



26 August 2025

**Macro:** Trump moves to remove Fed Governor Lisa Cook. Malaysia unveiled first AI device chip MARS1000. Capped quotas to be introduced upon RON95 subsidy rationalisation.

**Forex:** DXY rebounded 0.7%, while EUR (-0.9%) tanked amid fresh French political instability. USD/MYR closed just 0.5% lower to 4.21, as support came after a breach below 4.20.

**Fixed Income:** UST pared gains, with sentiment still influenced by Jackson Hole event on Friday. Ringgit government bonds posted more modest gains on profit-taking activity.

### Macro

**Global:** Little on overnight event or data catalysts, though market euphoria has waned post-Jackson Hole. Some profit-taking was seen from the earlier rally, as US equities and bonds pared gains, while the dollar also rebounded. Meanwhile, Trump said the 15% tariffs deal with South Korea will remain, coming amid cooperation on other areas including a USD50 billion contract with Boeing, shipbuilding, and collective security on North Korea. Trump also said 50% tariffs in India will begin tomorrow, and that more tariffs targeting Russia and trade partners will come if no peace progress is made. Separately, an early morning post by Trump saw him moving to remove Fed Governor Lisa Cook from her position on allegations of mortgage fraud.

**Malaysia:** FM2 Amir Hamzah said the government will introduce a capped quota for eligible individuals when RON95 fuel subsidy rationalisation is rolled out, including a distinction for p-hailing/e-hailing drivers. Meanwhile, local chip designer SkyeChip has unveiled its own edge AI processor MARS1000 – marking Malaysia's first step in building more advanced electronic components.

### Forex

**Global:** DXY rose 0.7%, with EUR (-0.9%) among the biggest losers. Data showing an improvement in Germany's business confidence were offset by the selloff in French assets, after French PM Francois Bayrou called for a confidence vote that may risk another government collapse, with several parties already saying they will vote against the 8 September motion. GBP, CHF, and JPY posted losses within a 0.5-0.6% range, while declines for the AUD (-0.1%) and NZD (-0.3%) were relatively minor, after their relative underperformance last week. Nevertheless, all G10 currencies remain firmer against the USD compared to 21 August closing (pre-Jackson Hole event).

**Malaysia:** As expected, the MYR staged a strong opening rally after overnight dollar weaknesses. The USD/MYR level of 4.20 was repeatedly tested through the day, and while briefly breaching below in the afternoon session, only led to a subsequent consolidation of gains – similar to a pattern seen on 14 August. MYR closed just 0.5% firmer by end of day, compared to better intraday gains of up to 0.8%, as well as slightly better gains for regional peers THB, IDR, and TWD.

### Fixed Income

**Global Bonds:** US government bonds were mainly steady during the start of the week with sentiment still buoyed by Powell's speech which widened the door for a Fed rate cut next month. Sentiment may be guarded as we await this week the release of PCE inflation number, the main guide to inflation used by the Fed. However, yields this morning are showing upward pressure amid news that Trump removed Lisa Cook from the board of the Fed, raising questions over Fed policy independence.

**MYR Bonds:** Ringgit govies saw modest gains on bargain-hunting activity after Jackson Hole. Our traders think that the already flat yield curve also capped further strong bids in the market. In any case, month end and a short trading week next week ought to sustain some interest in bonds for this week. Corporate bonds flows remain slanted on high grade papers. Notable trades include GG paper PASB 02/29 at 3.14% (-6 bps) after PASB 11/30 was done at 3.20% last week.

### Commodities

**Oil** rose 1-2%, reaching their highest in weeks while extending a four-day rally. Prices were supported by fears of stalled Russia-Ukraine peace talks, including fresh drone strikes on a Russian refinery and export terminal – raising risks of supply disruptions.

### FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.43	0.7
EUR/USD	1.162	(0.9)
AUD/USD	0.648	(0.1)
GBP/USD	1.346	(0.5)
USD/JPY	147.80	0.6
USD/MYR	4.207	(0.5)
USD/IDR	16,253	(0.6)
USD/THB	32.44	(0.6)
USD/SGD	1.286	0.3
USD/CNY	7.154	(0.2)

### Ringgit Outlook for The Week

	1	2
Resistance	4.268	4.310
Support	4.196	4.166

### Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.72	3
UST 10Y	4.28	2
Germany 10Y	2.76	4
UK 10Y	4.69	0
Japan 10Y	1.62	(0)
Australia 10Y	4.28	(3)
China 10Y	1.77	(2)

### MGS Bond Yields (%)

MGS	Last	bps
3-Year	2.97	(1)
5-Year	3.07	(1)
7-Year	3.26	(1)
10-Year	3.37	(2)
15-Year	3.58	(1)
20-Year	3.73	(1)
30-Year	3.88	(0)

### MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.08	(1)
IRS 3-Year	3.00	(1)
IRS 5-Year	3.08	(0)
IRS 7-Year	3.14	(2)
IRS 10-Year	3.28	0
3M KLIBOR	3.21	0

### Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	68.80	1.6
WTI (USD/bbl)	64.80	1.8
Gold (USD/oz)	3,366	(0.2)
CPO (RM/tonne)	4,413	(0.9)

### 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	05-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		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.43	97.72	98.17	97.65	100.72	0.7	0.3	0.8	(2.3)	(9.3)			
EUR/USD	1.162	1.172	1.166	1.174	1.119	(0.9)	(0.4)	(1.1)	3.8	12.2			
AUD/USD	0.648	0.649	0.649	0.657	0.680	(0.1)	(0.1)	(1.3)	(4.6)	4.8			
GBP/USD	1.346	1.353	1.350	1.344	1.321	(0.5)	(0.4)	0.1	1.8	7.5			
USD/JPY	147.8	146.94	147.89	147.69	144.37	0.6	(0.1)	0.1	2.4	(6.0)			
USD/MYR	4.207	4.227	4.223	4.223	4.375	(0.5)	(0.4)	(0.4)	(3.8)	(5.9)			
USD/IDR	16,253	16,345	16,160	16,315	15,490	(0.6)	0.6	(0.4)	4.9	0.9			
USD/THB	32.44	32.65	32.46	32.38	34.27	(0.6)	(0.1)	0.2	(5.3)	(4.8)			
USD/SGD	1.286	1.281	1.284	1.282	1.301	0.3	0.1	0.3	(1.2)	(5.9)			
USD/CNY	7.154	7.168	7.185	7.170	7.121	(0.19)	(0.4)	(0.2)	0.5	(2.0)			
USD/KRW	1,391	1,383	1,388	1,383	1,330	0.5	0.2	0.6	4.6	(5.5)			
USD/INR	87.58	87.53	87.35	86.52	83.90	0.1	0.3	1.2	4.4	2.3			
USD/PHP	56.95	56.95	57.04	57.13	56.34	0.0	(0.2)	(0.3)	1.1	(1.6)			
USD/TWD	30.44	30.59	30.05	29.44	31.97	(0.5)	1.3	3.4	(4.8)	(7.2)			
USD/HKD	7.812	7.815	7.820	7.850	7.796	(0.0)	(0.1)	(0.5)	0.2	0.6			
USD/VND	26,306	26,358	26,293	26,140	24,978	(0.2)	0.0	0.6	5.3	3.2			
NZD/USD	0.585	0.587	0.592	0.602	0.623	(0.3)	(1.2)	(2.8)	(6.2)	4.5			

## Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.920	4.902	4.932	4.955	4.864	0.4	(0.2)	(0.7)	1.2	5.6			
GBP/MYR	5.677	5.669	5.717	5.685	5.743	0.2	(0.7)	(0.1)	(1.1)	1.1			
AUD/MYR	2.730	2.713	2.750	2.771	2.943	0.6	(0.7)	(1.5)	(7.3)	(1.8)			
JPY/MYR	2.847	2.877	2.855	2.859	3.030	(1.0)	(0.3)	(0.4)	(6.0)	0.0			
SGD/MYR	3.279	3.278	3.292	3.296	3.343	0.0	(0.4)	(0.5)	(1.9)	(0.2)			
10CNY/MYR	5.879	5.888	5.879	5.890	6.130	(0.1)	0.0	(0.2)	(4.1)	(4.0)			
100IDR/MYR	2.588	2.585	2.606	2.587	2.824	0.1	(0.7)	0.0	(8.4)	(6.6)			
THB/MYR	12.963	12.951	12.989	13.045	12.775	0.1	(0.2)	(0.6)	1.5	(0.5)			
10HKD/MYR	5.387	5.407	5.400	5.379	5.612	(0.4)	(0.2)	0.1	(4.0)	(6.5)			

## Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	68.8	67.73	66.6	68.44	79.02	1.6	3.3	0.5	(12.9)	(7.8)			
WTI (USD/barrel)	64.8	63.66	63.42	65.16	74.83	1.8	2.2	(0.6)	(13.4)	(9.6)			
Gold (USD/oz)	3,366	3,372	3,333	3,337	2,513	(0.2)	1.0	0.9	34.0	28.2			
Malaysia CPO (RM/tonne)	4,413	4,453	4,476	4,221	3,976	(0.9)	(1.4)	4.5	11.0	(9.2)			

## Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	2.97	2.98	2.96	3.05	3.34	(1)	1	(8)	(37)	(51)			
5-Year	3.07	3.08	3.05	3.15	3.49	(1)	2	(8)	(42)	(55)			
7-Year	3.26	3.27	3.26	3.34	3.69	(1)	(0)	(8)	(43)	(51)			
10-Year	3.37	3.39	3.37	3.39	3.77	(2)	(0)	(2)	(41)	(45)			
15-Year	3.58	3.58	3.58	3.65	3.91	(1)	(0)	(7)	(33)	(39)			
20-Year	3.73	3.74	3.73	3.75	4.05	(1)	(0)	(2)	(32)	(33)			
30-Year	3.88	3.89	3.89	3.91	4.18	(0)	(1)	(3)	(30)	(30)			

## Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.01	3.02	3.02	3.11	3.32	(1)	(0)	(10)	(31)	(41)			
5-Year	3.11	3.13	3.13	3.19	3.49	(1)	(2)	(8)	(38)	(51)			
7-Year	3.23	3.25	3.24	3.34	3.70	(2)	(1)	(11)	(47)	(51)			
10-Year	3.40	3.41	3.39	3.46	3.78	(1)	2	(6)	(38)	(43)			
15-Year	3.58	3.59	3.59	3.66	3.94	(1)	(1)	(8)	(36)	(40)			
20-Year	3.73	3.73	3.73	3.74	4.07	(1)	(0)	(1)	(34)	(36)			

## Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,439	6,467	6,449	6,389	5,635	(0.4)	(0.2)	0.8	14.3	67.7			
Dow Jones	45,282	45,632	44,912	44,902	41,175	(0.8)	0.8	0.8	10.0	36.6			
Nasdaq	21,449	21,497	21,630	21,108	17,878	(0.2)	(0.8)	1.6	20.0	104.9			
London FTSE	9,321	9,321	9,158	9,120	8,328	0.0	1.8	2.2	11.9	25.1			
German DAX	24,273	24,363	24,315	24,218	18,633	(0.4)	(0.2)	0.2	30.3	74.3			
Nikkei 225	42,808	42,633	43,714	41,456	38,364	0.4	(2.1)	3.3	11.6	64.0			
Japan TOPIX	3,105	3,101	3,121	2,952	2,685	0.1	(0.5)	5.2	15.7	64.2			
FBM KLCI	1,602	1,597	1,585	1,534	1,636	0.3	1.1	4.5	(2.0)	7.2			

## Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.72	3.70	3.76	3.92	3.92	3	(4)	(20)	(19)	(52)			
UST 10Y	4.28	4.25	4.33	4.39	3.80	2	(6)	(11)	48	(29)			
Germany 2Y	1.98	1.95	1.96	1.95	2.37	3	2	3	(40)	(11)			
Germany 10Y	2.76	2.72	2.76	2.72	2.23	4	(1)	4	53	39			
UK 2Y	3.94	3.94	3.97	3.88	3.68	0	(2)	6	27	(45)			
UK 10Y	4.69	4.69	4.74	4.64	3.91	0	(5)	6	78	13			
Japan 2Y	0.88	0.87	0.83	0.86	0.38	0	4	2	50	27			
Japan 10Y	1.62	1.63	1.57	1.61	0.90	(0)	5	2	72	52			
Australia 2Y	3.33	3.35	3.32	3.42	3.66	(3)	0	(9)	(34)	(53)			
Australia 10Y	4.28	4.31	4.27	4.34	3.92	(3)	1	(6)	36	(8)			
China 2Y	1.42	1.43	1.44	1.44	1.59	(1)	(2)	(2)	(17)	32			
China 10Y	1.77	1.79	1.78	1.74	2.16	(2)	(2)	3	(39)	9			
Indonesia 2Y	5.35	5.49	5.61	5.74	6.54	(14)	(27)	(40)	(119)	(169)			
Indonesia 10Y	6.34	6.36	6.39	6.52	6.64	(2)	(6)	(19)	(31)	(66)			
Thailand 2Y	1.12	1.14	1.14	1.29	2.21	(1)	(2)	(17)	(108)	(88)			
Thailand 10Y	1.29	1.34	1.34	1.48	2.56	(5)	(4)	(18)	(127)	(96)			

## Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.08	3.09	3.08	3.13	3.42	(1)	(0)	(5)	(34)	(50)			
IRS 3-Year	3.00	3.02	2.99	3.05	3.35	(1)	2	(5)	(34)	(50)			
IRS 5-Year	3.08	3.09	3.06	3.13	3.41	(0)	2	(5)	(33)	(47)			
IRS 7-Year	3.14	3.16	3.14	3.21	3.48	(2)	1	(6)	(34)	(49)			
IRS 10-Year	3.28	3.28	3.25	3.34	3.60	0	3	(6)	(32)	(45)			
IRS 20-Year	3.51	3.59	3.56	3.64	3.70	(9)	(5)	(14)	(20)	(45)			

## Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-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	3.01	3.28	0	0	(1)	(28)	(29)			
3-Month Klibor	3.21	3.21	3.21	3.23	3.53	0	0	(2)	(32)	(52)			
6-Month Klibor	3.26	3.26	3.26	3.30	3.61	0	0	(4)	(35)	(51)			

## Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	25-Aug-25	22-Aug-25	18-Aug-25	26-Jul-25	25-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.52	3.52	3.52	3.55	3.76	(0)	(0)	(4)	(25)	(31)			
3-Year AA	3.68	3.68	3.68	3.72	3.89	(0)	(0)	(4)	(21)	(33)			
3-Year A	4.51	4.51	4.52	4.55	4.85	0	(0)	(3)	(33)	(34)			
5-Year AAA	3.60	3.60	3.61	3.63	3.83	(0)	(1)	(3)	(23)	(32)			
5-Year AA	3.77	3.77	3.77	3.80	3.98	(0)	(0)	(3)	(21)	(33)			
5-Year A	4.65	4.65	4.66	4.68	5.10	0	(0)	(3)	(45)	(43)			
10-Year AAA	3.75	3.75	3.76	3.78	3.99	(0)	(0)	(3)	(24)	(31)			
10-Year AA	3.91	3.92	3.92	3.94	4.17	(0)	(0)	(3)	(26)	(33)			
10-Year A	5.02	5.02	5.02	5.04	5.62	0	0	(3)	(60)	(54)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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