



Fixed Income & FX Research

12 June 2026

Macro: US core PPI echoed earlier soft core CPI data. ECB raises policy rates by 25bps as expected. Malaysia sees an uptick in unemployment rate to 3.0% in April (prior: 2.9%).

Forex: Mean-reversion trades gripped FX markets amid soft core US PPI data and easing US-Iran conflict worries. MYR rebounded 0.1%, with further gains expected ahead today.

Fixed Income: UST rallied 7-10 bps ahead of a possible US-Iran weekend deal. MGS closed firmer while weaknesses were seen in 15Y GII ahead of fresh auction supply next week.

Macro

Global: US headline PPI rose 1.1% m/m in May (consensus: 0.7%; April: 1.1%), with over half of the advance attributable to a 23.4% increase in gasoline prices. However, core PPI eased to 0.4% m/m (consensus: 0.5%; April: 0.7%) as services inflation slowed, echoing the earlier soft CPI data while suggesting that broader pass-through of higher energy prices towards underlying price measures has yet to materialise fully. This comes as the World Bank slashed its 2026 growth forecast to 2.5%, while estimating a slower 1.3% if the war fallout spreads to markets. Meanwhile, the ECB raised policy rates by 25bps as expected, as ECB President Lagarde warned that inflation risks are widening beyond just energy. The ECB's core inflation forecasts have been raised by 0.2% and 0.3% respectively for 2026 and 2027 (to 2.5% y/y), while growth projections for the Eurozone were tempered to 0.8% (prior: 0.9%) for 2026 and 1.2% (prior: 1.3%) for 2027. Separately, Trump announced that it will not renew its trade deal with Canada and Mexico and instead will have yearly reviews, coming amid renewed US-EU trade dispute over aircraft subsidies.

Malaysia: The unemployment rate ticked up to a six-month high of 3% in April (March: 2.9%), as job losses outpaced hiring. Nevertheless, DOSM said Malaysia's economic and labour market outlook remains favourable in the near term amid resilient domestic fundamentals, sustained investment momentum, and ongoing development initiatives.

Forex

Global: Excluding the oil-linked NOK and CAD, all other G10 currencies were seen strengthening against the USD by 0.4-0.8%. Gains were led by risk-on currencies such as the AUD (+0.7%) and CHF (+0.6%), indicating significant mean-reversion trading for the day amid a sharp downtick in UST yields. JPY (+0.4%) managed gains similar to major peers, bringing USD/JPY below 160.0, while the EUR gains were also indifferent from the GBP and JPY, with the ECB's monetary policy meeting and decision faring largely as expected.

Asia: MYR rebounded 0.1%, in line with regional currencies. USD/MYR is expected to open lower today given the overnight dip in UST yields, though a durable d/d gain may require data support from this afternoon's Malaysia IPI data for April (consensus: 4.5% y/y; March: 3.1%).

Fixed Income

Global Bonds: Sharp dip in UST yields by 7-10 bps across the curve as investors brace for another round of optimism that the US-Iran conflict is coming to an end, as well as softer-than-expected core PPI data – similar to the previous session's soft core CPI data. Markets dialled back bets of a Fed rate hike in 2026 to just a 75% probability, with the next major catalyst to watch including: 1) A potential US-Iran deal this weekend, and 2) The Fed's FOMC meeting next Thursday.

MYR Bonds: Despite the previous night's uptick in UST yields, MGS saw a slight rally across the curve, driven by some investor anxiety relief after US CPI data largely met expectations. While gains were centred around the 10-15Y's and the 10Y GII, some losses were seen on the 15-20Y GII bonds, suggesting some market repositioning ahead of supply from the incoming 15Y GII 07/40 reopening auction on 15 June (public issuance size: MYR5.0 billion).

Commodities

Oil prices (-3%) eased to their lowest since April, after Trump announced he has suspended planned attacks against Iran, while insisting a deal is imminent and could come as soon as this weekend. Iran's semi-official Fars news agency said Iran is likely to approve the agreement, which

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	99.86	(0.1)
EUR/USD	1.158	0.4
AUD/USD	0.705	0.7
GBP/USD	1.342	0.4
USD/JPY	159.93	(0.4)
USD/MYR	4.065	(0.1)
USD/IDR	17,993	0.2
USD/THB	32.95	0.2
USD/SGD	1.284	(0.3)
USD/CNY	6.764	(0.3)

Ringgit Outlook for The Week

	1	2
Resistance	4.130	4.185
Support	3.963	3.852

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.06	(8)
UST 10Y	4.46	(9)
Germany 10Y	3.03	(4)
UK 10Y	4.91	(3)
Japan 10Y	2.69	0
Australia 10Y	4.90	0
China 10Y	1.75	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.26	(0)
5-Year	3.43	(1)
7-Year	3.57	(0)
10-Year	3.59	(1)
15-Year	3.84	(1)
20-Year	3.97	(0)
30-Year	4.09	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.41	(1)
IRS 3-Year	3.47	(2)
IRS 5-Year	3.53	(2)
IRS 7-Year	3.60	(3)
IRS 10-Year	3.73	(2)
3M KLIBOR	3.36	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	90.38	(2.9)
WTI (USD/bbl)	87.71	(2.6)
Gold (USD/oz)	4,212	3.4
CPO (RM/tonne)	4,461	0.2

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.25	23-Jul
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	08-Jul
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	09-Jul

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.

includes reopening the Strait of Hormuz and unfreezing Iranian funds. Meanwhile, Iran's Persian Gulf Authority also said the Strait of Hormuz waterway would be closed until further notice, shortly after a report indicated that oil flows have surged by 50% this month. Gold prices rebounded 3% amid the sharp downtick in UST yields.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.86	99.95	99.41	98.30	98.63	(0.1)	0.4	1.6	1.2	1.6			
EUR/USD	1.158	1.154	1.161	1.174	1.149	0.4	(0.3)	(1.4)	0.8	(1.4)			
AUD/USD	0.705	0.700	0.713	0.724	0.650	0.7	(1.2)	(2.6)	8.4	5.6			
GBP/USD	1.342	1.337	1.342	1.354	1.355	0.4	(0.1)	(0.9)	(1.0)	(0.4)			
USD/JPY	159.93	160.55	160.02	157.63	144.56	(0.4)	(0.1)	1.5	10.6	2.1			
USD/MYR	4.065	4.070	4.012	3.935	4.237	(0.1)	1.3	3.3	(4.1)	0.1			
USD/IDR	17,993	17,953	18,033	17,500	16,260	0.2	(0.2)	2.8	10.7	7.8			
USD/THB	32.95	32.88	32.66	32.42	32.64	0.2	0.9	1.7	1.0	4.6			
USD/SGD	1.284	1.288	1.285	1.272	1.285	(0.3)	(0.1)	0.9	(0.1)	(0.1)			
USD/CNY	6.764	6.782	6.777	6.791	7.199	(0.3)	(0.2)	(0.4)	(6.0)	(3.0)			
USD/KRW	1,531	1,522	1,532	1,493	1,369	0.6	(0.0)	2.5	11.8	6.4			
USD/INR	95.76	95.27	95.79	95.63	85.52	0.5	(0.0)	0.1	12.0	6.5			
USD/PHP	61.36	61.42	61.62	61.47	55.88	(0.1)	(0.4)	(0.2)	9.8	4.3			
USD/TWD	31.62	31.68	31.47	31.50	29.91	(0.2)	0.5	0.4	5.7	0.6			
USD/HKD	7.836	7.837	7.834	7.829	7.849	(0.0)	0.0	0.1	(0.2)	0.7			
USD/VND	26,325	26,321	26,335	26,334	26,028	0.0	(0.0)	(0.0)	1.1	0.1			
NZD/USD	0.584	0.580	0.587	0.595	0.603	0.7	(0.5)	(1.9)	(3.2)	1.4			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.691	4.703	4.664	4.622	4.843	(0.3)	0.6	1.5	(3.1)	(1.5)			
GBP/MYR	5.433	5.453	5.391	5.328	5.719	(0.4)	0.8	2.0	(5.0)	(0.4)			
AUD/MYR	2.844	2.853	2.862	2.843	2.760	(0.3)	(0.6)	0.1	3.1	4.8			
JPY/MYR	2.543	2.535	2.507	2.496	2.929	0.3	1.4	1.9	(13.2)	(1.9)			
SGD/MYR	3.157	3.161	3.126	3.091	3.293	(0.1)	1.0	2.1	(4.1)	0.0			
10 CNY/MYR	6.000	6.002	5.923	5.791	5.895	(0.0)	1.3	3.6	1.8	3.3			
1 million IDR/MYR	2.261	2.268	2.222	2.244	2.605	(0.3)	1.8	0.8	(13.2)	(7.1)			
THB/MYR	12.339	12.374	12.283	12.129	12.979	(0.3)	0.5	1.7	(4.9)	(3.9)			
10 HKD/MYR	5.189	5.192	5.121	5.026	5.396	(0.1)	1.3	3.2	(3.8)	(0.5)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	90.38	93.1	95.03	107.77	69.77	(2.9)	(4.9)	(16.1)	29.5	48.5			
WTI (USD/barrel)	87.71	90.03	93.04	102.18	68.15	(2.6)	(5.7)	(14.2)	28.7	52.8			
Gold (USD/oz)	4,212	4,072	4,475	4,715	3,355	3.4	(5.9)	(10.7)	25.5	(2.5)			
Malaysia CPO (RM/tonne)	4,461	4,450	4,531	4,451	3,846	0.2	(1.5)	0.2	16.0	11.6			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.26	3.26	3.24	3.21	3.19	(0)	1	5	7	26			
5-Year	3.43	3.43	3.40	3.36	3.25	(1)	2	7	18	17			
7-Year	3.57	3.57	3.53	3.45	3.47	(0)	3	11	10	19			
10-Year	3.59	3.60	3.56	3.58	3.55	(1)	3	1	4	9			
15-Year	3.84	3.85	3.82	3.82	3.71	(1)	3	2	13	8			
20-Year	3.97	3.97	3.96	3.95	3.79	(0)	1	2	18	12			
30-Year	4.09	4.10	4.08	4.06	4.02	(0)	2	3	8	11			

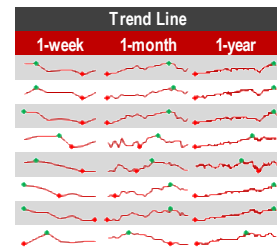
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.25	3.25	3.23	3.20	3.18	0	3	6	8	15			
5-Year	3.39	3.38	3.36	3.33	3.32	1	2	6	7	13			
7-Year	3.56	3.56	3.54	3.52	3.41	0	2	4	15	22			
10-Year	3.63	3.64	3.60	3.60	3.55	(1)	3	4	9	11			
15-Year	3.92	3.90	3.88	3.85	3.70	1	4	6	22	16			
20-Year	3.98	3.98	3.97	3.96	3.77	0	1	2	21	12			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25
S&P500 Index	7,394	7,267	7,584	7,401	6,022
Dow Jones	50,849	49,919	51,562	49,761	42,866
Nasdaq	25,810	25,170	26,831	26,088	19,616
London FTSE	10,304	10,255	10,360	10,265	8,864
German DAX	24,210	24,195	24,945	23,955	23,949
Nikkei 225	64,217	64,179	67,471	62,743	38,421
Japan TOPIX	3,830	3,848	3,952	3,873	2,789
FBM KLCI	1,680	1,679	1,683	1,751	1,524

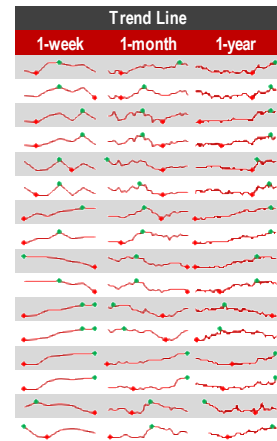
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.8	(2.5)	(0.1)	22.8	92.6
1.9	(1.4)	2.2	18.6	53.4
2.5	(3.8)	(1.1)	31.6	146.6
0.5	(0.5)	0.4	16.2	38.3
0.1	(2.9)	1.1	1.1	73.9
0.1	(4.8)	2.4	67.1	146.1
(0.4)	(3.1)	(1.1)	37.4	102.5
0.0	(0.2)	(4.1)	10.2	12.3



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25
UST 2Y	4.06	4.14	4.04	3.99	3.95
UST 10Y	4.46	4.55	4.47	4.46	4.42
Germany 2Y	2.68	2.72	2.66	2.71	1.85
Germany 10Y	3.03	3.08	3.02	3.10	2.54
UK 2Y	4.34	4.37	4.33	4.54	3.91
UK 10Y	4.91	4.93	4.90	5.10	4.55
Japan 2Y	1.42	1.43	1.42	1.40	0.76
Japan 10Y	2.69	2.69	2.67	2.56	1.47
Australia 2Y	4.53	4.54	4.60	4.74	3.36
Australia 10Y	4.90	4.89	4.92	5.03	4.28
China 2Y	1.28	1.27	1.23	1.29	1.43
China 10Y	1.75	1.74	1.71	1.76	1.69
Indonesia 2Y	7.36	7.35	6.93	6.40	6.25
Indonesia 10Y	7.45	7.34	6.81	6.71	6.75
Thailand 2Y	1.19	1.20	1.24	1.17	1.50
Thailand 10Y	2.25	2.27	2.23	2.15	1.70

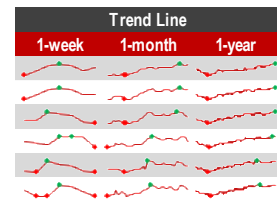
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(8)	2	7	11	59
(9)	(1)	(0)	4	29
(4)	2	(3)	83	56
(4)	1	(7)	50	18
(2)	1	(20)	43	61
(3)	1	(20)	35	43
(0)	1	2	66	25
0	2	13	122	62
(1)	(7)	(20)	117	48
0	(2)	(14)	61	15
1	4	(1)	(15)	(10)
1	4	(1)	6	(10)
1	43	96	111	237
10	63	73	70	138
(1)	(5)	2	(31)	7
(2)	2	10	55	61



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25
IRS 1-Year	3.41	3.43	3.40	3.36	3.28
IRS 3-Year	3.47	3.48	3.45	3.41	3.19
IRS 5-Year	3.53	3.55	3.54	3.48	3.28
IRS 7-Year	3.60	3.63	3.61	3.56	3.38
IRS 10-Year	3.73	3.75	3.74	3.69	3.50
IRS 20-Year	4.06	4.08	4.06	4.02	3.80

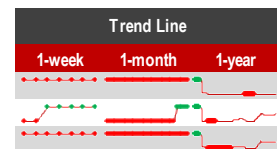
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	1	5	13	21
(2)	1	6	27	20
(2)	(1)	5	25	18
(3)	(1)	4	22	19
(2)	(0)	4	23	18
(2)	0	4	27	18



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.26
3-Month Klibor	3.36	3.36	3.35	3.35	3.50
6-Month Klibor	3.39	3.39	3.39	3.39	3.54

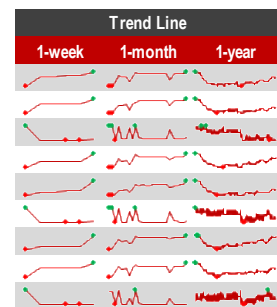
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(26)	0
0	1	1	(14)	8
0	0	0	(15)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	11-Jun-26	10-Jun-26	4-Jun-26	12-May-26	11-Jun-25
3-Year AAA	3.58	3.57	3.57	3.56	3.61
3-Year AA	3.71	3.71	3.70	3.69	3.77
3-Year A	4.45	4.45	4.47	4.48	4.54
5-Year AAA	3.66	3.65	3.65	3.64	3.69
5-Year AA	3.79	3.79	3.79	3.78	3.85
5-Year A	4.62	4.62	4.65	4.66	4.68
10-Year AAA	3.84	3.83	3.83	3.81	3.84
10-Year AA	3.97	3.96	3.95	3.95	4.00
10-Year A	5.03	5.02	5.05	5.07	5.03

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	2	(4)	7
0	1	2	(6)	4
0	(2)	(2)	(9)	(9)
0	1	2	(3)	7
0	1	2	(6)	4
0	(3)	(4)	(5)	(8)
0	1	3	0	6
0	1	2	(3)	4
0	(2)	(5)	(0)	(8)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Economics	
Firdaos Rosli	firdaos.rosli@ambankgroup.com
Nik Ahmad Mukharriz Nik Muhammad	nik-ahmad-mukharriz.n@ambankgroup.com
Lee Si Xin	lee.si-xin@ambankgroup.com
Raja Adibah Raja Hasnan	raja-adibah.r@ambankgroup.com
Michael Yim	yim.soon-kah@ambankgroup.com
Aman Nazmi Abd Karim	aman-nazmi.abd-karim@ambankgroup.com
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	azli-abd-jamil@ambankgroup.com
Jacqueline E. Rodrigues	jacqueline-r@ambankgroup.com
Ho Su Farn	ho-su-farn@ambankgroup.com
Melisa Lim Giok Ling	melisa-lim@ambankgroup.com
Roger Yee Chan Chung	roger-yee@ambankgroup.com
Muhammad Hafizin Aiman Bin Halim	muhammad-hafizin-aiman.h@ambankgroup.com

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