



Fixed Income & FX Research

26 September 2025

Macro: US 2Q2025 GDP growth, consumer and business spending, and initial claims fared better than expected. Trump announced 100% pharmaceutical tariffs from 1 October. Malaysia to seek to reach agriculture and semiconductor trade agreement with US by 26 October.

Forex: DXY rebound continued amid solid batch of US data, while major G10 currencies fell 0.6-0.8%. MYR held steady, anchored by the CNY as Chinese banks halt the yuan's advance.

Fixed Income: UST weaknesses led by the front-end, ahead of rising US government shutdown risks. MGS yields rose 1-2 bps amid quarter-end profit-taking.

Macro

Global: US GDP growth for 2Q2025 was revised to 3.8% y/y in the third reading – much higher than the second estimate of 3.3% y/y. Its strongest performance since 2Q2023 reflected sharp upward revision for consumer spending (2.5%; prior: 1.6%) and fixed investment (4.4%; prior: 3.3%). Meanwhile, US durable goods orders rebounded 2.9% m/m in August (consensus: -0.3%; July: -2.7%), its first growth in three months, though likely reflecting tariff-induced higher prices of goods (rather than increased volumes). The increase was mainly driven by increases in transport equipment, while core capital goods orders growth (ex-defense and aircraft) remained steady at 0.6% m/m (July: +0.8%). Initial claims also fell by 14k to 218k for the third week of September (consensus: 233k; prior: 232k), its lowest figure in two months, suggesting relative resilience in labour markets. Meanwhile, Trump announced plans to impose 100% tariffs on branded/patented pharmaceuticals on 1 October, unless US manufacturing plants are underway. Other industry-specific tariffs were also announced, including heavy trucks (25%), and household furniture such as kitchen cabinets (30-50%).

Malaysia: MITI Minister Tengku Zafrul said he and USTR Jamieson Greer has agreed to work towards reaching a trade deal before Trump's visit on 26-28 October (Asean Summit), with Malaysia seeking tariff exemptions for some commodity products, as well as for its semiconductor exports (ahead of potential tariffs). EU trade chief Maros Sefcovic also expressed hopes to reach free trade agreements with Malaysia (and Thailand/Philippines) by next year. The EU has earlier reached a trade deal with Indonesia to eliminate tariffs on most goods traded.

Forex

Global: DXY's continued rebound (+0.7%) was solidified amid fresh conviction of US economic health, driven by recent data of solid 2Q25 GDP data, declining jobless claims, a rise in business capex spending, and narrowing trade deficit. Attention is expected to focus on today's core PCE inflation data for August (consensus: +0.2% m/m; July: +0.3%), which may spur further dollar gains if underlying inflation remains subdued. Key G10 currencies including the CHF, JPY, EUR, AUD, and GBP depreciated 0.6-0.8% against the USD. The SNB kept policy rates unchanged at 0%, while reaffirming readiness to intervene in FX markets if needed. Meanwhile, BOJ meeting minutes for July saw some policymakers calling for rate hikes in the future.

Malaysia: USD/MYR managed to close unchanged at 4.212, after touching a high of 4.220 in the opening session on overnight USD gains. Relative resilience for the MYR was anchored by the CNY, amid reports that Chinese state-owned banks are selling the yuan in the spot market (while offsetting it via swap purchases), suggesting PBOC action to halt any appreciation past the 7.10 handle.

Fixed Income

Global Bonds: The UST curve bear flattened by up to 5bps on the front-end, bristled by the general retreat in Fed rate cut expectations amid recent solid US data, as well as the potential US government shutdown on 1 October. These also contributed to poor subscriptions for UST auctions, with demand also lukewarm for the 7-year, after the earlier 5-year auction. Swap markets now price in just 38bps worth of Fed rate cuts for the remaining year, down from 45bps post-Fed meeting.

MYR Bonds: Overall MGS yields tracked up 1-2 bps, spurred by the uptick in global yields and some profit-taking moves ahead of quarter-end. Meanwhile, the reopening auction for the 3-year GII 07/28 (issuance size: MYR5.0 billion) will close on 29 September.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.55	0.7
EUR/USD	1.167	(0.6)
AUD/USD	0.654	(0.7)
GBP/USD	1.335	(0.8)
USD/JPY	149.80	0.6
USD/MYR	4.212	(0.0)
USD/IDR	16,750	0.4
USD/THB	32.13	0.4
USD/SGD	1.294	0.4
USD/CNY	7.145	0.1

Ringgit Outlook for The Week

	1	2
Resistance	4.240	4.269
Support	4.185	4.159

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.66	5
UST 10Y	4.17	2
Germany 10Y	2.77	2
UK 10Y	4.76	9
Japan 10Y	1.65	0
Australia 10Y	4.35	6
China 10Y	1.89	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.08	2
5-Year	3.19	2
7-Year	3.39	2
10-Year	3.44	1
15-Year	3.67	2
20-Year	3.79	1
30-Year	3.90	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.23	1
IRS 3-Year	3.16	3
IRS 5-Year	3.23	3
IRS 7-Year	3.30	4
IRS 10-Year	3.42	4
3M KLIBOR	3.22	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	69.42	0.2
WTI (USD/bbl)	64.98	(0.0)
Gold (USD/oz)	3,749	0.4
CPO (RM/tonne)	4,365	0.8

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.25	29-Oct
ECB Deposit Rate	2.00	30-Oct
BOE Base Rate	4.00	06-Nov
RBA Cash Rate	3.60	30-Sep
BOJ Cash Rate	0.50	30-Oct
RBNZ Cash Rate	3.00	08-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	06-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 vs USD

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.55	97.87	97.35	98.23	100.91	0.7	1.2	0.3	(2.3)	(9.2)			
EUR/USD	1.167	1.174	1.179	1.164	1.113	(0.6)	(1.0)	0.2	4.8	12.7			
AUD/USD	0.654	0.658	0.661	0.650	0.682	(0.7)	(1.1)	0.7	(4.1)	5.7			
GBP/USD	1.335	1.345	1.356	1.348	1.332	(0.8)	(1.5)	(1.0)	0.2	6.6			
USD/JPY	149.8	148.9	148	147.4	144.75	0.6	1.2	1.6	3.5	(4.7)			
USD/MYR	4.212	4.212	4.197	4.219	4.129	(0.0)	0.4	(0.2)	2.0	(5.8)			
USD/IDR	16,750	16,676	16,505	16,295	15,100	0.4	1.5	2.8	10.9	4.0			
USD/THB	32.13	32.00	31.80	32.49	32.70	0.4	1.0	(1.1)	(1.8)	(5.8)			
USD/SGD	1.294	1.289	1.282	1.285	1.290	0.4	0.9	0.7	0.3	(5.3)			
USD/CNY	7.145	7.137	7.109	7.153	7.033	0.1	0.5	(0.1)	1.6	(2.6)			
USD/KRW	1,409	1,404	1,388	1,394	1,336	0.4	1.5	1.1	5.5	(4.3)			
USD/INR	88.67	88.70	88.13	87.68	83.60	(0.0)	0.6	1.1	6.1	3.6			
USD/PHP	58.10	57.47	57.06	57.07	55.89	1.1	1.8	1.8	4.0	0.4			
USD/TWD	30.43	30.31	30.08	30.55	31.84	0.4	1.2	(0.4)	(4.4)	(7.2)			
USD/HKD	7.784	7.779	7.778	7.793	7.785	0.1	0.1	(0.1)	(0.0)	0.2			
USD/VND	26,400	26,418	26,380	26,353	24,593	(0.1)	0.1	0.2	7.3	3.6			
NZD/USD	0.577	0.582	0.588	0.586	0.626	(0.8)	(2.0)	(1.6)	(7.9)	3.1			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.945	4.960	4.969	4.911	4.618	(0.3)	(0.5)	0.7	7.1	6.1			
GBP/MYR	5.665	5.677	5.727	5.686	5.522	(0.2)	(1.1)	(0.4)	2.6	0.9			
AUD/MYR	2.779	2.785	2.792	2.736	2.839	(0.2)	(0.5)	1.6	(2.1)	(0.1)			
JPY/MYR	2.811	2.831	2.836	2.862	2.853	(0.7)	(0.9)	(1.8)	(1.5)	(1.2)			
SGD/MYR	3.268	3.277	3.282	3.281	3.214	(0.3)	(0.4)	(0.4)	1.7	(0.5)			
10 CNY/MYR	5.901	5.909	5.907	5.892	5.872	(0.1)	(0.1)	0.2	0.5	(3.7)			
1 million IDR/MYR	2.513	2.526	2.540	2.588	2.734	(0.5)	(1.1)	(2.9)	(8.1)	(9.3)			
THB/MYR	13.105	13.156	13.191	12.982	12.621	(0.4)	(0.6)	1.0	3.8	0.6			
10 HKD/MYR	5.410	5.418	5.397	5.408	5.304	(0.1)	0.2	0.0	2.0	(6.1)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	69.42	69.31	67.44	67.22	73.46	0.2	2.9	3.3	(5.5)	(7.0)			
WTI (USD/barrel)	64.98	64.99	63.57	63.25	69.69	(0.0)	2.2	2.7	(6.8)	(9.4)			
Gold (USD/oz)	3,749	3,736	3,644	3,394	2,657	0.4	2.9	10.5	41.1	42.9			
Malaysia CPO (RM/tonne)	4,365	4,331	4,368	4,397	4,125	0.8	(0.1)	(0.7)	5.8	(10.2)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.08	3.06	3.04	2.97	3.33	2	4	11	(26)	(40)			
5-Year	3.19	3.17	3.12	3.07	3.51	2	8	12	(31)	(43)			
7-Year	3.39	3.37	3.32	3.27	3.68	2	7	12	(29)	(38)			
10-Year	3.44	3.43	3.39	3.38	3.72	1	5	6	(28)	(37)			
15-Year	3.67	3.65	3.61	3.58	3.89	2	6	9	(22)	(30)			
20-Year	3.79	3.78	3.75	3.73	4.04	1	3	6	(25)	(27)			
30-Year	3.90	3.90	3.87	3.88	4.18	0	3	2	(28)	(28)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.13	3.11	3.06	3.02	3.32	2	6	11	(19)	(30)			
5-Year	3.20	3.19	3.15	3.12	3.49	1	5	8	(29)	(42)			
7-Year	3.34	3.31	3.27	3.24	3.68	3	6	9	(34)	(41)			
10-Year	3.49	3.47	3.42	3.40	3.74	2	7	9	(25)	(34)			
15-Year	3.67	3.65	3.62	3.58	3.91	2	5	9	(24)	(31)			
20-Year	3.80	3.79	3.77	3.73	4.05	1	4	8	(24)	(28)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,605	6,638	6,632	6,466	5,722	(0.5)	(0.4)	2.1	15.4	72.0			
Dow Jones	45,947	46,121	46,142	45,418	41,915	(0.4)	(0.4)	1.2	9.6	38.6			
Nasdaq	22,385	22,498	22,471	21,544	18,082	(0.5)	(0.4)	3.9	23.8	113.9			
London FTSE	9,214	9,250	9,228	9,266	8,269	(0.4)	(0.2)	(0.6)	11.4	23.6			
German DAX	23,535	23,667	23,675	24,153	18,919	(0.6)	(0.6)	(2.6)	24.4	69.0			
Nikkei 225	45,755	45,630	45,303	42,394	37,870	0.3	1.0	7.9	20.8	75.3			
Japan TOPIX	3,185	3,170	3,159	3,072	2,651	0.5	0.8	3.7	20.2	68.4			
FBM KLCI	1,598	1,600	1,599	1,582	1,673	(0.1)	(0.0)	1.1	(4.5)	6.9			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.66	3.60	3.56	3.68	3.56	5	9	(2)	10	(59)			
UST 10Y	4.17	4.15	4.10	4.26	3.78	2	7	(9)	38	(40)			
Germany 2Y	2.04	2.02	2.01	1.94	2.12	2	3	10	(8)	(4)			
Germany 10Y	2.77	2.75	2.73	2.72	2.18	2	5	5	60	41			
UK 2Y	4.02	3.95	3.96	3.97	3.96	7	6	5	6	(38)			
UK 10Y	4.76	4.67	4.68	4.74	3.99	9	8	2	77	19			
Japan 2Y	0.94	0.93	0.89	0.88	0.35	0	5	6	59	33			
Japan 10Y	1.65	1.65	1.60	1.63	0.82	0	5	2	84	55			
Australia 2Y	3.49	3.45	3.33	3.34	3.58	4	17	16	(8)	(36)			
Australia 10Y	4.35	4.29	4.19	4.31	3.91	6	16	3	44	(1)			
China 2Y	1.47	1.44	1.44	1.42	1.40	3	3	5	7	37			
China 10Y	1.89	1.91	1.78	1.77	2.04	(1)	11	13	(15)	22			
Indonesia 2Y	5.05	5.02	5.00	5.35	6.28	4	5	(30)	(123)	(199)			
Indonesia 10Y	6.42	6.39	6.28	6.33	6.44	3	14	9	(2)	(58)			
Thailand 2Y	1.16	1.13	1.13	1.13	2.13	3	3	3	(97)	(84)			
Thailand 10Y	1.35	1.35	1.34	1.29	2.46	1	1	6	(111)	(90)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.23	3.22	3.17	3.10	3.48	1	6	13	(25)	(35)			
IRS 3-Year	3.16	3.13	3.08	3.01	3.36	3	8	15	(21)	(35)			
IRS 5-Year	3.23	3.19	3.15	3.09	3.42	3	8	14	(19)	(32)			
IRS 7-Year	3.30	3.26	3.23	3.16	3.52	4	7	14	(23)	(34)			
IRS 10-Year	3.42	3.38	3.34	3.29	3.61	4	8	13	(19)	(31)			
IRS 20-Year	3.64	3.71	3.68	3.53	3.74	(8)	(4)	11	(11)	(32)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.00	3.00	3.00	3.00	3.28	0	0	0	(28)	(29)			
3-Month Klibor	3.22	3.22	3.22	3.21	3.54	0	0	1	(32)	(51)			
6-Month Klibor	3.26	3.26	3.26	3.26	3.61	0	0	0	(35)	(51)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Sep-25	24-Sep-25	18-Sep-25	26-Aug-25	25-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.51	3.52	3.51	3.53	3.74	(1)	0	(1)	(23)	(32)			
3-Year AA	3.67	3.68	3.67	3.69	3.87	(1)	0	(2)	(20)	(34)			
3-Year A	4.52	4.52	4.50	4.51	4.83	0	2	1	(31)	(34)			
5-Year AAA	3.59	3.59	3.59	3.61	3.82	(1)	(1)	(2)	(24)	(34)			
5-Year AA	3.75	3.76	3.76	3.78	3.96	(1)	(1)	(3)	(21)	(35)			
5-Year A	4.66	4.65	4.65	4.65	5.06	1	1	1	(40)	(43)			
10-Year AAA	3.74	3.75	3.74	3.77	3.99	(1)	(1)	(3)	(25)	(33)			
10-Year AA	3.90	3.91	3.90	3.93	4.14	(1)	(0)	(3)	(24)	(34)			
10-Year A	5.03	5.02	5.01	5.00	5.61	1	2	3	(58)	(53)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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