



Fixed Income & FX Research

05 October 2026

Macro: US job growth slowed sharply in September; unemployment rate ticks up to 4.2%. PM Anwar hints that university students and institutions will be key priority in upcoming Budget 2027 on Friday.

Forex: USD pared earlier gains as markets tempered bets of Fed hikes post-NFP data. EUR underperforms despite hot inflation data. USD/MYR expected to remain at 4.05-4.10 this week.

Fixed Income: The selloff for UST continued on Friday despite weak US NFP reading. Local bonds remained lightly traded but posted mild gains across all tenors on Friday.

Macro

Global: US nonfarm payrolls rose just 29k in September (consensus: 90k), while revised July and August figures were also revised downwards by a total of 60k. The unemployment rate ticked up to 4.2% in September (consensus and August: 4.1%) amid a slight rise in the labour force participation rate, while average hourly earnings also rose a milder 0.1% m/m (consensus and August: +0.3% m/m), indicating that a resilient US labour market is not a foregone conclusion.

Malaysia: Ahead of the Budget 2027 tabling on Friday (9 October), PM Anwar hinted that university students and institutions will be among the key priorities, while also indicating a special allocation will be given for youths. The Elections Commission (EC) is also expected to announce key state election dates on Wednesday (7 October).

Forex

Global: DXY (-0.2%) faded gains above 102, as the weak US labour market readings tempered market bets of Fed rate hikes. However, given market bets of another 3-4 more Fed hikes by end-2027, we think there is still room for this to reverse, thereby catalysing a rebound in G10 FX strength vs. the USD. AUD (+0.4%) and GBP (+0.3%) showed the strongest mean-reversion gains on Friday given their earlier underperformance, while expectations of gradual ECB monetary tightening and concerns over France's 'optimistic' fiscal deficit-reduction plans kept EUR gains (+0.1%) limited. This is despite accelerating headline and core Eurozone inflation reading in September, coming in at 3.8% (consensus: 3.7%) and 2.5% (consensus: 2.5%) y/y respectively. USD/JPY (-0.2%) remained a distance away from 160, even as Economy Minister said the country is no longer experiencing deflation, and therefore does not need excessively loose monetary policies.

Asia: MYR seen remaining stable despite a mild rally for MGS and better gains on regional FX on Friday. Post-NFP gains for G10 FX suggests the MYR to also trend stronger today, though we think cautious sentiment will likely keep USD/MYR within 4.05-4.10 this week, ahead of Budget 2027.

Fixed Income

Global Bonds: US government bonds remained weak last Friday. There was early support for bonds, on the back of lower-than-expected US non-farm payrolls data. However, sentiment for bonds remained weak, in anticipation of Fed rate hikes, heightened warnings risks and US fiscal concerns. Germany's bond yields fell after rising to multi-year highs but yields in France rose amid concerns over fiscal issues and political uncertainties. Bond markets also digested Eurozone inflation which accelerated to 3.8% y/y in September.

MYR Bonds: Last Friday, volume traded in local government bonds remained light but we noted some pickup on select benchmark papers. A rangebound UST trading provided some support for local bonds but overall sentiment was cautious ahead of NFP data release after hours on Friday.

Commodities

Oil prices seen down after G7 nations agreed to the release of diesel and oil stockpiles, prompting the US to defer threats of a diesel export ban. OPEC+ has also agreed to maintain production targets in November, while a meeting to help determine members' 2027 oil output quotas has also been deferred, given fluid US-Iran developments. Meanwhile, Saudi-backed Yemen government forces have begun full-scale operations to recapture areas controlled by the Houthis rebels. The US is also reportedly mulling ground operations in Iran after its midterm elections.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	101.93	(0.2)
EUR/USD	1.126	0.1
AUD/USD	0.696	0.4
GBP/USD	1.324	0.3
USD/JPY	157.85	(0.2)
USD/MYR	4.084	(0.0)
USD/IDR	17,875	(0.4)
USD/THB	33.57	(0.4)
USD/SGD	1.278	(0.2)
USD/CNY	6.706	(0.1)

Ringgit Outlook for The Week

	1	2
Resistance	4.111	4.143
Support	4.036	3.993

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.82	3
UST 10Y	5.27	3
Germany 10Y	3.46	(5)
UK 10Y	5.37	(3)
Japan 10Y	3.09	(3)
Australia 10Y	5.34	(6)
China 10Y	1.68	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.48	(1)
5-Year	3.77	(1)
7-Year	4.00	(1)
10-Year	4.01	(2)
15-Year	4.21	(1)
20-Year	4.34	(0)
30-Year	4.43	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.73	(1)
IRS 3-Year	3.80	(5)
IRS 5-Year	3.86	(5)
IRS 7-Year	3.92	(4)
IRS 10-Year	4.05	(4)
3M KLIBOR	3.54	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	102.25	(0.1)
WTI (USD/bbl)	91.11	(1.9)
Gold (USD/oz)	4,141	(0.9)
CPO (RM/tonne)	4,354	(0.5)

Policy Rates (%)

Central Banks	Current	Next
US Fed Funds	4.00	28-Oct
ECB Deposit Rate	2.50	29-Oct
BOE Base Rate	3.75	05-Nov
RBA Cash Rate	4.60	03-Nov
BOJ Cash Rate	1.25	30-Oct
RBNZ Cash Rate	2.75	28-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-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

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	101.93	102.10	100.97	99.60	97.85	(0.2)	1.0	2.3	4.2	3.7			
EUR/USD	1.126	1.124	1.139	1.159	1.172	0.1	(1.2)	(2.9)	(3.9)	(4.2)			
AUD/USD	0.696	0.693	0.702	0.717	0.660	0.4	(1.0)	(3.0)	5.5	4.2			
GBP/USD	1.324	1.320	1.325	1.349	1.344	0.3	(0.0)	(1.8)	(1.5)	(1.7)			
USD/JPY	157.85	158.09	157.28	158.71	147.26	(0.2)	0.4	(0.5)	7.2	0.7			
USD/MYR	4.084	4.086	4.074	4.047	4.207	(0.0)	0.3	0.9	(2.9)	0.6			
USD/IDR	17,875	17,950	17,893	17,760	16,588	(0.4)	(0.1)	0.6	7.8	7.1			
USD/THB	33.57	33.70	33.36	33.32	32.37	(0.4)	0.6	0.8	3.7	6.5			
USD/SGD	1.278	1.281	1.277	1.271	1.289	(0.2)	0.1	0.6	(0.9)	(0.6)			
USD/CNY	6.706	6.714	6.723	6.718	7.133	(0.1)	(0.3)	(0.2)	(6.0)	(3.9)			
USD/KRW	1,348	1,360	1,359	1,359	1,406	(0.9)	(0.8)	(0.8)	(4.1)	(6.4)			
USD/INR	96.32	96.32	96.82	94.98	88.69	0.0	0.5	1.4	8.6	7.2			
USD/PHP	62.55	62.79	62.48	62.57	58.10	(0.4)	0.1	(0.0)	7.7	6.3			
USD/TWD	31.85	31.86	31.80	31.75	30.41	(0.0)	0.2	0.3	4.8	1.4			
USD/HKD	7.848	7.846	7.844	7.842	7.783	0.0	0.0	0.1	0.8	0.8			
USD/VND	25,987	25,974	25,974	26,073	26,398	0.1	0.1	(0.3)	(1.6)	(1.2)			
NZD/USD	0.562	0.561	0.566	0.585	0.582	0.2	(0.8)	(4.0)	(3.5)	(2.5)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.595	4.604	4.641	4.681	4.945	(0.2)	(1.0)	(1.8)	(7.1)	(3.6)			
GBP/MYR	5.396	5.393	5.394	5.457	5.678	0.1	0.0	(1.1)	(5.0)	(1.1)			
AUD/MYR	2.835	2.833	2.863	2.883	2.783	0.1	(1.0)	(1.7)	1.9	4.5			
JPY/MYR	2.587	2.584	2.590	2.549	2.857	0.1	(0.1)	1.5	(9.4)	(0.1)			
SGD/MYR	3.193	3.188	3.188	3.176	3.269	0.2	0.2	0.5	(2.3)	1.1			
10 CNY/MYR	6.092	6.093	6.069	6.018	5.906	(0.0)	0.4	1.2	3.2	4.9			
1 million IDR/MYR	2.284	2.274	2.276	2.277	2.534	0.4	0.4	0.3	(9.9)	(6.2)			
THB/MYR	12.162	12.139	12.224	12.149	13.001	0.2	(0.5)	0.1	(6.5)	(5.2)			
10 HKD/MYR	5.205	5.206	5.194	5.159	5.404	(0.0)	0.2	0.9	(3.7)	(0.2)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	102.25	102.31	104.32	95.63	64.11	(0.1)	(2.0)	6.9	59.5	68.0			
WTI (USD/barrel)	91.11	92.87	92.41	91.01	60.48	(1.9)	(1.4)	0.1	50.6	58.7			
Gold (USD/oz)	4,141	4,178	4,285	4,382	3,857	(0.9)	(3.4)	(5.5)	7.4	(4.1)			
Malaysia CPO (RM/tonne)	4,354	4,374	4,475	4,648	4,411	(0.5)	(2.7)	(6.3)	(1.3)	8.9			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.48	3.48	3.47	3.38	3.09	(1)	1	10	39	48			
5-Year	3.77	3.78	3.73	3.64	3.21	(1)	4	14	56	52			
7-Year	4.00	4.01	3.95	3.86	3.39	(1)	4	14	60	62			
10-Year	4.01	4.03	3.96	3.92	3.43	(2)	4	8	57	50			
15-Year	4.21	4.22	4.15	4.07	3.66	(1)	6	14	55	45			
20-Year	4.34	4.34	4.30	4.22	3.81	(0)	4	12	53	49			
30-Year	4.43	4.43	4.40	4.29	3.97	(0)	3	14	46	45			

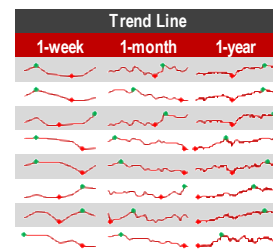
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.50	3.50	3.49	3.40	3.13	(0)	1	10	37	39			
5-Year	3.78	3.78	3.73	3.63	3.23	0	5	16	55	53			
7-Year	4.00	4.00	3.93	3.83	3.35	(0)	7	16	65	65			
10-Year	4.06	4.05	3.96	3.90	3.48	0	10	16	58	53			
15-Year	4.19	4.19	4.14	4.06	3.69	0	5	13	50	44			
20-Year	4.35	4.35	4.29	4.18	3.82	0	6	17	54	49			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25
S&P500 Index	7,723	7,666	7,743	7,667	6,715
Dow Jones	51,177	50,927	51,829	53,062	46,520
Nasdaq	27,191	26,872	27,069	26,218	22,844
London FTSE	10,462	10,428	10,695	10,756	9,428
German DAX	25,231	24,939	25,409	25,839	24,423
Nikkei 225	68,309	68,957	66,364	64,326	44,937
Japan TOPIX	4,091	4,132	4,129	4,082	3,087
FBM KLCI	1,631	1,630	1,672	1,709	1,638

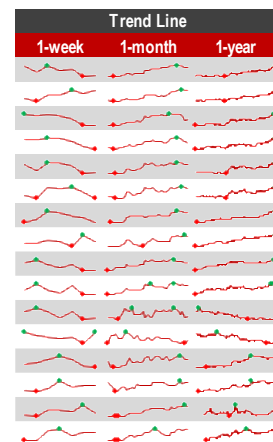
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.7	(0.3)	0.7	15.0	101.1
0.5	(1.3)	(3.6)	10.0	54.4
1.2	0.5	3.7	19.0	159.8
0.3	(2.2)	(2.7)	11.0	40.4
1.2	(0.7)	(2.4)	3.3	81.2
(0.9)	2.9	6.2	52.0	161.8
(1.0)	(0.9)	0.2	32.5	116.3
0.0	(2.4)	(4.6)	(0.4)	9.1



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25
UST 2Y	4.82	4.79	4.85	4.37	3.54
UST 10Y	5.27	5.24	5.16	4.78	4.08
Germany 2Y	3.08	3.07	3.28	3.00	2.01
Germany 10Y	3.46	3.51	3.60	3.38	2.70
UK 2Y	4.82	4.80	4.84	4.62	3.98
UK 10Y	5.37	5.40	5.37	5.23	4.71
Japan 2Y	1.92	1.94	1.93	1.87	0.95
Japan 10Y	3.09	3.13	3.08	3.03	1.66
Australia 2Y	4.91	4.99	5.02	4.84	3.49
Australia 10Y	5.34	5.40	5.37	5.23	4.34
China 2Y	1.24	1.24	1.25	1.25	1.46
China 10Y	1.68	1.68	1.67	1.69	1.87
Indonesia 2Y	6.79	6.81	6.83	6.83	5.00
Indonesia 10Y	7.17	7.17	7.10	7.05	6.33
Thailand 2Y	1.28	1.32	1.26	1.17	1.14
Thailand 10Y	2.33	2.33	2.29	2.22	1.40

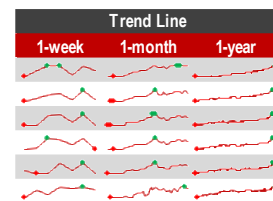
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
3	(3)	46	129	135
3	11	49	119	110
1	(20)	8	107	95
(5)	(14)	9	76	61
2	(2)	20	83	108
(3)	0	14	66	89
(3)	(2)	5	97	74
(3)	1	7	143	103
(8)	(11)	7	142	85
(6)	(3)	11	100	60
0	(0)	(1)	(22)	(13)
0	1	(1)	(19)	(18)
(2)	(4)	(4)	179	180
0	7	12	83	110
(4)	2	11	14	16
(0)	4	12	94	69



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25
IRS 1-Year	3.73	3.74	3.73	3.62	3.23
IRS 3-Year	3.80	3.85	3.80	3.69	3.16
IRS 5-Year	3.86	3.91	3.86	3.74	3.23
IRS 7-Year	3.92	3.96	3.93	3.80	3.31
IRS 10-Year	4.05	4.09	4.05	3.92	3.42
IRS 20-Year	4.29	4.33	4.27	4.09	3.75

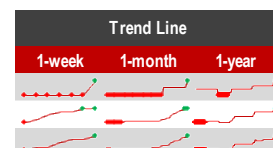
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)		11	51	53
(5)	(0)	12	64	54
(5)	0	12	64	51
(4)	(1)	12	62	51
(4)	0	14	64	50
(4)	1	19	54	41



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25
1-Month Klibor	3.03	3.02	3.02	3.01	3.00
3-Month Klibor	3.54	3.54	3.51	3.47	3.22
6-Month Klibor	3.58	3.57	3.55	3.50	3.26

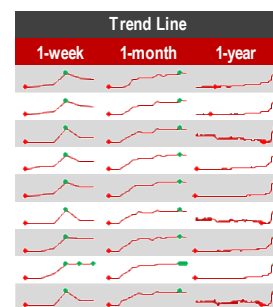
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	2	3	3
0	3	7	32	26
1	3	8	32	28



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	2-Oct-26	1-Oct-26	25-Sep-26	2-Sep-26	2-Oct-25
3-Year AAA	3.81	3.81	3.79	3.65	3.51
3-Year AA	3.97	3.97	3.95	3.79	3.67
3-Year A	4.64	4.65	4.63	4.42	4.52
5-Year AAA	4.02	4.02	4.01	3.77	3.58
5-Year AA	4.21	4.21	4.19	3.90	3.75
5-Year A	4.90	4.90	4.89	4.58	4.66
10-Year AAA	4.29	4.29	4.26	3.98	3.74
10-Year AA	4.47	4.47	4.45	4.10	3.90
10-Year A	5.32	5.33	5.30	4.98	5.04

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	2	16	30	31
(0)	2	18	30	30
(0)	1	23	12	10
(0)	1	25	44	43
(0)	1	31	46	45
(0)	1	32	24	20
0	2	31	55	52
0	2	37	57	55
(0)	2	34	29	21



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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