



Fixed Income & FX Research

21 May 2025

Macro: The RBA cut its Cash Rate by 25 bps to 3.85%, meeting market expectations.

Forex: The dollar fell overnight, pressured by Fed officials' comments about risks to the US economy, especially those emanating from the impact of Trump's tariffs.

Fixed Income: Buying interest in the local government bond market remained guided by expectations of an OPR cut by BNM in 2H2025.

Macro

China: PBOC cut its 1Y and 5Y loan prime rates by 10bps each to 3.00% and 3.50%, respectively. This is the first cut in the 1Y LPR this year. China's Xinhua news agency said the cuts will reduce borrowing costs and boost the economy.

Australia: The RBA cut its Cash Rate by 25 bps to 3.85%, which was expected by markets and is the second cut this year after the cut in January. Policymakers expect more risks to Australia's growth and inflation.

Malaysia: Malaysia's trade deficit widened in April, driven by a 20% y/y increase in imports and a 16.4% y/y rise in exports, both exceeding market forecasts.

Forex

Global: Dollar fell overnight, pressured by Fed officials' comments about risks to the US economy, especially emanating from the impact of Trump's tariffs. Also, Trump seemed to have difficulty convincing Republicans in the House to vote for his tax proposal, further pressuring the dollar. The dollar also remained pegged back by Moody's US rating downgrade. FOMC voter and Cleveland Fed president Musalem said the US labour market may weaken while inflation may rise despite the ease in US-China trade relations. Another push for the USD lower was markets fearing that US-Japan talks may involve discussions of a weaker dollar. AUD fell as the RBA cut its interest rate by 25 bps, and policymakers signalled openness to more rate cuts. CNY also fell as PBOC cut its 1Y and 5Y loan prime rates.

MYR: Ringgit fell and reversed an early-day rally. Charts show that the USD/MYR decreased to a low of 4.283 yesterday before closing at 4.298. We think market caution after the US rating downgrade, concerns over rising UST yields ahead of expanding US budget deficits, and yesterday's cautious mood amid RBA and PBOC rate decisions resulted in MYR losses, though we also think profit-taking activity also occurred. Malaysia's exports reportedly surging in April did little to aid MYR, and we think the MYR market was also cautious ahead of tomorrow's CPI release.

Fixed Income

Global Bonds: The UST market saw yields surging amid worries that a congressional tax-cut bill could accelerate the widening of the US budget deficit more than anticipated, amid major economic data. Germany's 10Y bund yield pared its 3-day decline, driven by worsening PPI data, as it fell by 0.9% y/y in April 2025 (March: 0.2%).

MYR Bonds: The local government bond market remained supported. Buying interest remained guided by expectations of an OPR cut by BNM in 2H2025. Meanwhile, the local corporate bond market continued to be supported. Notable trades featured utility issuers, including the AAA-rated Tenaga 06/47, which dipped by 4 bps at 4.00%, and the AA3-rated Tanjung Bin Energy 09/30, which dropped 32 bps at 4.53% on MYR20 million in trading flows.

Other Markets

Gold: Gold remained in demand, aided more recently by US fiscal concerns.

Crude Oil: Crude oil is rallying as we open today on news reports that Israel is preparing to attack Iran's nuclear facilities.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	100.12	(0.3)
EUR/USD	1.128	0.4
AUD/USD	0.642	(0.5)
GBP/USD	1.339	0.2
USD/JPY	144.51	(0.2)
USD/MYR	4.298	0.2
USD/IDR	16,415	(0.1)
USD/THB	33.07	0.0
USD/SGD	1.295	0.0
USD/CNY	7.217	0.0

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	3.97	(1)
UST 10Y	4.49	4
Germany 10Y	2.61	2
UK 10Y	4.70	4
Japan 10Y	1.51	2
Australia 10Y	4.40	(12)
China 10Y	1.67	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.19	0
5-Year	3.28	(2)
7-Year	3.46	(1)
10-Year	3.59	(1)
15-Year	3.72	(0)
20-Year	3.83	(1)
30-Year	4.06	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.35	(2)
IRS 3-Year	3.23	0
IRS 5-Year	3.28	(2)
IRS 7-Year	3.40	2
IRS 10-Year	3.44	(7)
3M KLIBOR	3.56	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	65.38	(0.2)
WTI (USD/bbl)	62.56	(0.2)
Gold (USD/oz)	3,290	1.9
CPO (RM/tonne)	3,890	0.0

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		
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	100.12	100.43	101.00	99.23	104.57	(0.3)	(0.9)	0.9	(4.3)	(7.7)			
EUR/USD	1.128	1.124	1.119	1.139	1.086	0.4	0.9	(1.0)	3.9	9.0			
AUD/USD	0.642	0.646	0.647	0.638	0.667	(0.5)	(0.7)	0.7	(3.6)	3.8			
GBP/USD	1.339	1.336	1.331	1.330	1.271	0.2	0.7	0.7	5.4	7.0			
USD/JPY	144.51	144.86	147.48	142.18	156.26	(0.2)	(2.0)	1.6	(7.5)	(8.1)			
USD/MYR	4.298	4.291	4.322	4.414	4.686	0.2	(0.6)	(2.6)	(8.3)	(3.9)			
USD/IDR	16,415	16,430	16,515	16,825	15,975	(0.1)	(0.6)	(2.4)	2.8	1.9			
USD/THB	33.07	33.07	33.22	33.44	36.03	0.0	(0.5)	(1.1)	(8.2)	(3.0)			
USD/SGD	1.295	1.295	1.301	1.311	1.348	0.0	(0.5)	(1.2)	(3.9)	(5.2)			
USD/CNY	7.217	7.214	7.205	7.300	7.235	0.04	0.2	(1.1)	(0.3)	(1.1)			
USD/KRW	1,394	1,391	1,416	1,424	1,356	0.2	(1.5)	(2.1)	2.8	(5.3)			
USD/INR	85.64	85.40	85.35	85.38	83.33	0.3	0.3	0.3	2.8	0.0			
USD/PHP	55.62	55.68	55.80	56.75	57.90	(0.1)	(0.3)	(2.0)	(3.9)	(3.8)			
USD/TWD	30.17	30.19	30.45	32.62	32.25	(0.1)	(0.9)	(7.5)	(6.5)	(8.0)			
USD/HKD	7.827	7.821	7.797	7.761	7.799	0.1	0.4	0.8	0.4	0.7			
USD/VND	25,962	25,948	25,959	25,926	25,454	0.1	0.0	0.1	2.0	1.9			
NZD/USD	0.593	0.593	0.594	0.594	0.611	(0.1)	(0.2)	(0.2)	(2.9)	5.9			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.838	4.839	4.800	5.018	5.094	(0.0)	0.8	(3.6)	(5.0)	3.8			
GBP/MYR	5.747	5.748	5.711	5.858	5.954	(0.0)	0.6	(1.9)	(3.5)	2.3			
AUD/MYR	2.758	2.766	2.772	2.813	3.137	(0.3)	(0.5)	(1.9)	(12.1)	(0.8)			
JPY/MYR	2.974	2.961	2.925	3.105	2.999	0.5	1.7	(4.2)	(0.8)	4.5			
SGD/MYR	3.317	3.316	3.312	3.364	3.482	0.0	0.2	(1.4)	(4.7)	1.0			
10CNY/MYR	5.953	5.951	6.001	6.046	6.478	0.0	(0.8)	(1.5)	(8.1)	(2.8)			
100IDR/MYR	2.619	2.611	2.600	2.615	2.927	0.3	0.7	0.2	(10.5)	(5.5)			
THB/MYR	12.997	12.980	13.013	13.208	12.975	0.1	(0.1)	(1.6)	0.2	(0.2)			
10HKD/MYR	5.491	5.487	5.544	5.686	6.010	0.1	(1.0)	(3.4)	(8.6)	(4.7)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	65.38	65.54	66.63	67.96	83.71	(0.2)	(1.9)	(3.8)	(21.9)	(12.4)			
WTI (USD/barrel)	62.56	62.69	63.67	64.68	79.80	(0.2)	(1.7)	(3.3)	(21.6)	(12.8)			
Gold (USD/oz)	3,290	3,230	3,250	3,327	2,425	1.9	1.2	(1.1)	35.7	25.4			
Malaysia CPO (RM/tonne)	3,890	3,890	3,890	4,187	3,900	0.0	0.0	(7.1)	(0.2)	(20.9)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.19	3.19	3.20	3.34	3.55	0	(1)	(16)	(37)	(29)			
5-Year	3.28	3.29	3.30	3.42	3.68	(2)	(2)	(14)	(40)	(35)			
7-Year	3.46	3.47	3.49	3.60	3.80	(1)	(2)	(13)	(34)	(31)			
10-Year	3.59	3.60	3.60	3.69	3.87	(1)	(0)	(10)	(27)	(22)			
15-Year	3.72	3.72	3.75	3.85	4.01	(0)	(3)	(13)	(29)	(25)			
20-Year	3.83	3.83	3.87	3.94	4.13	(1)	(4)	(11)	(30)	(23)			
30-Year	4.06	4.06	4.05	4.09	4.23	0	0	(3)	(17)	(12)			

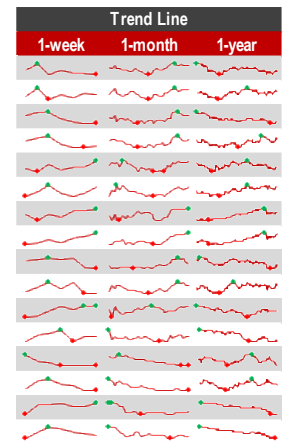
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.20	3.20	3.22	3.37	3.52	(0)	(2)	(17)	(32)	(22)			
5-Year	3.36	3.35	3.40	3.51	3.67	0	(5)	(15)	(32)	(27)			
7-Year	3.48	3.47	3.51	3.61	3.78	0	(3)	(13)	(31)	(27)			
10-Year	3.59	3.59	3.60	3.70	3.88	(0)	(1)	(11)	(29)	(24)			
15-Year	3.75	3.76	3.75	3.83	4.02	(1)	1	(8)	(27)	(23)			
20-Year	3.86	3.87	3.86	3.96	4.13	(1)	(0)	(10)	(27)	(22)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24
UST 2Y	3.97	3.98	4.00	3.80	4.85
UST 10Y	4.49	4.45	4.47	4.32	4.44
Germany 2Y	1.84	1.84	1.94	1.69	2.99
Germany 10Y	2.61	2.59	2.68	2.47	2.53
UK 2Y	4.04	4.01	3.98	3.92	4.35
UK 10Y	4.70	4.66	4.67	4.57	4.17
Japan 2Y	0.72	0.72	0.72	0.65	0.34
Japan 10Y	1.51	1.49	1.44	1.29	0.98
Australia 2Y	3.43	3.59	3.53	3.29	3.94
Australia 10Y	4.40	4.52	4.43	4.28	4.24
China 2Y	1.48	1.47	1.44	1.46	1.81
China 10Y	1.67	1.66	1.66	1.65	2.31
Indonesia 2Y	6.25	6.25	6.40	6.63	7.02
Indonesia 10Y	6.84	6.87	6.86	6.95	6.94
Thailand 2Y	1.56	1.55	1.55	1.51	2.34
Thailand 10Y	1.86	1.86	1.87	1.97	2.75

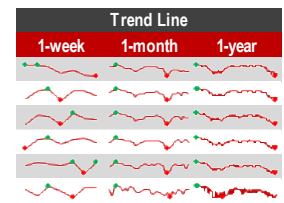
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(3)	17	(88)	(27)
4	2	16	4	(8)
(0)	(9)	16	(115)	(24)
2	(7)	13	8	24
4	6	12	(30)	(35)
4	3	14	53	14
0	0	8	38	12
2	6	21	52	40
(16)	(10)	14	(50)	(43)
(12)	(3)	12	16	4
1	4	2	(33)	38
1	1	2	(64)	(1)
(1)	(15)	(39)	(77)	(80)
(3)	(1)	(11)	(9)	(15)
1	1	5	(78)	(44)
(1)	(2)	(11)	(90)	(40)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24
IRS 1-Year	3.35	3.37	3.38	3.38	3.60
IRS 3-Year	3.23	3.23	3.20	3.21	3.62
IRS 5-Year	3.28	3.30	3.26	3.27	3.70
IRS 7-Year	3.40	3.39	3.33	3.36	3.80
IRS 10-Year	3.44	3.51	3.49	3.48	3.91
IRS 20-Year	3.80	3.71	3.78	3.83	4.25

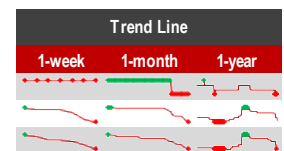
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(3)	(3)	(25)	(22)
0	3	2	(39)	(27)
(2)	2	2	(42)	(26)
2	7	4	(40)	(23)
(7)	(4)	(4)	(47)	(29)
9	2	(3)	(45)	(15)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24
1-Month Klibor	3.27	3.27	3.27	3.28	3.29
3-Month Klibor	3.56	3.57	3.60	3.65	3.59
6-Month Klibor	3.61	3.63	3.66	3.71	3.64

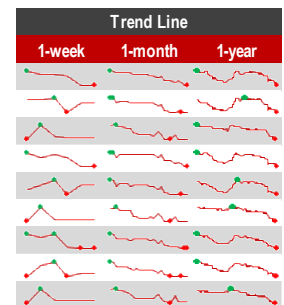
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(2)	(2)
(1)	(4)	(9)	(3)	(17)
(2)	(5)	(10)	(3)	(16)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	20-May-25	19-May-25	13-May-25	20-Apr-25	20-May-24
3-Year AAA	3.71	3.71	3.73	3.77	3.87
3-Year AA	3.86	3.86	3.86	3.91	4.02
3-Year A	4.48	4.48	4.47	4.60	5.02
5-Year AAA	3.78	3.78	3.80	3.83	3.96
5-Year AA	3.93	3.93	3.93	3.98	4.11
5-Year A	4.60	4.60	4.59	4.73	5.24
10-Year AAA	3.92	3.92	3.93	3.97	4.14
10-Year AA	4.07	4.07	4.07	4.14	4.32
10-Year A	4.94	4.94	4.92	5.09	5.76

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(2)	(6)	(16)	(12)
0	(0)	(5)	(16)	(15)
0	1	(13)	(54)	(38)
(0)	(2)	(5)	(18)	(15)
0	0	(5)	(17)	(17)
0	1	(13)	(64)	(49)
0	(1)	(5)	(22)	(15)
0	0	(7)	(25)	(17)
0	2	(15)	(82)	(62)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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