



Fixed Income & FX Research

22 October 2026

Macro: UK deficit again higher than expected in September, ahead of Autumn Budget next week. MITI noted high capital requirements as impediment for Malaysia semiconductor design firms.

Forex: Major FX mostly rangebound amid lack of substantive geopolitical or data catalysts. AUD (+0.4%) outperformed amid still-hawkish RBA comments, ahead of 3Q2026 inflation data next week.

Fixed Income: UST pared early session losses to close little changed for the day. MGS yields closed mixed, with interest seen on front-to-bellies while caution seen on the 20Y.

Macro

Global: The UK government borrowed more than expected again in September, bringing public debt to now surpass GBP3 trillion. With the deficit now GBP6 billion higher than earlier forecasts made by the Office for Budget Responsibility (for the first six months of FY2026/2027), the data suggests even greater pressure for Chancellor Healey's budget announcement next week to stay on track with fiscal rules. Meanwhile, Japan's trade deficit narrowed to JPY536.6 billion in September (August: JPY1.11 trillion); it was still higher than market expectations of JPY210.4 billion, as export growth was slightly softer than expected, driven by shipments of chips and automobiles.

Malaysia: MITI noted Malaysia's encouraging trade performance despite facing global uncertainties. Minister Johari Abdul Ghani also noted that high capital requirements remain a major hurdle for Malaysian semiconductor design firms, despite their being granted subsidised access to ARM Holdings' blueprints for chip components.

Forex

Global: DXY seen rebounding slightly (+0.1%), though with a lack of fresh geopolitical and macroeconomic data catalysts recently, major FX closed little changed, with the EUR and JPY remaining laggards. This is despite Deputy BOJ Governor Himino signalling that the BOJ stands ready to raise borrowing costs, with markets still expecting the next BOJ hike only in January 2027 – three meetings away. AUD strengthened a sharper 0.4%, after RBA Deputy Governor Hauser noted the inflation outlook remained 'materially worse' amid elevated oil prices, while stressing the need to anchor inflation expectations. Hauser's hawkish comments (despite recent labour data weaknesses) bolstered bets on an RBA hike on 3 November to 50% (day prior: 24%), which would take place after next week's 3Q2026 inflation data for Australia.

Asia: USD/MYR remain unchanged. We expect this to persist for the remainder of the week, given the lack of major data releases planned (on both the US and Malaysian fronts).

Fixed Income

Global Bonds: The UST market pared early losses, closing within a narrow range d/d. Sentiment rose after fresh attacks in the Straits of Hormuz and on Saudi energy facilities. Bonds were also cautious ahead of the weekly jobless claims numbers. Gilt yields were held near recent highs as the market reacted to UK inflation of 3.5% in September, against expectations of 3.4%. Meanwhile, French 10Y OAT yields climbed above 5% - its highest level since 2002, reflecting mounting concerns over French public finances and social unrest.

MYR Bonds: The ringgit government bond market closed mixed yesterday. There was some net buying interest in the 3Y to 7Y tenors, but a lack of interest elsewhere on the curve. There was also some caution ahead of the 20Y GIL auction. Meanwhile, the corporate bond market was weak, and trading remained centred on >5Y tenors. DRB Hicom 04/30 (AA-) rose 18 bps to 4.51%.

Commodities

WTI was seen around USD98/bbl after a deadly attack on a Saudi oil field. The US has also ordered some personnel to leave American embassies in Saudi Arabia, while Ukraine has launched large-scale drone attacks on Russian oil infrastructure, signalling Kyiv's intention to prevent Moscow from expanding diesel exports under a Trump-Putin agreement.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	101.78	0.1
EUR/USD	1.123	(0.0)
AUD/USD	0.703	0.4
GBP/USD	1.339	0.1
USD/JPY	158.14	(0.0)
USD/MYR	4.080	(0.0)
USD/IDR	18,005	0.1
USD/THB	33.63	(0.1)
USD/SGD	1.277	(0.0)
USD/CNY	6.675	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.096	4.112
Support	4.068	4.056

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.81	3
UST 10Y	5.12	1
Germany 10Y	3.42	2
UK 10Y	5.38	(3)
Japan 10Y	2.88	(2)
Australia 10Y	5.28	3
China 10Y	1.63	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.43	(0)
5-Year	3.65	(1)
7-Year	3.83	0
10-Year	3.86	(0)
15-Year	4.12	0
20-Year	4.25	1
30-Year	4.34	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.66	2
IRS 3-Year	3.66	(3)
IRS 5-Year	3.73	(2)
IRS 7-Year	3.80	(2)
IRS 10-Year	3.92	(3)
3M KLIBOR	3.55	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	108.82	0.0
WTI (USD/bbl)	97.15	(4.6)
Gold (USD/oz)	4,141	0.4
CPO (RM/tonne)	4,522	(1.6)

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		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	101.78	101.70	102.55	100.43	98.93	0.1	(0.8)	1.3	2.9	3.5			
EUR/USD	1.123	1.124	1.116	1.147	1.160	(0.0)	0.7	(2.0)	(3.2)	(4.4)			
AUD/USD	0.703	0.700	0.697	0.712	0.649	0.4	0.8	(1.3)	8.3	5.3			
GBP/USD	1.339	1.338	1.319	1.337	1.337	0.1	1.5	0.2	0.2	(0.6)			
USD/JPY	158.14	158.17	158.33	157.36	151.93	(0.0)	(0.1)	0.5	4.1	0.9			
USD/MYR	4.080	4.082	4.082	4.078	4.230	(0.0)	(0.0)	0.1	(3.5)	0.5			
USD/IDR	18,005	17,987	17,900	17,838	16,590	0.1	0.6	0.9	8.5	7.9			
USD/THB	33.63	33.65	33.58	33.28	32.76	(0.1)	0.2	1.1	2.6	6.7			
USD/SGD	1.277	1.278	1.285	1.276	1.299	(0.0)	(0.6)	0.1	(1.6)	(0.6)			
USD/CNY	6.675	6.675	6.696	6.693	7.127	0.0	(0.3)	(0.3)	(6.3)	(4.3)			
USD/KRW	1,327	1,327	1,340	1,374	1,432	0.0	(0.9)	(3.4)	(7.4)	(7.8)			
USD/INR	94.47	94.93	95.16	95.81	87.93	(0.5)	(0.7)	(1.4)	7.4	5.1			
USD/PHP	63.36	63.07	62.87	62.80	58.23	0.5	0.8	0.9	8.8	7.7			
USD/TWD	32.47	32.66	32.09	31.77	30.68	(0.6)	1.2	2.2	5.8	3.3			
USD/HKD	7.847	7.849	7.848	7.846	7.772	(0.0)	(0.0)	0.0	1.0	0.8			
USD/VND	25,859	25,876	25,894	26,021	26,343	(0.1)	(0.1)	(0.6)	(1.8)	(1.7)			
NZD/USD	0.570	0.568	0.559	0.572	0.574	0.3	1.9	(0.2)	(0.7)	(1.0)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.578	4.578	4.570	4.681	4.915	0.0	0.2	(2.2)	(6.9)	(3.9)			
GBP/MYR	5.466	5.449	5.415	5.458	5.661	0.3	0.9	0.1	(3.5)	0.2			
AUD/MYR	2.867	2.853	2.862	2.907	2.744	0.5	0.2	(1.4)	4.5	5.6			
JPY/MYR	2.581	2.581	2.579	2.591	2.784	(0.0)	0.1	(0.4)	(7.3)	(0.4)			
SGD/MYR	3.193	3.193	3.185	3.197	3.261	(0.0)	0.3	(0.1)	(2.1)	1.1			
10 CNY/MYR	6.113	6.114	6.099	6.090	5.942	(0.0)	0.2	0.4	2.9	5.2			
1 million IDR/MYR	2.265	2.269	2.280	2.285	2.550	(0.2)	(0.7)	(0.9)	(11.2)	(6.9)			
THB/MYR	12.140	12.128	12.154	12.255	12.908	0.1	(0.1)	(0.9)	(5.9)	(5.4)			
10 HKD/MYR	5.200	5.202	5.202	5.198	5.443	(0.0)	(0.0)	0.0	(4.5)	(0.3)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	108.82	108.79	106.06	100.34	61.32	0.0	2.6	8.5	77.5	78.8			
WTI (USD/barrel)	97.15	101.79	95.09	95.78	57.82	(4.6)	2.2	1.4	68.0	69.2			
Gold (USD/oz)	4,141	4,125	4,105	4,343	4,125	0.4	0.9	(4.7)	0.4	(4.1)			
Malaysia CPO (RM/tonne)	4,522	4,595	4,427	4,688	4,447	(1.6)	2.1	(3.5)	1.7	13.1			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.43	3.43	3.43	3.46	3.10	(0)	(0)	(3)	33	43			
5-Year	3.65	3.66	3.64	3.77	3.24	(1)	0	(12)	41	39			
7-Year	3.83	3.82	3.80	3.95	3.43	0	3	(13)	40	45			
10-Year	3.86	3.86	3.84	3.98	3.48	(0)	2	(12)	38	36			
15-Year	4.12	4.11	4.13	4.13	3.73	0	(2)	(2)	38	35			
20-Year	4.25	4.24	4.23	4.29	3.98	1	2	(4)	27	40			
30-Year	4.34	4.34	4.35	4.39	4.06	0	(1)	(5)	28	36			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.46	3.45	3.46	3.50	3.10	0	0	(4)	36	36			
5-Year	3.66	3.66	3.70	3.76	3.23	(0)	(4)	(9)	43	41			
7-Year	3.82	3.82	3.80	3.96	3.34	0	2	(14)	49	48			
10-Year	3.92	3.91	3.90	4.00	3.50	0	2	(8)	42	39			
15-Year	4.10	4.10	4.14	4.13	3.71	0	(4)	(3)	39	35			
20-Year	4.25	4.24	4.28	4.30	3.92	1	(3)	(5)	33	39			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	7,757	7,713	7,719	7,765	6,735	0.6	0.5	(0.1)	15.2	102.0			
Dow Jones	52,856	52,496	51,621	52,049	46,925	0.7	2.4	1.6	12.6	59.5			
Nasdaq	26,703	26,425	26,693	27,122	22,954	1.1	0.0	(1.5)	16.3	155.1			
London FTSE	10,753	10,733	10,725	10,739	9,427	0.2	0.3	0.1	14.1	44.3			
German DAX	25,645	25,304	25,299	25,575	24,330	1.3	1.4	0.3	5.4	84.2			
Nikkei 225	64,621	64,075	67,744	65,019	49,316	0.9	(4.6)	(0.6)	31.0	147.6			
Japan TOPIX	4,044	4,009	4,097	4,091	3,250	0.9	(1.3)	(1.2)	24.4	113.8			
FBM KLCI	1,602	1,600	1,628	1,667	1,617	0.2	(1.6)	(3.9)	(0.9)	7.1			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	4.81	4.78	4.80	4.75	3.46	3	1	6	135	133			
UST 10Y	5.12	5.11	5.19	4.95	3.96	1	(7)	17	116	95			
Germany 2Y	3.13	3.08	3.13	3.21	1.91	4	(0)	(9)	122	101			
Germany 10Y	3.42	3.40	3.47	3.46	2.55	2	(5)	(4)	87	57			
UK 2Y	4.92	4.96	4.90	4.75	3.86	(4)	2	17	107	119			
UK 10Y	5.38	5.41	5.42	5.21	4.48	(3)	(5)	17	90	90			
Japan 2Y	1.90	1.90	1.93	1.86	0.94	(0)	(3)	4	96	72			
Japan 10Y	2.88	2.90	3.00	2.99	1.66	(2)	(12)	(11)	122	82			
Australia 2Y	4.91	4.85	4.92	4.98	3.31	6	(0)	(7)	160	86			
Australia 10Y	5.28	5.25	5.32	5.28	4.12	3	(4)	(0)	116	54			
China 2Y	1.25	1.24	1.26	1.26	1.52	0	(1)	(1)	(28)	(13)			
China 10Y	1.63	1.63	1.67	1.68	1.84	0	(4)	(4)	(21)	(22)			
Indonesia 2Y	6.89	6.91	6.76	6.81	4.88	(2)	13	8	201	189			
Indonesia 10Y	7.42	7.44	7.21	7.11	5.96	(2)	21	31	146	135			
Thailand 2Y	1.24	1.24	1.25	1.25	1.23	0	(0)	(1)	1	12			
Thailand 10Y	2.26	2.27	2.31	2.23	1.72	(1)	(5)	3	54	62			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.66	3.64	3.70	3.72	3.23	2	(4)	(6)	44	46			
IRS 3-Year	3.66	3.69	3.75	3.81	3.19	(3)	(9)	(15)	48	40			
IRS 5-Year	3.73	3.75	3.79	3.85	3.27	(2)	(6)	(13)	46	38			
IRS 7-Year	3.80	3.82	3.86	3.92	3.33	(2)	(6)	(12)	47	39			
IRS 10-Year	3.92	3.95	3.99	4.04	3.49	(3)	(7)	(12)	43	36			
IRS 20-Year	4.15	4.18	4.22	4.29	3.77	(2)	(7)	(14)	38	27			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.02	3.02	3.02	3.02	3.00	0	0	0	2	2			
3-Month Klibor	3.55	3.55	3.55	3.48	3.22	0	0	7	33	27			
6-Month Klibor	3.58	3.58	3.58	3.52	3.26	0	0	6	32	28			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Oct-26	20-Oct-26	14-Oct-26	21-Sep-26	21-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.89	3.86	3.88	3.81	3.52	3	1	9	37	38			
3-Year AA	4.05	4.02	4.04	3.97	3.68	3	1	9	37	39			
3-Year A	4.72	4.67	4.71	4.67	4.52	5	1	6	20	18			
5-Year AAA	4.11	4.09	4.08	4.02	3.60	3	3	10	52	53			
5-Year AA	4.31	4.28	4.28	4.20	3.76	3	3	11	55	56			
5-Year A	4.99	4.93	4.98	4.93	4.66	6	2	6	33	29			
10-Year AAA	4.39	4.36	4.36	4.27	3.76	3	4	12	63	62			
10-Year AA	4.59	4.56	4.55	4.46	3.93	3	5	14	67	67			
10-Year A	5.44	5.36	5.41	5.36	5.03	8	2	7	41	33			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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