



Fixed Income & FX Research

23 May 2025

Macro: Malaysia's inflation continued to run in line with expectations. The House approved Trump's tax and spending bill.

Forex: Dollar sentiment remained fragile and DXY remained below 100 at the close.

Fixed Income: UST 30Y yields retreated from a recent high of 5.15% as the market saw renewed dip-buying interest.

Macro

Malaysia: Inflation continued to run in line with expectations. Malaysia's Statistics Department (DOSM) reported the April headline CPI was at +1.4% y/y, or similar to the March pace, and we also noted meeting Bloomberg consensus. Nevertheless, core CPI rose by a higher +2.0% in April vs. +1.9% the prior month. According to DOSM, core data was supported by prices of personal care goods, social protection, food and beverage (F&B), and restaurant and accommodation services.

Eurozone: Europe reported mixed PMI numbers yesterday. The HCOB manufacturing PMI rose to 49.4 for May, up from 49.0 in April. However, the HCOB services PMI fell to 48.9 in May from 50.1 in April, well below the consensus expectation of 50.5.

Forex

Global: Dollar sentiment remained fragile and DXY remained below 100 at the close. Prior day dollar weakness owed to concerns over tax cuts blowing out US government debt in the coming years. However, some short-term volatility in the dollar was arrested as short-term clarity was aided by the House of Representatives passing Trump's tax and spending bill. Elsewhere, the EUR depreciated by about 0.4% overnight, pressured by mixed HCOB PMI data release. Both EUR and GBP fell off amid the modest USD support, with GBP backing down from 2022 highs on the back of strong UK CPI released this week. Meanwhile, CNY was under modest pressure, though only partly reversing the prior day's gains, amid some USD support. We think the limited upside to CNY in the short term was after the PBOC rate cuts earlier this week.

MYR: Ringgit weakened vs. the US dollar yesterday as the greenback received some support during the Asian session. There was maybe a bit of caution leading up to the CPI release, and we think after the in-line April data came out and continued benign inflation outlook into the short-to medium-term horizon, provided little support for MYR rest of yesterday.

Fixed Income

Global Bonds: The UST market exhibited mixed performance, with 30Y yields rising to around 5.15% after Trump's tax bill narrowly passed the House by 1 vote (215-214), contributing to a substantial increase in national debt. However, yields later retreated as the market saw renewed dip-buying interest. The JGB yields have surged as market expectations of a higher interest rate drove the increase. However, BOJ board member Asahi Noguchi stated that there was no need for significant adjustments to the central bank's current approach to tapering bond purchases.

MYR Bonds: The ringgit government bond market was bullish yesterday as MGS yields declined across the curve, supported by Malaysia's inflation data, which met expectations at 1.4% y/y in April. The new 5Y benchmark MGS 05/30 led the curve, with yields falling by about 5 bps. Meanwhile, the corporate bond market remained well-supported, with notable trades including AAA-rated Tenaga 06/37, which edged down 1 bps to 3.74%, and AAA-rated JohorCorp 07/30, which fell 5 bps to 3.61%.

Other Markets

Gold: Gold was supported by buying interest found early during the Asian session as global market sentiment remained pressured by the US fiscal-related headlines.

Crude Oil: Brent was down yesterday as caution remained regarding the larger OPEC+ supply.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.96	0.4
EUR/USD	1.128	(0.4)
AUD/USD	0.641	(0.4)
GBP/USD	1.342	(0.0)
USD/JPY	144.01	0.2
USD/MYR	4.274	0.1
USD/IDR	16,330	(0.4)
USD/THB	32.83	0.1
USD/SGD	1.293	0.3
USD/CNY	7.206	0.1

Ringgit Outlook for The Week

	1	2
Resistance	4.360	4.380
Support	4.250	4.200

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.99	(3)
UST 10Y	4.53	(7)
Germany 10Y	2.64	(0)
UK 10Y	4.75	(1)
Japan 10Y	1.57	5
Australia 10Y	4.46	1
China 10Y	1.69	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.19	0
5-Year	3.24	(4)
7-Year	3.45	(1)
10-Year	3.58	(1)
15-Year	3.71	(0)
20-Year	3.83	(0)
30-Year	4.06	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.28	(3)
IRS 3-Year	3.20	0
IRS 5-Year	3.28	(0)
IRS 7-Year	3.38	(0)
IRS 10-Year	3.49	(2)
3M KLIBOR	3.53	(2)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	64.44	(0.7)
WTI (USD/bbl)	61.84	(0.8)
Gold (USD/oz)	3,295	(0.6)
CPO (RM/tonne)	3,839	(1.8)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	18-Jun
ECB Main Refinancing	2.40	05-Jun
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	Percentage Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.96	99.56	100.88	98.92	104.93	0.4	(0.9)	1.1	(4.7)	(7.9)			
EUR/USD	1.128	1.133	1.119	1.142	1.082	(0.4)	0.8	(1.2)	4.2	9.0			
AUD/USD	0.641	0.644	0.641	0.637	0.662	(0.4)	0.1	0.7	(3.2)	3.6			
GBP/USD	1.342	1.342	1.331	1.333	1.272	(0.0)	0.9	0.7	5.5	7.2			
USD/JPY	144.01	143.68	145.67	141.57	156.8	0.2	(1.1)	1.7	(8.2)	(8.4)			
USD/MYR	4.274	4.271	4.283	4.392	4.697	0.1	(0.2)	(2.7)	(9.0)	(4.4)			
USD/IDR	16,330	16,395	16,515	16,855	15,993	(0.4)	(1.1)	(3.1)	2.1	1.4			
USD/THB	32.83	32.79	33.37	33.22	36.32	0.1	(1.6)	(1.2)	(9.6)	(3.7)			
USD/SGD	1.293	1.289	1.298	1.311	1.351	0.3	(0.4)	(1.4)	(4.3)	(5.4)			
USD/CNY	7.206	7.202	7.207	7.307	7.241	0.06	(0.0)	(1.4)	(0.5)	(1.3)			
USD/KRW	1,383	1,371	1,399	1,426	1,363	0.8	(1.1)	(3.0)	1.5	(6.0)			
USD/INR	86.01	85.64	85.55	85.20	83.28	0.4	0.5	1.0	3.3	0.5			
USD/PHP	55.61	55.66	55.75	56.69	58.07	(0.1)	(0.3)	(1.9)	(4.2)	(3.9)			
USD/TWD	30.04	30.15	30.17	32.49	32.29	(0.4)	(0.4)	(7.5)	(7.0)	(8.4)			
USD/HKD	7.827	7.832	7.806	7.758	7.808	(0.1)	0.3	0.9	0.2	0.7			
USD/VND	25,976	25,966	25,937	25,958	25,462	0.0	0.2	0.1	2.0	1.9			
NZD/USD	0.590	0.594	0.588	0.597	0.610	(0.7)	0.4	(1.2)	(3.2)	5.5			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.826	4.841	4.798	5.041	5.100	(0.3)	0.6	(4.3)	(5.4)	3.6			
GBP/MYR	5.727	5.727	5.691	5.873	5.973	0.0	0.6	(2.5)	(4.1)	2.0			
AUD/MYR	2.745	2.750	2.749	2.812	3.129	(0.2)	(0.1)	(2.4)	(12.3)	(1.3)			
JPY/MYR	2.968	2.973	2.940	3.098	2.995	(0.2)	0.9	(4.2)	(0.9)	4.3			
SGD/MYR	3.309	3.309	3.298	3.359	3.488	(0.0)	0.3	(1.5)	(5.1)	0.7			
10CNY/MYR	5.931	5.931	5.942	6.003	6.488	0.0	(0.2)	(1.2)	(8.6)	(3.2)			
100IDR/MYR	2.617	2.605	2.591	2.602	2.936	0.5	1.0	0.6	(10.9)	(5.6)			
THB/MYR	13.020	13.038	12.853	13.113	12.908	(0.1)	1.3	(0.7)	0.9	(0.0)			
10HKD/MYR	5.461	5.453	5.486	5.655	6.016	0.1	(0.5)	(3.4)	(9.2)	(5.2)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	64.44	64.91	64.53	67.44	81.9	(0.7)	(0.1)	(4.4)	(21.3)	(13.7)			
WTI (USD/barrel)	61.84	62.33	61.62	64.31	78.23	(0.8)	0.4	(3.8)	(21.0)	(13.8)			
Gold (USD/oz)	3,295	3,315	3,240	3,381	2,379	(0.6)	1.7	(2.5)	38.5	25.5			
Malaysia CPO (RM/tonne)	3,839	3,908	3,883	4,115	3,926	(1.8)	(1.1)	(6.7)	(2.2)	(22.0)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.19	3.19	3.21	3.32	3.56	0	(1)	(13)	(37)	(29)			
5-Year	3.24	3.28	3.34	3.41	3.68	(4)	(10)	(17)	(44)	(38)			
7-Year	3.45	3.46	3.50	3.57	3.80	(1)	(5)	(12)	(35)	(32)			
10-Year	3.58	3.59	3.60	3.67	3.88	(1)	(2)	(9)	(29)	(23)			
15-Year	3.71	3.72	3.75	3.82	4.01	(0)	(4)	(10)	(30)	(26)			
20-Year	3.83	3.83	3.85	3.94	4.14	(0)	(2)	(12)	(31)	(23)			
30-Year	4.06	4.06	4.06	4.08	4.23	0	(0)	(1)	(17)	(12)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.19	3.20	3.22	3.33	3.52	(0)	(3)	(14)	(33)	(23)			
5-Year	3.35	3.35	3.41	3.46	3.67	(1)	(6)	(12)	(32)	(28)			
7-Year	3.47	3.48	3.52	3.56	3.79	(0)	(5)	(9)	(31)	(27)			
10-Year	3.58	3.59	3.61	3.68	3.89	(2)	(3)	(10)	(31)	(26)			
15-Year	3.74	3.75	3.76	3.81	4.02	(1)	(2)	(6)	(28)	(23)			
20-Year	3.86	3.86	3.87	3.93	4.13	(0)	(2)	(7)	(28)	(23)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.99	4.02	3.96	3.82	4.87	(3)	3	17	(88)	(25)			
UST 10Y	4.53	4.60	4.43	4.40	4.42	(7)	10	13	11	(4)			
Germany 2Y	1.83	1.87	1.88	1.66	3.01	(4)	(5)	17	(118)	(25)			
Germany 10Y	2.64	2.65	2.62	2.44	2.53	(0)	2	20	11	28			
UK 2Y	4.03	4.08	3.99	3.83	4.45	(5)	4	20	(42)	(36)			
UK 10Y	4.75	4.76	4.66	4.55	4.23	(1)	9	21	52	18			
Japan 2Y	0.74	0.72	0.72	0.67	0.35	1	2	7	39	13			
Japan 10Y	1.57	1.53	1.48	1.32	1.01	5	9	26	56	47			
Australia 2Y	3.41	3.42	3.61	3.22	4.00	(1)	(19)	20	(58)	(45)			
Australia 10Y	4.46	4.45	4.53	4.26	4.29	1	(8)	20	17	9			
China 2Y	1.48	1.48	1.46	1.46	1.82	0	2	2	(34)	38			
China 10Y	1.69	1.68	1.68	1.65	2.31	1	1	3	(63)	1			
Indonesia 2Y	6.25	6.24	6.28	6.60	6.73	1	(3)	(35)	(48)	(79)			
Indonesia 10Y	6.85	6.83	6.91	6.99	6.94	2	(7)	(14)	(9)	(15)			
Thailand 2Y	1.59	1.58	1.56	1.51	2.39	1	4	9	(79)	(41)			
Thailand 10Y	1.88	1.87	1.89	1.88	2.79	1	(1)	(1)	(91)	(38)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.28	3.31	3.38	3.39	3.60	(3)	(10)	(11)	(32)	(29)			
IRS 3-Year	3.20	3.20	3.24	3.20	3.61	0	(3)	0	(41)	(30)			
IRS 5-Year	3.28	3.28	3.29	3.25	3.69	(0)	(1)	3	(41)	(27)			
IRS 7-Year	3.38	3.39	3.41	3.33	3.79	(0)	(2)	5	(41)	(25)			
IRS 10-Year	3.49	3.51	3.50	3.45	3.91	(2)	(1)	4	(42)	(24)			
IRS 20-Year	3.69	3.82	3.82	3.74	4.25	(13)	(13)	(5)	(56)	(26)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.27	3.27	3.27	3.28	3.29	0	0	(1)	(2)	(2)			
3-Month Klibor	3.53	3.55	3.60	3.65	3.59	(2)	(7)	(12)	(6)	(20)			
6-Month Klibor	3.57	3.59	3.65	3.70	3.64	(2)	(8)	(13)	(7)	(20)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-May-25	21-May-25	15-May-25	22-Apr-25	22-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.71	3.70	3.73	3.76	3.85	0	(2)	(5)	(14)	(12)			
3-Year AA	3.86	3.85	3.86	3.90	4.01	1	(0)	(4)	(15)	(15)			
3-Year A	4.48	4.52	4.48	4.59	5.00	(4)	(0)	(11)	(52)	(38)			
5-Year AAA	3.77	3.77	3.79	3.82	3.95	0	(2)	(4)	(18)	(15)			
5-Year AA	3.93	3.93	3.94	3.97	4.10	0	(0)	(4)	(17)	(17)			
5-Year A	4.60	4.65	4.60	4.72	5.23	(5)	(0)	(12)	(63)	(49)			
10-Year AAA	3.92	3.91	3.93	3.96	4.12	1	(1)	(4)	(20)	(15)			
10-Year AA	4.07	4.06	4.07	4.12	4.30	1	(0)	(5)	(23)	(17)			
10-Year A	4.94	5.01	4.95	5.07	5.75	(7)	(1)	(13)	(81)	(62)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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