



Fixed Income & FX Research

26 January 2026

Macro: US data remain resilient. BOJ kept rates unchanged with a hawkish tilt. Malaysia SARA aid will soon include fresh produce as an eligible item.

Forex: Volatile FX markets with DXY down sharply, while safe-haven FX outperformed. USD/MYR is seen opening at 3.97-3.98 this morning, following a 0.8% gain on Friday.

Fixed Income: UST saw light strength amid juxtaposition of fading geopolitical risks vs. better US data. Malaysia bonds posted gains post-MPC decision on Thursday.

Macro

Global: US S&P composite PMI inched up to 52.8 in January (December: 52.7) amid accelerating manufacturing growth, though underlying data suggests softer growth pulses compared to the expansion in 2H2025. UOM consumer sentiment was revised up to 56.4 for January (preliminary: 54.0; December: 52.9), driven by modest but broad-based improvements across all major components. Meanwhile, Trump has threatened 100% tariffs on Canadian goods following its recent trade deal with China, though Canadian Minister Anand vowed to push ahead with trade diversification. The EU has also suspended its retaliatory trade measures against the US for six months (until August) amid a resumption of trade talks. In Japan, the BOJ kept policy rates unchanged at 0.75% as expected, though its upward revisions to several inflation forecasts amid recent yen weakness suggest a hawkish tilt and more rate hikes soon.

Malaysia: Political secretary to the FM Kamil Abdul Munim said the list of essential items under the Sara cash aid program will be updated to include fresh produce by Ramadan this year.

Forex

Global: Weakening risk appetite due to geopolitics continued to drive recent sharp USD declines. The DXY fell 0.8%, with safe-haven currencies JPY (+1.7%) and CHF (+1.2%) outperforming G10 peers, while EUR and CAD (+0.6%) lagged peers amid growth risks from recent US threats. Overall, the Eurozone composite PMI also fell short of expectations in January, driven by the slight deceleration in services growth. GBP (+1.1%) outperformed its EUR peer, following hotter-than-expected UK data (S&P PMI, retail sales, and inflation), and hawkish comments from BOE policymaker Greene. Amid recent volatility across FX markets, the key focus ahead will be on the FOMC meeting on Wednesday, including potential remarks on Powell's tenure with the Fed.

Asia: USD/MYR tested the 4.00 level on Friday, while a decisive breach was seen this morning (26 January) with USD/MYR opening at 3.97-3.98. MYR's gains on Friday (+0.8%) outperformed key regional peers SGD (+0.7%), THB (+0.6%), and CNH (+0.2%) for the day, which we attribute to the short-term fading of geopolitical risks and Malaysia's strong economic fundamentals. Anchoring the sharp rally across Asian FX was the JPY's sharp strength (+1.7%), amid heightened risks of joint FX intervention by Japan and US authorities. USD/JPY cemented Friday's gains with its opening at 155.0 this morning, coming as PM Takaichi vowed action against speculative moves in response to Friday's sharp spike.

Fixed Income

Global Bonds: US bond yields consolidated lower last Friday amid fading global risks, though the market was also keeping an eye on geopolitical developments. Nevertheless, improved numbers in the US S&P PMI and UOM sentiment index limited the decline in bond yields, as lowered risks of Fed rate cuts ahead of Wednesday's FOMC meeting offset the decline.

MYR Bonds: Malaysian government bonds posted gains last Friday amid some reversals of global risk aversion. However, yield levels remained elevated, pressured by earlier CPI and GDP numbers, though buying action was also evident after the MPC decision on Thursday.

Commodities

Silver and Gold have breached their respective key USD100/oz and USD5,000/oz levels. Meanwhile, oil prices are up for their 5th consecutive week, supported by supply risks in the Middle East and the deep freeze in North America, which is driving natural gas prices higher.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	97.60	(0.8)
EUR/USD	1.183	0.6
AUD/USD	0.689	0.8
GBP/USD	1.364	1.1
USD/JPY	155.70	(1.7)
USD/MYR	4.007	(0.8)
USD/IDR	16,822	(0.4)
USD/THB	31.20	(0.6)
USD/SGD	1.273	(0.6)
USD/CNY	6.949	(0.2)

Ringgit Outlook for The Week

	1	2
Resistance	4.074	4.141
Support	3.973	3.940

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.59	(1)
UST 10Y	4.23	(2)
Germany 10Y	2.91	2
UK 10Y	4.51	4
Japan 10Y	2.26	1
Australia 10Y	4.82	2
China 10Y	1.83	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.00	(2)
5-Year	3.27	(2)
7-Year	3.45	(1)
10-Year	3.51	(2)
15-Year	3.80	(2)
20-Year	3.95	(1)
30-Year	4.02	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.25	0
IRS 3-Year	3.36	0
IRS 5-Year	3.46	1
IRS 7-Year	3.55	1
IRS 10-Year	3.69	0
3M KLIBOR	3.23	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	65.88	2.8
WTI (USD/bbl)	61.07	2.9
Gold (USD/oz)	4,987	1.0
CPO (RM/tonne)	4,128	(0.3)

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	28-Jan
ECB Deposit Rate	2.00	05-Feb
BOE Base Rate	3.75	05-Feb
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.75	19-Mar
RBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-Mar

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		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	97.60	98.36	99.39	97.98	108.05	(0.8)	(1.8)	(0.4)	(9.7)	(0.7)			
EUR/USD	1.183	1.176	1.160	1.178	1.042	0.6	2.0	0.4	13.6	0.7			
AUD/USD	0.689	0.684	0.668	0.671	0.629	0.8	3.2	2.8	9.7	3.3			
GBP/USD	1.364	1.350	1.338	1.351	1.235	1.1	2.0	1.0	10.4	1.2			
USD/JPY	155.7	158.41	158.12	155.93	156.05	(1.7)	(1.5)	(0.1)	(0.2)	(0.6)			
USD/MYR	4.007	4.038	4.058	4.047	4.444	(0.8)	(1.2)	(1.0)	(9.8)	(1.3)			
USD/IDR	16,822	16,885	16,885	16,762	16,280	(0.4)	(0.4)	0.4	3.3	0.8			
USD/THB	31.20	31.39	31.40	31.02	34.02	(0.6)	(0.7)	0.6	(8.3)	(1.0)			
USD/SGD	1.273	1.281	1.289	1.283	1.355	(0.6)	(1.3)	(0.8)	(6.1)	(1.0)			
USD/CNY	6.949	6.964	6.968	7.007	7.288	(0.2)	(0.3)	(0.8)	(4.6)	(0.4)			
USD/KRW	1,464	1,465	1,475	1,447	1,435	(0.1)	(0.7)	1.2	2.0	1.7			
USD/INR	91.96	91.63	90.87	89.78	86.47	0.4	1.2	2.4	6.4	2.3			
USD/PHP	59.09	59.17	59.35	58.85	58.70	(0.1)	(0.5)	0.4	0.7	0.4			
USD/TWD	31.56	31.60	31.56	31.47	32.77	(0.1)	(0.0)	0.3	(3.7)	0.4			
USD/HKD	7.797	7.797	7.797	7.775	7.789	0.0	0.0	0.3	0.1	0.2			
USD/VND	26,243	26,271	26,272	26,320	25,108	(0.1)	(0.1)	(0.3)	4.5	(0.2)			
NZD/USD	0.595	0.593	0.575	0.584	0.568	0.3	3.4	1.9	4.8	3.3			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.702	4.723	4.711	4.775	4.627	(0.5)	(0.2)	(1.5)	1.6	(1.3)			
GBP/MYR	5.421	5.429	5.436	5.471	5.474	(0.1)	(0.3)	(0.9)	(1.0)	(0.6)			
AUD/MYR	2.741	2.747	2.719	2.716	2.784	(0.2)	0.8	0.9	(1.5)	1.0			
JPY/MYR	2.574	2.550	2.567	2.596	2.848	0.9	0.3	(0.9)	(9.6)	(0.7)			
SGD/MYR	3.132	3.146	3.150	3.154	3.276	(0.4)	(0.6)	(0.7)	(4.4)	(0.8)			
10 CNY/MYR	5.752	5.795	5.822	5.770	6.098	(0.7)	(1.2)	(0.3)	(5.7)	(1.0)			
1 million IDR/MYR	2.382	2.391	2.403	2.414	2.730	(0.4)	(0.9)	(1.3)	(12.7)	(2.1)			
THB/MYR	12.839	12.891	12.924	13.045	13.079	(0.4)	(0.7)	(1.6)	(1.8)	0.0			
10 HKD/MYR	5.137	5.180	5.203	5.204	5.705	(0.8)	(1.3)	(1.3)	(10.0)	(1.5)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	65.88	64.06	64.13	62.24	78.29	2.8	2.7	5.8	(15.9)	8.3			
WTI (USD/barrel)	61.07	59.36	59.44	58.35	74.62	2.9	2.7	4.7	(18.2)	6.4			
Gold (USD/oz)	4,987	4,936	4,596	4,479	2,755	1.0	8.5	11.3	81.0	15.5			
Malaysia CPO (RM/tonne)	4,128	4,142	4,026	4,010	4,468	(0.3)	2.5	2.9	(7.6)	3.3			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.00	3.03	3.03	3.00	3.43	(2)	(3)	(0)	(43)	0			
5-Year	3.27	3.30	3.29	3.25	3.62	(2)	(2)	2	(35)	2			
7-Year	3.45	3.46	3.45	3.41	3.78	(1)	0	4	(33)	7			
10-Year	3.51	3.53	3.54	3.53	3.81	(2)	(3)	(2)	(30)	1			
15-Year	3.80	3.82	3.78	3.77	3.97	(2)	2	4	(17)	4			
20-Year	3.95	3.96	3.88	3.86	4.05	(1)	6	9	(10)	10			
30-Year	4.02	4.02	4.00	3.99	4.18	(0)	2	3	(15)	4			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.13	3.13	3.11	3.11	3.48	(1)	2	2	(35)	3			
5-Year	3.30	3.32	3.28	3.26	3.63	(2)	2	4	(34)	4			
7-Year	3.39	3.40	3.36	3.35	3.78	(2)	3	4	(39)	5			
10-Year	3.55	3.56	3.54	3.55	3.84	(1)	1	0	(29)	3			
15-Year	3.83	3.84	3.75	3.75	3.96	(1)	8	8	(13)	8			
20-Year	3.92	3.92	3.87	3.87	4.08	(0)	5	4	(16)	5			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,916	6,913	6,940	6,932	6,119	0.0	(0.4)	(0.2)	13.0	80.1			
Dow Jones	49,099	49,384	49,359	48,731	44,565	(0.6)	(0.5)	0.8	10.2	48.1			
Nasdaq	23,501	23,436	23,515	23,613	20,054	0.3	(0.1)	(0.5)	17.2	124.5			
London FTSE	10,143	10,150	10,235	9,871	8,565	(0.1)	(0.9)	2.8	18.4	36.1			
German DAX	24,901	24,856	25,297	24,340	21,412	0.2	(1.6)	2.3	16.3	78.8			
Nikkei 225	53,847	53,689	53,936	50,344	39,959	0.3	(0.2)	7.0	34.8	106.4			
Japan TOPIX	3,630	3,616	3,659	3,407	2,752	0.4	(0.8)	6.5	31.9	91.9			
FBM KLCI	1,720	1,717	1,713	1,678	1,577	0.2	0.4	2.5	9.1	15.0			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.59	3.61	3.59	3.50	4.29	(1)	1	9	(70)	12			
UST 10Y	4.23	4.24	4.22	4.13	4.64	(2)	0	9	(42)	6			
Germany 2Y	2.13	2.11	2.11	2.14	2.25	2	2	(1)	(12)	1			
Germany 10Y	2.91	2.89	2.84	2.86	2.55	2	7	4	36	5			
UK 2Y	3.73	3.68	3.67	3.73	4.33	5	6	(0)	(59)	(1)			
UK 10Y	4.51	4.47	4.40	4.51	4.64	4	11	0	(12)	3			
Japan 2Y	1.25	1.23	1.21	1.11	0.70	3	4	14	55	7			
Japan 10Y	2.26	2.25	2.19	2.05	1.21	1	7	21	105	19			
Australia 2Y	4.18	4.16	4.03	4.03	3.90	2	15	15	28	13			
Australia 10Y	4.82	4.80	4.71	4.74	4.47	2	11	8	35	8			
China 2Y	1.40	1.40	1.41	1.37	1.28	0	(1)	3	12	2			
China 10Y	1.83	1.84	1.84	1.84	1.66	(1)	(1)	(1)	16	(3)			
Indonesia 2Y	5.22	5.10	5.10	5.03	6.89	11	12	19	(168)	22			
Indonesia 10Y	6.40	6.34	6.25	6.15	7.07	5	15	25	(68)	33			
Thailand 2Y	1.19	1.20	1.16	1.14	2.06	(0)	3	5	(87)	7			
Thailand 10Y	1.86	1.87	1.70	1.65	2.35	(1)	15	21	(50)	22			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.25	3.25	3.28	3.22	3.58	0	(3)	4	(33)	4			
IRS 3-Year	3.36	3.36	3.37	3.30	3.53	0	(1)	6	(17)	9			
IRS 5-Year	3.46	3.45	3.47	3.38	3.57	1	(1)	8	(11)	11			
IRS 7-Year	3.55	3.54	3.55	3.45	3.65	1	0	10	(10)	14			
IRS 10-Year	3.69	3.69	3.69	3.59	3.75	0	0	11	(6)	14			
IRS 20-Year	3.95	4.01	4.01	3.91	3.96	(5)	(6)	4	(0)	7			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	2.98	2.98	2.98	3.00	3.28	0	0	(2)	(30)	(2)			
3-Month Klibor	3.23	3.23	3.25	3.27	3.67	0	(2)	(4)	(44)	(5)			
6-Month Klibor	3.27	3.27	3.29	3.30	3.73	0	(2)	(3)	(46)	(3)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	23-Jan-26	22-Jan-26	16-Jan-26	24-Dec-25	23-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.53	3.53	3.52	3.50	3.84	0	1	2	(31)	2			
3-Year AA	3.68	3.68	3.67	3.67	4.01	0	1	1	(34)	1			
3-Year A	4.46	4.46	4.45	4.52	4.83	0	0	(6)	(37)	(9)			
5-Year AAA	3.61	3.61	3.60	3.59	3.92	0	1	3	(31)	2			
5-Year AA	3.77	3.77	3.75	3.75	4.09	0	1	1	(33)	1			
5-Year A	4.60	4.60	4.59	4.66	5.03	0	1	(6)	(43)	(9)			
10-Year AAA	3.78	3.78	3.78	3.77	4.07	(0)	0	1	(29)	1			
10-Year AA	3.93	3.93	3.92	3.92	4.23	0	1	0	(31)	0			
10-Year A	4.98	4.98	4.97	5.05	5.45	0	0	(8)	(48)	(13)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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