



Fixed Income & FX Research

08 September 2025

Macro: US NFP report reinforced signs of softening labour market conditions. Trump finalises three candidates for next Fed Governor. BNM kept OPR unchanged at 2.75%.

Forex: DXY fell 0.6% on firming Fed rate cut bets for 2025. JPY gains pared this morning on PM Ishiba's resignation. MYR to strengthen today amid earlier Asian FX rally.

Fixed Income: Front-end UST led gains following US NFP data. Malaysia government posted modest gains on Thursday post-MPC meeting, while corporate bonds fared mixed.

Macro

Global: US nonfarm payrolls (NFP) rose a tepid 22k in August (consensus: 75k) while revised figures for June and July combined is 21k lower than earlier reported, reinforcing signs of a cooling labour market. Meanwhile, Trump announced that White House economic adviser Kevin Hassett, Fed Governor Christopher Waller, and former Fed Governor Kevin Warsh are the three finalists to be the next Fed Chair next year.

Malaysia: BNM held the OPR unchanged at 2.75% as expected by a majority of economists polled including AmBank. BNM emphasised that its current stance is appropriate and supportive of the economy, reiterating its growth forecast of 4.0-4.8% this year. BNM however noted that downside risks remain from product-specific tariffs, which may come soon after US President Trump reiterated that 'fairly substantial' chip tariffs are coming 'very shortly'.

Forex

Global: DXY slipped another 0.6% while major G10 currencies advanced within a similar 0.6-0.8% range against the USD, as markets raised conviction of near-term Fed rate cuts given the second consecutive weak NFP reading. CHF (+1.0%) outperformed slightly on growing unease over global rates, growth, and fiscal developments, while EUR gains (0.6%) were tempered ahead of France's government confidence vote today and the ECB's policy meeting on Thursday. JPY gains on Friday (+0.7%) were erased this morning, after Japan's PM Shigeru Ishiba said he will step down, fueling political and fiscal uncertainties ahead with potential implications for long-dated JGB.

Asian: MYR closed little changed on Thursday, though an appreciation towards the 4.20 level may be in store again, given earlier broad-based dollar declines on Thursday and Friday. Meanwhile, the MYR was also seen strengthening slightly on Thursday afternoon post-BNM's MPC decision.

Fixed Income

Global Bonds: UST strengthened on Friday upon release of NFP data well below expectations. The case for a Fed rate cut thus remained strong and pressed the curve lower with the 10Y near the 4.10% mark or lowest in past five months. However, the 30Y remained near YTD highs as the market remained cautious over inflationary pressures. UST also gained last Thursday after the ADP jobs data also disappointed though there was a cautious tone to the market due to firm ISM Services numbers.

MYR Bonds: Last Thursday ahead of the long weekend, MGS posted modest gains and pared the previous day's losses. Gains in the UST market the night before and neutral sounding MPC statement affected the narrow MGS gains as the market was also cautious before the NFP release. As for corporate bonds, performance was mixed, after the prior day's losses MGS losses. Flows were focused on higher grade GG and AAA names. GG Danainfra 03/30 fell 2 bps to 3.21%

Commodities

Oil prices eased 2-3%, as markets price in OPEC+'s decision to continue restoring halted production. The move signals its commitment in reclaiming oil market share that it ceded in recent years to rivals such as US shale drillers, and may be breaking definitively with its historic mission of defending crude prices. **Gold** prices (+1%) continued testing new highs as wagers on US Fed rate cuts intensified, coming as the PBOC raised its gold holdings for a tenth consecutive month in August.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	97.77	(0.6)
EUR/USD	1.172	0.6
AUD/USD	0.656	0.6
GBP/USD	1.351	0.6
USD/JPY	147.43	(0.7)
USD/MYR	4.229	0.0
USD/IDR	16,420	0.0
USD/THB	32.19	(0.4)
USD/SGD	1.285	(0.4)
USD/CNY	7.133	(0.1)

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	3.51	(8)
UST 10Y	4.07	(9)
Germany 10Y	2.66	(6)
UK 10Y	4.65	(7)
Japan 10Y	1.58	(2)
Australia 10Y	4.34	(1)
China 10Y	1.78	2

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.03	0
5-Year	3.12	0
7-Year	3.32	0
10-Year	3.40	0
15-Year	3.61	0
20-Year	3.75	0
30-Year	3.88	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.13	(0)
IRS 3-Year	3.07	1
IRS 5-Year	3.13	(0)
IRS 7-Year	3.21	0
IRS 10-Year	3.32	0
3M KLIBOR	3.21	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	65.50	(2.2)
WTI (USD/bbl)	61.87	(2.5)
Gold (USD/oz)	3,587	1.2
CPO (RM/tonne)	4,371	0.0

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	Percentage Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	97.77	98.35	97.77	98.18	101.11	(0.6)	(0.0)	(0.4)	(3.3)	(9.9)			
EUR/USD	1.172	1.165	1.169	1.166	1.111	0.6	0.3	0.5	5.5	13.2			
AUD/USD	0.656	0.652	0.654	0.650	0.674	0.6	0.3	0.8	(2.7)	6.0			
GBP/USD	1.351	1.343	1.350	1.336	1.318	0.6	0.0	1.1	2.5	7.9			
USD/JPY	147.43	148.49	147.05	147.37	143.45	(0.7)	0.3	0.0	2.8	(6.2)			
USD/MYR	4.229	4.229	4.225	4.230	4.338	0.0	0.1	(0.0)	(2.5)	(5.4)			
USD/IDR	16,420	16,420	16,490	16,363	15,398	0.0	(0.4)	0.3	6.6	2.0			
USD/THB	32.19	32.33	32.39	32.40	33.67	(0.4)	(0.6)	(0.7)	(4.4)	(5.6)			
USD/SGD	1.285	1.290	1.284	1.286	1.300	(0.4)	0.1	(0.1)	(1.2)	(5.9)			
USD/CNY	7.133	7.142	7.131	7.182	7.089	(0.1)	0.0	(0.7)	0.6	(2.3)			
USD/KRW	1,387	1,395	1,390	1,386	1,335	(0.6)	(0.2)	0.1	3.9	(5.8)			
USD/INR	88.27	88.15	88.21	87.74	83.98	0.1	0.1	0.6	5.1	3.1			
USD/PHP	56.92	57.07	57.14	57.51	56.23	(0.3)	(0.4)	(1.0)	1.2	(1.6)			
USD/TWD	30.60	30.70	30.60	29.98	32.08	(0.3)	0.0	2.0	(4.6)	(6.7)			
USD/HKD	7.798	7.801	7.796	7.850	7.793	(0.0)	0.0	(0.7)	0.1	0.4			
USD/VND	26,398	26,387	26,345	26,234	24,743	0.0	0.2	0.6	6.7	3.6			
NZD/USD	0.589	0.585	0.589	0.593	0.622	0.8	(0.0)	(0.7)	(5.3)	5.3			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.943	4.924	4.933	4.897	4.813	0.4	0.2	0.9	2.7	6.1			
GBP/MYR	5.701	5.684	5.687	5.625	5.709	0.3	0.3	1.4	(0.1)	1.5			
AUD/MYR	2.768	2.757	2.758	2.746	2.915	0.4	0.3	0.8	(5.1)	(0.5)			
JPY/MYR	2.869	2.848	2.874	2.869	3.024	0.7	(0.2)	0.0	(5.1)	0.8			
SGD/MYR	3.287	3.280	3.288	3.284	3.332	0.2	(0.1)	0.1	(1.4)	0.0			
10 CNY/MYR	5.925	5.924	5.926	5.882	6.116	0.0	(0.0)	0.7	(3.1)	(3.3)			
1 million IDR/MYR	2.573	2.575	2.562	2.583	2.817	(0.1)	0.4	(0.4)	(8.7)	(7.2)			
THB/MYR	13.105	13.089	13.038	13.065	12.895	0.1	0.5	0.3	1.6	0.6			
10 HKD/MYR	5.421	5.423	5.421	5.385	5.565	(0.0)	0.0	0.7	(2.6)	(5.9)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	65.5	66.99	68.12	66.89	72.69	(2.2)	(3.8)	(2.1)	(9.9)	(12.2)			
WTI (USD/barrel)	61.87	63.48	64.01	64.35	69.15	(2.5)	(3.3)	(3.9)	(10.5)	(13.7)			
Gold (USD/oz)	3,587	3,546	3,448	3,369	2,517	1.2	4.0	6.5	42.5	36.7			
Malaysia CPO (RM/tonne)	4,371	4,371	4,308	4,220	4,021	0.0	1.5	3.6	8.7	(10.1)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.03	3.03	2.99	3.04	3.35	0	4	(1)	(32)	(45)			
5-Year	3.12	3.12	3.08	3.15	3.50	0	4	(3)	(38)	(50)			
7-Year	3.32	3.32	3.30	3.32	3.68	0	2	(0)	(36)	(45)			
10-Year	3.40	3.40	3.39	3.38	3.75	0	1	2	(35)	(41)			
15-Year	3.61	3.61	3.59	3.61	3.91	0	3	0	(29)	(36)			
20-Year	3.75	3.75	3.73	3.75	4.05	0	2	(0)	(30)	(31)			
30-Year	3.88	3.88	3.88	3.91	4.19	0	0	(3)	(30)	(30)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.06	3.06	3.03	3.09	3.33	0	3	(3)	(27)	(36)			
5-Year	3.14	3.14	3.13	3.19	3.51	0	2	(4)	(37)	(48)			
7-Year	3.28	3.28	3.25	3.33	3.70	0	3	(5)	(42)	(46)			
10-Year	3.43	3.43	3.42	3.42	3.78	0	1	1	(35)	(40)			
15-Year	3.61	3.61	3.59	3.64	3.93	0	2	(3)	(32)	(37)			
20-Year	3.76	3.76	3.74	3.74	4.08	0	2	2	(31)	(32)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,482	6,502	6,460	6,345	5,503	(0.3)	0.3	2.2	17.8	68.8			
Dow Jones	45,401	45,621	45,545	44,193	40,756	(0.5)	(0.3)	2.7	11.4	37.0			
Nasdaq	21,700	21,708	21,456	21,169	17,128	(0.0)	1.1	2.5	26.7	107.3			
London FTSE	9,208	9,217	9,187	9,164	8,242	(0.1)	0.2	0.5	11.7	23.6			
German DAX	23,597	23,770	23,902	23,924	18,577	(0.7)	(1.3)	(1.4)	27.0	69.5			
Nikkei 225	43,019	42,580	42,718	40,795	36,657	1.0	0.7	5.5	17.4	64.9			
Japan TOPIX	3,105	3,080	3,075	2,967	2,621	0.8	1.0	4.7	18.5	64.2			
FBM KLCI	1,578	1,578	1,575	1,541	1,665	0.0	0.2	2.4	(5.2)	5.5			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.51	3.59	3.62	3.71	3.74	(8)	(11)	(20)	(23)	(73)			
UST 10Y	4.07	4.16	4.23	4.23	3.73	(9)	(15)	(15)	35	(49)			
Germany 2Y	1.93	1.96	1.94	1.92	2.30	(3)	(1)	1	(37)	(15)			
Germany 10Y	2.66	2.72	2.72	2.65	2.21	(6)	(6)	1	45	30			
UK 2Y	3.91	3.95	3.94	3.82	4.01	(4)	(3)	9	(10)	(48)			
UK 10Y	4.65	4.72	4.72	4.53	3.92	(7)	(8)	12	73	8			
Japan 2Y	0.84	0.85	0.87	0.77	0.38	(1)	(3)	7	46	24			
Japan 10Y	1.58	1.60	1.60	1.50	0.88	(2)	(2)	8	70	48			
Australia 2Y	3.40	3.41	3.34	3.35	3.67	(0)	6	6	(27)	(46)			
Australia 10Y	4.34	4.35	4.27	4.25	3.93	(1)	6	8	41	(2)			
China 2Y	1.42	1.41	1.41	1.42	1.46	1	0	(0)	(4)	32			
China 10Y	1.78	1.76	1.79	1.70	2.15	2	(1)	7	(37)	10			
Indonesia 2Y	5.32	5.32	5.35	5.74	6.53	0	(3)	(42)	(121)	(172)			
Indonesia 10Y	6.40	6.40	6.36	6.48	6.64	0	4	(8)	(24)	(60)			
Thailand 2Y	1.09	1.10	1.14	1.23	2.16	(2)	(6)	(15)	(107)	(91)			
Thailand 10Y	1.22	1.24	1.29	1.46	2.55	(2)	(7)	(24)	(133)	(103)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.13	3.13	3.10	3.10	3.42	(0)	3	3	(29)	(44)			
IRS 3-Year	3.07	3.06	3.03	3.01	3.33	1	4	6	(27)	(44)			
IRS 5-Year	3.13	3.14	3.10	3.08	3.39	(0)	4	5	(25)	(41)			
IRS 7-Year	3.21	3.20	3.17	3.15	3.47	0	4	6	(27)	(43)			
IRS 10-Year	3.32	3.32	3.29	3.29	3.58	0	3	3	(26)	(41)			
IRS 20-Year	3.56	3.56	3.60	3.62	3.68	0	(4)	(6)	(12)	(40)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-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	3.21	3.21	3.21	3.21	3.53	0	0	0	(32)	(52)			
6-Month Klibor	3.26	3.26	3.26	3.27	3.61	0	0	(1)	(35)	(51)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	5-Sep-25	4-Sep-25	29-Aug-25	6-Aug-25	5-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.51	3.51	3.52	3.53	3.76	0	(1)	(2)	(25)	(32)			
3-Year AA	3.67	3.67	3.68	3.70	3.90	0	(1)	(3)	(23)	(35)			
3-Year A	4.55	4.55	4.54	4.52	4.86	0	1	3	(31)	(31)			
5-Year AAA	3.59	3.59	3.60	3.62	3.84	0	(1)	(3)	(25)	(34)			
5-Year AA	3.76	3.76	3.77	3.78	3.98	0	(1)	(3)	(22)	(34)			
5-Year A	4.70	4.70	4.68	4.65	5.12	0	1	5	(43)	(39)			
10-Year AAA	3.74	3.74	3.75	3.77	3.99	0	(1)	(3)	(25)	(33)			
10-Year AA	3.90	3.90	3.92	3.93	4.17	0	(1)	(3)	(27)	(34)			
10-Year A	5.08	5.08	5.06	5.01	5.63	0	2	7	(55)	(48)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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