



Fixed Income & FX Research

21 March 2025

Snapshot Summary...

Global FX: The dollar saw a 0.4% gain as the market digests Fed's unchanged interest rate

Global Rates: The UST market was supported by paring early session gains

MYR Bonds: Local govies continued to firm on sustained risk-off sentiment

USD/MYR: Ringgit edged up against the dollar among emerging regionals

Macro News

Malaysia: Exports climbed 6.2% y/y in February 2025, slightly surpassing the 6.1% forecast and accelerating significantly from the previous month's 0.3% growth. This marks the fifth consecutive month of growth in exports. Meanwhile, Malaysia's imports grew by 5.5% y/y, falling short of the 9.0% market forecast and slowing from January's 6.2% increase. Despite being the softest rise since November, imports extended their growth streak to 16 months.

UK: The BOE maintained its interest rate at 4.5% during its March meeting. The central bank emphasised that, given the medium-term inflation outlook, a measured and cautious approach to easing monetary policy restraint is warranted. CPI inflation rose to 3.0% in January, and despite a decline in global energy prices, inflation is projected to reach 3.75% by 3Q2025 from a February estimate of 3.7%.

US: US initial jobless claims increased by 2k to 223k in the second week of March, slightly below the forecast of 224k and maintaining historically low levels. Meanwhile, unemployment claims under Federal employee programs, closely monitored due to layoffs by the Department of Government Efficiency (DOGE), fell by 514 to 1,066. Meanwhile, the Philadelphia Fed Manufacturing Index in the U.S. dropped to 12.5 in March 2025 from 18.1 in February, but exceeded market expectations of 8.5.

Fixed Income

Global Bonds: The US Treasuries market was supported by paring early session gains. Yields are down slightly from the previous day. The sentiment was cautious as traders continued to mull the economic outlook ahead of global tariffs and the outlook for Fed rate cuts post this week's FOMC meeting.

MYR Government Bonds: The local bond market continued to be firm, which we think owed to sustained risk-off sentiment and in line with the UST rally post FOMC meeting. Nonetheless, we saw profit-taking activities while two-way flows remained in place, and the bid-ask spread remained fairly tight.

MYR Corporate Bonds: Yesterday, in the corporate bond market, we noted mainly net buying activity, though there were also some yield realignments on select high-grade issuers. Among the trades, we noted AAA-rated PASB 06/26 up 1 bps to 3.68% and PASB 06/27 down 1 bps to 3.75%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX/USD	103.85	0.4
EUR/USD	1.085	(0.5)
AUD/USD	0.630	(0.8)
GBP/USD	1.297	(0.3)
USD/JPY	148.78	0.1
USD/MYR	4.425	(0.2)
USD/IDR	16,475	(0.3)
USD/THB	33.70	0.2
USD/SGD	1.335	0.3
USD/CNY	7.249	0.3
USD/KRW	1,468	0.3
USD/INR	86.37	(0.1)
USD/PHP	57.23	(0.1)
USD/TWD	33.02	(0.1)
USD/HKD	7.773	0.0
USD/VND	25,556	0.1
NZD/USD	0.576	(1.0)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.801	(0.7)
GBP/MYR	5.733	(0.4)
AUD/MYR	2.785	(0.8)
JPY/MYR	2.974	(0.3)
SGD/MYR	3.315	(0.4)
10CNY/MYR	6.103	(0.5)
100IDR/MYR	2.684	0.0
THB/MYR	13.121	(0.5)
10HKD/MYR	5.692	(0.3)
100INR/MYR	5.120	(0.2)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.35	0
5-Year	08/29	3.53	(1)
7-Year	07/32	3.68	(1)
10-Year	07/34	3.74	(1)
15-Year	04/39	3.89	(2)
20-Year	05/44	3.99	(2)
30-Year	03/53	4.14	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.54	(2)
IRS 3-Year	3.43	(3)
IRS 5-Year	3.46	(3)
IRS 7-Year	3.53	(1)
IRS 10-Year	3.63	(1)
3-M KLIBOR	3.66	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.96	(1)
UST 10Y	4.24	(1)
Germany 10Y	2.78	(2)
UK 10Y	4.65	1
Japan 10Y	1.52	0
Australia 10Y	4.37	(4)
China 10Y	1.84	(4)
Korea 10Y	2.80	(0)
Indonesia 10Y	7.11	1
Thailand 10Y	2.13	0
Malaysia 10Y	3.74	(1)

Forex

US: As the market digests the Fed's decision to keep interest rates unchanged, aligning with market expectations, the dollar saw a broad 0.4% gain. This was further bolstered by the Fed's cautious stance on rate cuts this year – forecasted rate cuts stayed at two for 2025 - amid growing uncertainties surrounding U.S. tariffs. The rally was also driven by positive U.S. economic data, with weekly jobless claims increasing less than anticipated and the Philadelphia Fed manufacturing index climbing to 12.5, surpassing the market forecast of 8.5.

Europe: GBP/USD fell by 0.3% despite the BOE keeping its interest rate steady at 4.5%, aligning with market expectations, as policymakers adopted a cautious "wait-and-see" strategy amid global economic uncertainties. BOE Bailey showed support for the approach ahead of the upcoming reciprocal tariff from the US on April 2. The pound losses were limited as the UK average earnings growth steadied in January while the unemployment rate remained unchanged for three consecutive months since November 2024. Meanwhile, the dollar's broad strength also pressured the euro, which dropped 0.5% to close at 1.085, fuelled by the absence of significant eurozone data on Thursday. Further weighing on the euro were ECB President Lagarde's remarks, where she cautioned about weaker growth prospects but downplayed inflation risks if the EU chose to retaliate against US tariffs.

Asia Pacific: The yen was slightly weaker against the dollar as it declined by 0.1% a day after the BoJ held rates and warned of heightening global economic uncertainty, suggesting the timing of further hikes will depend on the fallout from US tariffs. The yen experienced a lack of trading flow due to the closure of the Japanese market for the Vernal Equinox Day holiday. Market participants now look forward to Japan's inflation print today. The CNY weakened by 0.3% against the dollar on Thursday after China set its official midpoint rate at 7.1754, its lowest level in two months, indicating that authorities aim to curb rapid or significant appreciation of the currency amid a weakening dollar. The yuan struggled to gain traction even though the PBOC maintained its key lending rates unchanged for the fifth straight month, in line with market expectations, amidst ongoing tariff threats.

Malaysia: The Ringgit gained 0.2% amidst upside movement among emerging regionals as markets reacted to a key FOMC decision and updated forecasts. The gains pared early-week losses as the risk appetite somewhat improved.

Other Markets

Gold: Gold hovered around USD3,045/oz on Thursday despite a stronger dollar, as traders sought safe-haven positions following the Fed's decision to keep rates on hold amid mounting growth fears. Meanwhile, the central bank's signal of possible rate cuts and caution over inflationary pressures from trade disputes stoked worries of stagflation, further fuelling interest in the metal.

Oil: Crude oil climbed on Thursday as the additional US sanctions on Iran stirred supply concerns. Ongoing tensions in the Middle East also supported the bullish tone for crude.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.81	(1)
3-Year AA	3.96	(2)
3-Year A	4.79	(1)
5-Year AAA	3.88	(1)
5-Year AA	4.05	(1)
5-Year A	4.98	(1)
10-Year AAA	4.01	(2)
10-Year AA	4.18	(1)
10-Year A	5.37	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	72.00	1.7
WTI (USD/bl)	68.26	1.6
Gold (USD/oz)	3,045	(0.1)
CPO (RM/tonne)	4,707	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,675	1.1
Dow Jones	41,965	0.9
Nasdaq	17,751	1.4
London FTSE	8,707	0.0
German DAX	23,288	(0.4)
Nikkei 225	37,752	(0.2)
Japan TOPIX	2,796	0.4
FBM KLCI	1,518	(0.7)
Strait Times	3,908	0.3
Jakarta	6,312	1.4
Shanghai	3,426	(0.1)
MSCI Asia Pac	190	(0.1)
MSCI World	3,702	0.8
Hang Seng	24,771	0.1
KOSPI	2,629	0.6
Thai Stock Exc	1,190	1.1
Taiwan	21,961	(1.4)
India	75,449	0.2
Australia	7,828	(0.4)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	08-May
ECB Main Refinancing	2.65	17-Apr
BOE Base Rate	4.50	08-May
RBA Cash Rate	4.10	01-Apr
BOJ Cash Rate	0.50	01-May
PBOC 1Y LPR	3.10	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	08-May

Ringgit Outlook for The Week

	1	2
Resistance	4.464	4.491
Support	4.377	4.366

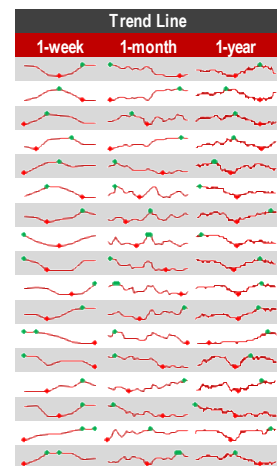
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
DXY Dollar Index	103.85	103.43	103.83	107.05	103.39
EUR/USD	1.085	1.090	1.085	1.045	1.092
AUD/USD	0.630	0.636	0.629	0.635	0.659
GBP/USD	1.297	1.300	1.295	1.261	1.279
USD/JPY	148.78	148.69	147.81	152.06	151.26
USD/MYR	4.425	4.436	4.437	4.446	4.737
USD/IDR	16,475	16,525	16,425	16,275	15,715
USD/THB	33.70	33.64	33.77	33.69	36.17
USD/SGD	1.335	1.331	1.336	1.342	1.340
USD/CNY	7.249	7.229	7.243	7.275	7.198
USD/KRW	1,468	1,464	1,455	1,441	1,340
USD/INR	86.37	86.44	87.01	86.95	83.17
USD/PHP	57.23	57.31	57.36	58.16	56.14
USD/TWD	33.02	33.05	32.97	32.77	31.88
USD/HKD	7.773	7.771	7.772	7.775	7.823
USD/VND	25,556	25,541	25,493	25,527	24,784
NZD/USD	0.576	0.582	0.570	0.570	0.608

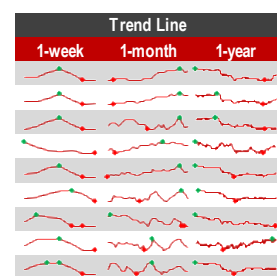
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.4	0.0	(3.0)	0.4	2.5
(0.5)	(0.0)	3.9	(0.7)	(1.7)
(0.8)	0.3	(0.8)	(4.3)	(7.5)
(0.3)	0.1	2.8	1.4	1.9
0.1	0.7	(2.2)	(1.6)	5.5
(0.2)	(0.3)	(0.5)	(6.6)	(3.7)
(0.3)	0.3	1.2	4.8	7.0
0.2	(0.2)	0.0	(6.8)	(1.3)
0.3	(0.1)	(0.6)	(0.4)	1.1
0.28	0.1	(0.4)	0.7	2.1
0.3	0.9	1.9	9.6	13.9
(0.1)	(0.7)	(0.7)	3.8	3.8
(0.1)	(0.2)	(1.6)	1.9	3.3
(0.1)	0.1	0.7	3.6	7.5
0.0	0.0	(0.0)	(0.6)	(0.5)
0.1	0.2	0.1	3.1	5.3
(1.0)	1.1	1.0	(5.3)	(8.9)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
EUR/MYR	4.801	4.837	4.824	4.653	5.134
GBP/MYR	5.733	5.754	5.750	5.605	6.012
AUD/MYR	2.785	2.809	2.791	2.828	3.086
JPY/MYR	2.974	2.983	3.000	2.924	3.132
SGD/MYR	3.315	3.327	3.324	3.313	3.523
10CNY/MYR	6.103	6.136	6.122	6.111	6.580
100IDR/MYR	2.684	2.684	2.699	2.731	3.012
THB/MYR	13.121	13.188	13.167	13.189	13.085
10HKD/MYR	5.692	5.710	5.705	5.719	6.055

Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	(0.5)	3.2	(6.5)	(5.4)
(0.4)	(0.3)	2.3	(4.6)	(1.8)
(0.8)	(0.2)	(1.5)	(9.7)	(10.9)
(0.3)	(0.9)	1.7	(5.1)	(8.6)
(0.4)	(0.3)	0.1	(5.9)	(4.7)
(0.5)	(0.3)	(0.1)	(7.2)	(5.5)
0.0	(0.6)	(1.7)	(10.9)	(10.1)
(0.5)	(0.3)	(0.5)	0.3	(2.1)
(0.3)	(0.2)	(0.5)	(6.0)	(3.2)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
Brent (USD/barrel)	72	70.78	69.88	75.84	85.95
WTI (USD/barrel)	68.26	67.16	66.55	71.85	81.68
Gold (USD/oz)	3,045	3,048	2,989	2,936	2,186
Malaysia CPO (RM/tonne)	4,707	4,707	4,820	4,743	4,365

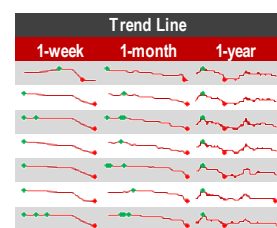
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.7	3.0	(5.1)	(16.2)	(6.5)
1.6	2.6	(5.0)	(16.4)	(4.7)
(0.1)	1.9	3.7	39.3	47.6
0.0	(2.3)	(0.8)	7.8	26.6



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
3-Year	3.35	3.35	3.39	3.45	3.48
5-Year	3.53	3.54	3.56	3.61	3.59
7-Year	3.68	3.69	3.71	3.77	3.77
10-Year	3.74	3.75	3.76	3.79	3.88
15-Year	3.89	3.91	3.93	3.97	3.99
20-Year	3.99	4.00	4.03	4.07	4.08
30-Year	4.14	4.15	4.16	4.19	4.20

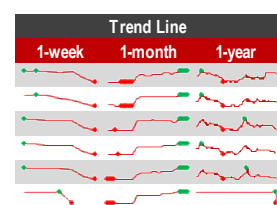
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(4)	(10)	(13)	(11)
(1)	(3)	(8)	(5)	(4)
(1)	(3)	(9)	(9)	(4)
(1)	(2)	(5)	(13)	1
(2)	(4)	(7)	(10)	(9)
(2)	(5)	(8)	(9)	(11)
(1)	(2)	(5)	(6)	(10)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
3-Year	3.51	3.52	3.54	3.55	3.46
5-Year	3.57	3.58	3.60	3.62	3.62
7-Year	3.69	3.70	3.72	3.78	3.77
10-Year	3.75	3.76	3.78	3.81	3.89
15-Year	3.90	3.91	3.93	3.95	3.99
20-Year	4.01	4.03	4.05	4.08	4.13

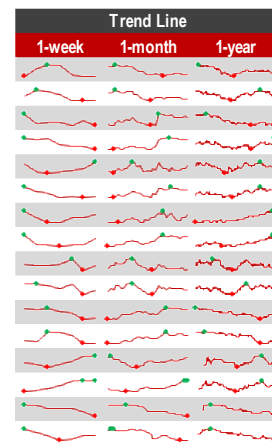
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(4)	(5)	4	1
(1)	(3)	(6)	(5)	(3)
(1)	(3)	(9)	(9)	(8)
(1)	(3)	(7)	(14)	(4)
(1)	(3)	(4)	(9)	(5)
(2)	(4)	(6)	(11)	(10)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
UST 2Y	3.96	3.97	3.96	4.31	4.60
UST 10Y	4.24	4.24	4.27	4.55	4.27
Germany 2Y	2.17	2.20	2.18	2.13	2.93
Germany 10Y	2.78	2.80	2.86	2.49	2.43
UK 2Y	4.24	4.21	4.19	4.24	4.23
UK 10Y	4.65	4.63	4.68	4.56	4.02
Japan 2Y	0.84	0.84	0.86	0.83	0.18
Japan 10Y	1.52	1.52	1.55	1.43	0.74
Australia 2Y	3.73	3.78	3.75	3.91	3.80
Australia 10Y	4.37	4.42	4.42	4.51	4.05
China 2Y	1.52	1.55	1.57	1.41	2.01
China 10Y	1.84	1.88	1.86	1.72	2.31
Indonesia 2Y	6.63	6.61	6.61	6.50	6.39
Indonesia 10Y	7.11	7.10	6.94	6.77	6.65
Thailand 2Y	1.80	1.82	1.86	2.05	2.13
Thailand 10Y	2.13	2.13	2.13	2.29	2.55

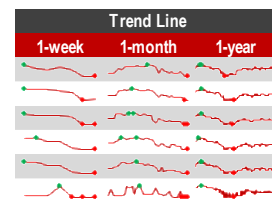
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	1	(34)	(64)	(29)
(1)	(3)	(31)	(4)	36
(3)	(1)	4	(75)	(23)
(2)	(8)	29	35	76
3	5	(0)	0	26
1	(3)	9	63	111
0	(3)	1	66	78
0	(3)	9	78	90
(5)	(3)	(18)	(8)	2
(4)	(4)	(13)	32	42
(3)	(5)	11	(49)	(68)
(4)	(1)	13	(46)	(72)
2	2	13	23	11
1	17	34	46	63
(2)	(6)	(25)	(34)	(54)
0	(0)	(16)	(42)	(55)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
IRS 1-Year	3.54	3.56	3.56	3.59	3.58
IRS 3-Year	3.43	3.46	3.47	3.53	3.56
IRS 5-Year	3.46	3.49	3.50	3.57	3.65
IRS 7-Year	3.53	3.54	3.58	3.65	3.76
IRS 10-Year	3.63	3.64	3.67	3.75	3.90
IRS 20-Year	3.88	3.88	3.90	4.10	4.23

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(2)	(5)	(4)	(3)
(3)	(4)	(11)	(13)	(7)
(3)	(4)	(12)	(20)	(13)
(1)	(5)	(12)	(23)	(18)
(1)	(4)	(12)	(28)	(20)
0	(2)	(22)	(35)	(33)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
1-Month Klibor	3.28	3.28	3.28	3.28	3.29
3-Month Klibor	3.66	3.66	3.66	3.66	3.57
6-Month Klibor	3.73	3.73	3.73	3.73	3.63

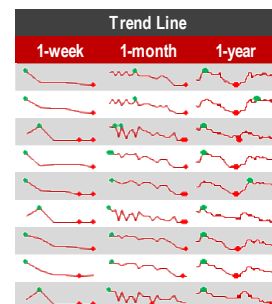
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(1)	(9)
0	0	0	9	(11)
0	0	0	10	(8)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	20-Mar-25	19-Mar-25	13-Mar-25	18-Feb-25	20-Mar-24
3-Year AAA	3.81	3.81	3.82	3.83	3.80
3-Year AA	3.96	3.96	3.98	4.03	4.00
3-Year A	4.79	4.79	4.80	4.83	5.05
5-Year AAA	3.88	3.88	3.89	3.91	3.89
5-Year AA	4.05	4.05	4.06	4.09	4.08
5-Year A	4.98	4.98	4.99	5.03	5.31
10-Year AAA	4.01	4.01	4.03	4.04	4.07
10-Year AA	4.18	4.18	4.19	4.22	4.27
10-Year A	5.37	5.37	5.38	5.42	5.83

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(1)	(2)	1	(4)
(0)	(2)	(7)	(4)	(8)
0	(1)	(4)	(26)	(45)
(0)	(1)	(3)	(0)	(9)
0	(1)	(4)	(3)	(13)
0	(1)	(5)	(33)	(58)
(0)	(2)	(4)	(6)	(18)
0	(1)	(4)	(9)	(23)
0	(1)	(5)	(46)	(69)



Sources: Bloomberg, AmBank Economics
 Note: All values are end-period

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