



Fixed Income & FX Research

03 September 2025

Macro: Bessent to start interviews for the next Fed chair with 11 reported contenders. Risks ahead on Petronas revenue stream, as Russia-China deepens energy cooperation.

Forex: DXY up 0.6% on UST yield uptick and selloff in GBP (-1.1%) and JPY (-0.8%). Slight MYR weaknesses are expected to persist ahead of BNM's MPC meeting tomorrow.

Fixed Income: UST weakened 2-4 bps amid fiscal and inflation concerns, while long-dated UK gilt yields rose to decade highs. Slight net selling activity noted in the MGS space.

Macro

Global: The US ISM manufacturing PMI rose to 48.7 in August (consensus: 49.0; July: 48.0), signalling slowing but still contracting activity for the sixth month. Meanwhile, Treasury Secretary Scott Bessent is said to start interviews for the next Fed Chairman on Friday up to next week. There are reportedly 11 contenders for the job, with Bessent to recommend a final list for Trump's selection.

Malaysia: FM2 Amir Hamzah reiterated that the government remains focused on strengthening the country's fiscal position via more targeted tax and subsidy measures to reduce new borrowings. Meanwhile, China has agreed to raise purchases of Russian natural gas (via the existing Power of Siberia pipeline) by approximately 16%, while also agreeing to construct the Power of Siberia 2 pipeline that may double exports in the future. The development raises risks of reduced revenue and profit margins for Petronas, which exports LNG cargoes mainly towards Asian destinations.

Forex

Global: DM currencies slumped against the dollar after US markets reopened from the long Labour Day holiday, bringing the DXY solidly up by 0.6%. GBP (-1.1%) underperformed all peers, driven by sharp weaknesses on tail-end bonds. Besides, attention is also focused on PM Keir Starmer's unveiling of his cabinet reshuffle and the Treasury Committee's questioning of BOE policymakers on policy rates and its QT program. The JPY (-0.8%) also underperformed for the day, amid LDP Secretary-General Hiroshi Moriyma's intention to resign, raising risks on PM Shigeru Ishiba's tenuous position given earlier election setbacks. EUR fell 0.6%, after Eurozone inflation in August fared largely as expected. Meanwhile, commodity-linked FX such as AUD (-0.5%) fared relatively better for the day, given the uptick in commodity prices.

Asian: MYR fell 0.1% after markets reopened after the holidays. Overnight dollar strength suggests room for slight weakness for the MYR today. However, spot activity is expected to remain sparse, given the holiday-shortened week and ahead of BNM's MPC meeting tomorrow (4 September).

Fixed Income

Global Bonds: UST closed weaker by 2-4bps across the curve amid concerns over fiscal and inflation. An opening pop in bond yields weighed on market sentiment and sent stocks routing (S&P 500: -0.7%), while the large US corporate bond issuance exacerbated the UST selloff. Long-dated Gilt yields reached decade-highs amid UK fiscal policy concerns, intensifying pressure on Chancellor Rachel Reeves ahead of the Autumn Budget, given the already limited fiscal space.

MYR Bonds: The local government bond space saw mostly net selling activity, with yields up 1 bp along benchmark papers, driven by earlier net selling activity of UST and pre-MPC cautious sentiment. The local corporate bond market was mainly dominated by higher-grade papers and banking names amid the cautious sentiment. Notable trades include GG Danainfra 10/32, which rose 1 bps to 3.38%.

Commodities

Oil prices surged 1-2% despite the rebound in dollar strength, following reports that Ukrainian drone attacks have shut down facilities representing approximately 17% of Russia's refining capacity. US pressure on India to stop purchases of Russian crude oil also continued, even as data indicated rising flows to China instead. **Gold** prices surged 1.6% to touch new record-highs at USD3,533/oz, supported by rising Fed rate cut expectations, and growing US debt concerns following the US court ruling.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.40	0.6
EUR/USD	1.164	(0.6)
AUD/USD	0.652	(0.5)
GBP/USD	1.339	(1.1)
USD/JPY	148.36	0.8
USD/MYR	4.230	0.1
USD/IDR	16,400	(0.1)
USD/THB	32.39	0.2
USD/SGD	1.288	0.3
USD/CNY	7.138	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.267	4.309
Support	4.195	4.165

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.64	2
UST 10Y	4.26	3
Germany 10Y	2.79	4
UK 10Y	4.80	5
Japan 10Y	1.62	(1)
Australia 10Y	4.36	4
China 10Y	1.77	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.00	1
5-Year	3.09	1
7-Year	3.31	1
10-Year	3.40	1
15-Year	3.59	1
20-Year	3.74	0
30-Year	3.88	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.11	1
IRS 3-Year	3.04	1
IRS 5-Year	3.11	2
IRS 7-Year	3.19	2
IRS 10-Year	3.30	1
3M KLIBOR	3.21	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	69.14	1.5
WTI (USD/bbl)	65.59	2.5
Gold (USD/oz)	3,533	1.6
CPO (RM/tonne)	4,383	1.7

Policy Rates

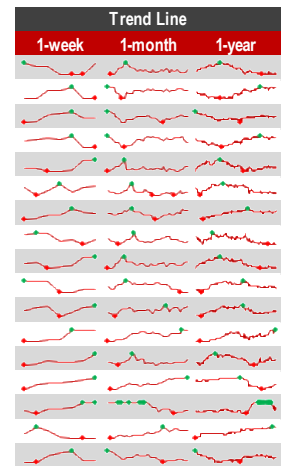
Central Banks	Current	Next
US Fed Funds	4.50	18-Sep
ECB Deposit Rate	2.00	11-Sep
BOE Base Rate	4.00	18-Sep
RBA Cash Rate	3.60	30-Sep
BOJ Cash Rate	0.50	19-Sep
RBNZ Cash Rate	3.00	08-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	04-Sep

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
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
DXY Dollar Index	98.40	97.77	98.23	99.14	101.65
EUR/USD	1.164	1.171	1.164	1.159	1.107
AUD/USD	0.652	0.655	0.650	0.647	0.679
GBP/USD	1.339	1.355	1.348	1.328	1.315
USD/JPY	148.36	147.18	147.4	147.4	146.92
USD/MYR	4.230	4.225	4.219	4.279	4.358
USD/IDR	16,400	16,421	16,295	16,493	15,525
USD/THB	32.39	32.32	32.49	32.86	34.22
USD/SGD	1.288	1.284	1.285	1.290	1.307
USD/CNY	7.138	7.138	7.153	7.193	7.117
USD/KRW	1,396	1,393	1,394	1,389	1,338
USD/INR	88.16	88.20	87.68	87.53	83.93
USD/PHP	57.53	57.22	57.07	58.17	56.38
USD/TWD	30.67	30.62	30.55	30.01	32.03
USD/HKD	7.807	7.797	7.793	7.850	7.797
USD/VND	26,341	26,343	26,353	26,213	24,884
NZD/USD	0.587	0.590	0.586	0.592	0.623

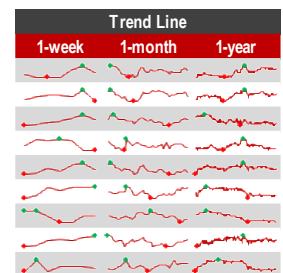
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.6	0.2	(0.8)	(3.2)	(9.3)
(0.6)	(0.0)	0.5	5.1	12.4
(0.5)	0.4	0.7	(4.0)	5.4
(1.1)	(0.6)	0.9	1.9	7.0
0.8	0.7	0.7	1.0	(5.6)
0.1	0.3	(1.1)	(2.9)	(5.4)
(0.1)	0.6	(0.6)	5.6	1.9
0.2	(0.3)	(1.4)	(5.3)	(5.0)
0.3	0.2	(0.1)	(1.4)	(5.7)
0.0	(0.2)	(0.8)	0.3	(2.2)
0.2	0.1	0.5	4.3	(5.2)
(0.0)	0.5	0.7	5.0	3.0
0.5	0.8	(1.1)	2.0	(0.5)
0.2	0.4	2.2	(4.2)	(6.5)
0.1	0.2	(0.5)	0.1	0.5
(0.0)	(0.0)	0.5	5.9	3.4
(0.6)	0.1	(0.8)	(5.9)	4.9



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
EUR/MYR	4.924	4.943	4.911	4.878	4.823
GBP/MYR	5.668	5.710	5.686	5.626	5.724
AUD/MYR	2.754	2.771	2.736	2.748	2.956
JPY/MYR	2.852	2.871	2.862	2.902	2.966
SGD/MYR	3.284	3.291	3.281	3.293	3.334
10 CNY/MYR	5.926	5.924	5.892	5.931	6.122
1 million IDR/MYR	2.578	2.564	2.588	2.591	2.806
THB/MYR	13.058	13.038	12.982	13.025	12.747
10 HKD/MYR	5.420	5.420	5.408	5.450	5.590

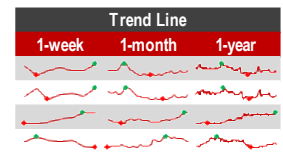
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.4)	0.3	1.0	2.1	5.7
(0.7)	(0.3)	0.8	(1.0)	1.0
(0.6)	0.7	0.2	(6.8)	(1.0)
(0.6)	(0.3)	(1.7)	(3.8)	0.2
(0.2)	0.1	(0.3)	(1.5)	(0.0)
0.0	0.6	(0.1)	(3.2)	(3.3)
0.5	(0.4)	(0.5)	(8.1)	(7.0)
0.2	0.6	0.3	2.4	0.3
0.0	0.2	(0.6)	(3.0)	(5.9)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
Brent (USD/barrel)	69.14	68.15	67.22	69.67	77.52
WTI (USD/barrel)	65.59	64.01	63.25	67.33	73.55
Gold (USD/oz)	3,533	3,476	3,394	3,363	2,500
Malaysia CPO (RM/tonne)	4,383	4,308	4,397	4,193	4,032

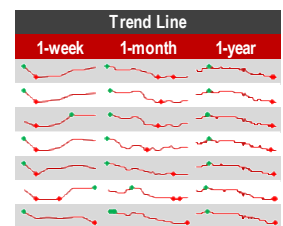
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.5	2.9	(0.8)	(10.8)	(7.4)
2.5	3.7	(2.6)	(10.8)	(8.5)
1.6	4.1	5.0	41.4	34.6
1.7	(0.3)	4.5	8.7	(9.8)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
3-Year	3.00	2.99	2.97	3.07	3.35
5-Year	3.09	3.08	3.07	3.17	3.51
7-Year	3.31	3.30	3.27	3.36	3.70
10-Year	3.40	3.39	3.38	3.40	3.76
15-Year	3.59	3.59	3.58	3.63	3.91
20-Year	3.74	3.73	3.73	3.77	4.05
30-Year	3.88	3.88	3.88	3.92	4.19

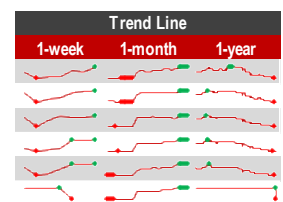
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	3	(7)	(34)	(48)
1	2	(8)	(42)	(53)
1	4	(5)	(39)	(46)
1	2	(0)	(37)	(42)
1	1	(4)	(32)	(38)
0	1	(3)	(32)	(32)
0	(0)	(3)	(30)	(30)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
3-Year	3.04	3.03	3.02	3.11	3.33
5-Year	3.13	3.13	3.12	3.20	3.52
7-Year	3.25	3.25	3.24	3.35	3.70
10-Year	3.42	3.42	3.40	3.43	3.79
15-Year	3.59	3.59	3.58	3.64	3.94
20-Year	3.74	3.74	3.73	3.74	4.08

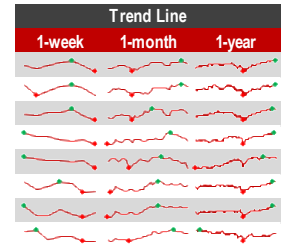
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	2	(7)	(29)	(39)
0	1	(7)	(39)	(50)
0	1	(10)	(45)	(49)
0	2	(1)	(37)	(41)
0	1	(5)	(35)	(38)
0	2	1	(34)	(34)



Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
S&P500 Index	6,416	6,460	6,466	6,238	5,648
Dow Jones	45,296	45,545	45,418	43,589	41,563
Nasdaq	21,280	21,456	21,544	20,650	17,714
London FTSE	9,117	9,196	9,266	9,069	8,364
German DAX	23,487	24,037	24,153	23,426	18,931
Nikkei 225	42,310	42,189	42,394	40,800	38,701
Japan TOPIX	3,082	3,063	3,072	2,949	2,716
FBM KLCI	1,577	1,575	1,582	1,533	1,678

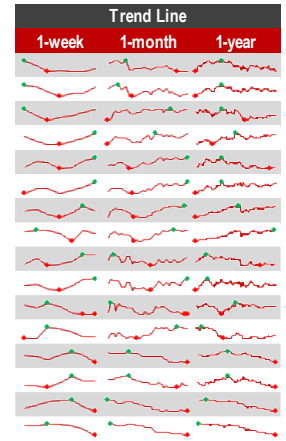
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	(0.8)	2.8	13.6	67.1
(0.5)	(0.3)	3.9	9.0	36.7
(0.8)	(1.2)	3.0	20.1	103.3
(0.9)	(1.6)	0.5	9.0	22.3
(2.3)	(2.8)	0.3	24.1	68.7
0.3	(0.2)	3.7	9.3	62.1
0.6	0.3	4.5	13.5	62.9
0.1	(0.3)	2.8	(6.0)	5.4



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
UST 2Y	3.64	3.62	3.68	3.68	3.92
UST 10Y	4.26	4.23	4.26	4.22	3.90
Germany 2Y	1.97	1.96	1.94	1.93	2.42
Germany 10Y	2.79	2.75	2.72	2.68	2.34
UK 2Y	3.98	3.97	3.97	3.79	4.12
UK 10Y	4.80	4.75	4.74	4.53	4.06
Japan 2Y	0.87	0.89	0.88	0.82	0.38
Japan 10Y	1.62	1.63	1.63	1.56	0.91
Australia 2Y	3.38	3.35	3.34	3.40	3.73
Australia 10Y	4.36	4.32	4.31	4.32	4.01
China 2Y	1.41	1.41	1.42	1.43	1.48
China 10Y	1.77	1.78	1.77	1.71	2.15
Indonesia 2Y	5.35	5.38	5.35	5.87	6.53
Indonesia 10Y	6.37	6.41	6.33	6.58	6.66
Thailand 2Y	1.11	1.13	1.13	1.29	2.21
Thailand 10Y	1.26	1.28	1.29	1.50	2.56

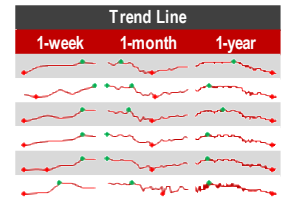
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	(4)	(4)	(28)	(60)
3	(0)	5	36	(31)
2	4	4	(45)	(11)
4	6	11	45	42
2	1	19	(14)	(41)
5	6	27	75	23
(1)	(0)	6	50	27
(1)	(1)	6	71	52
3	4	(2)	(35)	(48)
4	4	4	35	(0)
(0)	(1)	(2)	(7)	31
(1)	0	7	(38)	10
(3)	(0)	(52)	(118)	(169)
(4)	4	(21)	(29)	(63)
(1)	(2)	(18)	(109)	(89)
(2)	(4)	(25)	(130)	(100)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
IRS 1-Year	3.11	3.10	3.10	3.14	3.45
IRS 3-Year	3.04	3.03	3.01	3.09	3.38
IRS 5-Year	3.11	3.10	3.09	3.17	3.46
IRS 7-Year	3.19	3.17	3.16	3.23	3.53
IRS 10-Year	3.30	3.29	3.29	3.34	3.65
IRS 20-Year	3.56	3.60	3.53	3.66	3.75

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	(3)	(34)	(46)
1	3	(4)	(34)	(46)
2	2	(6)	(35)	(43)
2	4	(3)	(34)	(44)
1	2	(4)	(34)	(42)
(4)	3	(10)	(19)	(40)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
1-Month Klibor	3.00	3.00	3.00	3.01	3.28
3-Month Klibor	3.21	3.21	3.21	3.22	3.53
6-Month Klibor	3.26	3.26	3.26	3.28	3.61

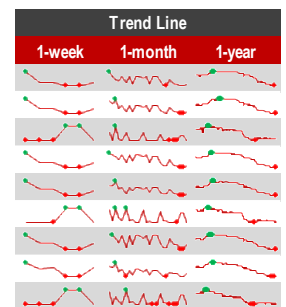
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(28)	(29)
0	0	(1)	(32)	(52)
0	0	(2)	(35)	(51)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	2-Sep-25	1-Sep-25	26-Aug-25	3-Aug-25	2-Sep-24
3-Year AAA	3.52	3.52	3.53	3.53	3.76
3-Year AA	3.68	3.68	3.69	3.70	3.90
3-Year A	4.51	4.54	4.51	4.52	4.86
5-Year AAA	3.60	3.60	3.61	3.62	3.84
5-Year AA	3.77	3.77	3.78	3.79	3.98
5-Year A	4.65	4.68	4.65	4.65	5.12
10-Year AAA	3.76	3.75	3.77	3.77	3.99
10-Year AA	3.92	3.92	3.93	3.94	4.17
10-Year A	5.01	5.06	5.00	5.01	5.63

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	(1)	(24)	(31)
0	(1)	(2)	(21)	(33)
(2)	0	(0)	(34)	(34)
0	(1)	(1)	(23)	(32)
0	(1)	(2)	(21)	(33)
(4)	0	(0)	(47)	(44)
1	(1)	(2)	(23)	(31)
1	(0)	(1)	(25)	(32)
(5)	0	(0)	(62)	(55)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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