,390	4,451	4,527	4,450	3,827	(1.4)	(3.0)	(1.3)	14.7	9.8			

**Malaysia Government Securities**

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.21	3.21	3.20	3.22	3.20	1	2	(1)	2	22			
5-Year	3.36	3.36	3.35	3.38	3.30	1	2	(2)	7	11			
7-Year	3.48	3.45	3.45	3.48	3.49	2	3	(1)	(1)	10			
10-Year	3.59	3.58	3.57	3.59	3.60	1	2	(1)	(1)	8			
15-Year	3.82	3.82	3.82	3.88	3.75	0	0	(5)	8	6			
20-Year	3.95	3.95	3.96	4.00	3.87	0	(0)	(5)	9	10			
30-Year	4.07	4.06	4.07	4.13	4.05	1	(0)	(7)	1	9			

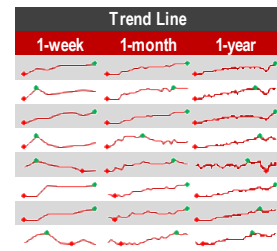
**Malaysia Government Investment Issues**

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.19	3.19	3.20	3.23	3.22	0	(1)	(4)	(3)	9			
5-Year	3.33	3.33	3.34	3.37	3.40	0	(1)	(5)	(8)	7			
7-Year	3.51	3.51	3.51	3.54	3.51	0	(0)	(3)	0	17			
10-Year	3.57	3.57	3.59	3.61	3.60	0	(1)	(3)	(3)	5			
15-Year	3.85	3.85	3.86	3.90	3.75	0	(1)	(5)	11	10			
20-Year	3.96	3.96	3.97	4.01	3.86	0	(1)	(4)	10	10			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25
S&P500 Index	7,444	7,401	7,365	6,886	5,887
Dow Jones	49,693	49,761	49,911	48,218	42,140
Nasdaq	26,402	26,088	25,839	23,184	19,010
London FTSE	10,325	10,265	10,439	10,583	8,603
German DAX	24,137	23,955	24,919	23,742	23,639
Nikkei 225	63,272	62,743	59,513	56,503	38,183
Japan TOPIX	3,919	3,873	3,729	3,723	2,772
FBM KLCI	1,746	1,751	1,757	1,681	1,582

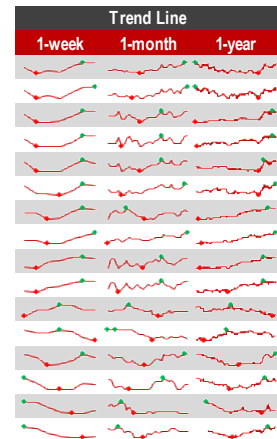
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.6	1.1	8.1	26.5	93.9
(0.1)	(0.4)	3.1	17.9	49.9
1.2	2.2	13.9	38.9	152.3
0.6	(1.1)	(2.4)	20.0	38.6
0.8	(3.1)	1.7	2.1	73.4
0.8	6.3	12.0	65.7	142.5
1.2	5.1	5.3	41.4	107.2
(0.2)	(0.6)	3.9	10.4	16.8



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25
UST 2Y	3.98	3.99	3.87	3.77	4.00
UST 10Y	4.47	4.46	4.35	4.29	4.47
Germany 2Y	2.71	2.71	2.57	2.65	1.94
Germany 10Y	3.10	3.10	3.00	3.09	2.68
UK 2Y	4.49	4.54	4.38	4.32	3.98
UK 10Y	5.07	5.10	4.94	4.87	4.67
Japan 2Y	1.40	1.40	1.39	1.40	0.72
Japan 10Y	2.59	2.56	2.52	2.47	1.44
Australia 2Y	4.74	4.74	4.66	4.71	3.53
Australia 10Y	5.06	5.03	4.95	5.02	4.43
China 2Y	1.29	1.29	1.28	1.32	1.44
China 10Y	1.75	1.76	1.76	1.80	1.66
Indonesia 2Y	6.35	6.40	6.35	6.09	6.40
Indonesia 10Y	6.69	6.71	6.74	6.60	6.86
Thailand 2Y	1.18	1.17	1.23	1.19	1.55
Thailand 10Y	2.17	2.15	2.22	2.02	1.87

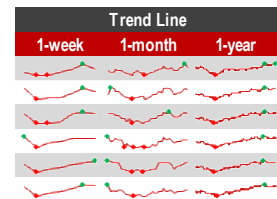
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	11	21	(2)	51
1	12	18	0	30
(0)	14	6	77	59
(0)	10	1	42	25
(5)	10	17	51	75
(4)	13	20	40	59
(0)	1	(0)	67	22
3	7	12	115	52
1	8	3	121	69
3	11	4	63	32
(0)	1	(2)	(15)	(8)
(1)	(1)	(5)	9	(10)
(6)	(0)	26	(5)	135
(2)	(4)	10	(17)	62
1	(4)	(1)	(37)	6
2	(5)	15	30	53



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25
IRS 1-Year	3.38	3.36	3.36	3.33	3.38
IRS 3-Year	3.42	3.41	3.42	3.37	3.20
IRS 5-Year	3.48	3.48	3.48	3.43	3.26
IRS 7-Year	3.56	3.56	3.56	3.52	3.33
IRS 10-Year	3.70	3.69	3.69	3.65	3.49
IRS 20-Year	4.04	4.02	4.03	3.98	3.78

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	2	4	(0)	17
1	0	5	22	15
0	0	5	22	13
0	(0)	4	23	15
1	0	4	21	14
1	0	6	25	16



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.27
3-Month Klibor	3.35	3.35	3.35	3.35	3.60
6-Month Klibor	3.39	3.39	3.39	3.39	3.66

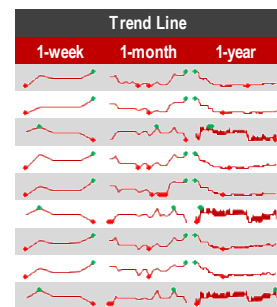
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(27)	0
0	0	0	(25)	7
0	0	0	(27)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	13-May-26	12-May-26	6-May-26	13-Apr-26	13-May-25
3-Year AAA	3.56	3.56	3.55	3.56	3.73
3-Year AA	3.70	3.69	3.69	3.69	3.86
3-Year A	4.45	4.48	4.48	4.45	4.47
5-Year AAA	3.64	3.64	3.63	3.63	3.80
5-Year AA	3.78	3.78	3.77	3.77	3.93
5-Year A	4.62	4.66	4.66	4.61	4.59
10-Year AAA	3.82	3.81	3.79	3.80	3.93
10-Year AA	3.95	3.95	3.94	3.94	4.07
10-Year A	5.02	5.07	5.06	5.01	4.92

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	2	1	(17)	6
1	1	1	(16)	3
(3)	(3)	(1)	(2)	(10)
0	1	1	(16)	5
0	0	0	(16)	2
(4)	(4)	0	3	(8)
1	2	1	(11)	4
1	1	1	(12)	3
(5)	(4)	1	10	(9)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Economics	
Firdaos Rosli	<a href="mailto:firdaos.rosli@ambankgroup.com">firdaos.rosli@ambankgroup.com</a>
Nik Ahmad Mukharriz Nik Muhammad	<a href="mailto:nik-ahmad-mukharriz.n@ambankgroup.com">nik-ahmad-mukharriz.n@ambankgroup.com</a>
Lee Si Xin	<a href="mailto:lee.si-xin@ambankgroup.com">lee.si-xin@ambankgroup.com</a>
Raja Adibah Raja Hasnan	<a href="mailto:raja-adibah.r@ambankgroup.com">raja-adibah.r@ambankgroup.com</a>
Michael Yim	<a href="mailto:yim.soon-kah@ambankgroup.com">yim.soon-kah@ambankgroup.com</a>
Aman Nazmi Abd Karim	<a href="mailto:aman-nazmi.abd-karim@ambankgroup.com">aman-nazmi.abd-karim@ambankgroup.com</a>
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	<a href="mailto:azli-abd-jamil@ambankgroup.com">azli-abd-jamil@ambankgroup.com</a>
Jacqueline E. Rodrigues	<a href="mailto:jacqueline-r@ambankgroup.com">jacqueline-r@ambankgroup.com</a>
Ho Su Farn	<a href="mailto:ho-su-farn@ambankgroup.com">ho-su-farn@ambankgroup.com</a>
Melisa Lim Giok Ling	<a href="mailto:melisa-lim@ambankgroup.com">melisa-lim@ambankgroup.com</a>
Roger Yee Chan Chung	<a href="mailto:roger-yee@ambankgroup.com">roger-yee@ambankgroup.com</a>
Muhammad Hafizin Aiman Bin Halim	<a href="mailto:muhammad-hafizin-aiman.h@ambankgroup.com">muhammad-hafizin-aiman.h@ambankgroup.com</a>

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