



Fixed Income & FX Research

22 November 2024

Snapshot Summary...

Global FX: The dollar opened Thursday on weaker footing, but later on turned bullish

Global Rates: Safe-haven demand amid geopolitical risks lent support to US Treasuries but yield downside was reversed

MYR Bonds: Some support for the MGS market were seen following the cancellation of the next scheduled GII auction and consolidation in global rates

USD/MYR: Ringgit firmed slightly and grinding away from the more than two months low it reached last week

Macro News

United States: US initial jobless claims decreased by 6k from the previous week to 213k for the week ending 16 November, marking the lowest level since April and significantly below expectations of an increase to 220k.

The Philadelphia Fed Manufacturing Index US fell unexpectedly to -5.5 in November 2024, down from 10.3 in October and well below the anticipated 8. This marks the second negative reading since January, signalling a general slowdown in manufacturing activity in the region.

In October 2024, US existing home sales rose by 3.5% to an annualized rate of 3.96 million, rebounding from a 14-year low. The median sales price increased by 4% to USD407,200, and inventory rose slightly.

Fixed Income

Global Bonds: Safe-haven demand amid geopolitical risks lent support to US Treasuries but yield downside was reversed and levels remain near recent highs as players are also awaiting more US macro data ahead, including jobs data though that comes as we cross into December. Decline in weekly new filings for jobless benefits overnight contributed to the sustained yields.

MYR Government Bonds: The geopolitical tensions involving Russia versus US allies and noted cancelling of the final GII auction this year were positive drivers for the MGS market in our opinion. These led to support for the MGS market yesterday though the front of the curve came under profit taking pressure.

MYR Corporate Bonds: Corporate bond trading saw less net selling activity yesterday though realignment on select names still occurred where yields on these tranches moved mixed. The realignment was seen on names such as CIMB where its T2 subordinated sukuk 09/32 (AA2) (callable in 2027) rose 5 bps to 3.94% but the 10/33 tranche (callable in 2028) fell 12 bps to 3.99%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	106.97	0.3
EUR/USD	1.047	(0.7)
AUD/USD	0.651	0.1
GBP/USD	1.259	(0.5)
USD/JPY	154.54	(0.6)
USD/MYR	4.467	(0.1)
USD/IDR	15,925	0.4
USD/THB	34.64	(0.2)
USD/SGD	1.346	0.3
USD/CNY	7.242	(0.0)
USD/KRW	1,399	(0.1)
USD/INR	84.50	0.1
USD/PHP	59.00	0.1
USD/TWD	32.55	0.2
USD/HKD	7.783	(0.0)
USD/VND	25,420	0.0
NZD/USD	0.586	(0.3)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.694	(0.6)
GBP/MYR	5.643	(0.4)
AUD/MYR	2.907	(0.1)
JPY/MYR	2.888	0.4
SGD/MYR	3.324	(0.2)
10CNY/MYR	6.165	(0.1)
100IDR/MYR	2.801	(0.6)
THB/MYR	12.865	(0.4)
10HKD/MYR	5.734	(0.2)
100INR/MYR	5.280	(0.4)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.47	0
5-Year	08/29	3.61	0
7-Year	04/31	3.77	(1)
10-Year	07/34	3.81	(1)
15-Year	04/39	3.94	(1)
20-Year	05/44	4.06	(0)
30-Year	03/53	4.18	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.57	2
IRS 3-Year	3.49	2
IRS 5-Year	3.54	1
IRS 7-Year	3.62	2
IRS 10-Year	3.74	2
3-M KLIBOR	3.60	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.35	3
UST 10Y	4.42	1
Germany 10Y	2.32	(3)
UK 10Y	4.44	(3)
Japan 10Y	1.10	2
Australia 10Y	4.58	2
China 10Y	2.09	(1)
Korea 10Y	2.98	(3)
Indonesia 10Y	6.92	2
Thailand 10Y	2.42	0
Malaysia 10Y	3.81	(1)

Forex

United States: The dollar opened Thursday on weaker footing, but later on turned bullish to go along with higher UST yields, supported by a stronger-than-expected labor market data as initial jobless claims fell to a 6.5-month low. Mixed data included weaker Philadelphia Fed index and leading indicators, and stronger home sales. Markets maintained their pricing of lower than 60% chance of a 25-bps rate cut in December. On another note, Fed officials' speeches were mixed; New York Fed President Williams expects inflation to cool and that rates will fall further, while Richmond Fed President Barkin warned of increased US vulnerability to inflation shocks. Chicago Fed President Goolsbee supported further rate cuts, with openness to a gradual approach. There were also some safe haven bid amidst the escalation in the Eastern European conflict.

Europe: The euro was pushed below 1.05 for the first time since October 2023 amidst dollar strength. The currency was also pressured by dovish official speeches; ECB Governing Council member Yannis Stournaras advocated for rate cuts at every meeting until reaching a neutral rate, estimated at around 2%, citing current inflation and economic conditions. François Villeroy de Galhau, a member of the ECB Governing Council, stated that potential trade levies during a second Donald Trump presidency would not disrupt the ECB's plans for easing monetary policy. The British pound ended lower, but it might find some support from a hawkish statement by BoE's Catherine Mann. She indicated that cutting rates by a percentage point over the next year could flare up inflation.

Asia Pacific: The USD/JPY pair fell 0.6% to 154.54 with the yen, driven by market reactions to Ukraine-Russia new developments and higher expectations of a BoJ rate hike in December, with markets pricing in more than 60% chance of BoJ hike, compared to last week's 53% chance. It was prompted by BoJ Governor Kazuo Ueda's speech yesterday where he gave an indication that next meeting outcome is still uncertain. The onshore Chinese yuan firmed for the first time in five days as the PBoC set the mid-daily fixing at 7.1934 per dollar, compared with 7.2473 market expectations.

Malaysia: Ringgit firmed slightly by 0.1% to close at 4.467, grinding away from the more than two months low it reached last week. This is despite the weaker overall emerging currencies through the falling of MSCI EM Currency index by 0.1%. We will be monitoring Malaysia's October inflation rate today where the market consensus is looking at 1.8% y/y print, unchanged from the prior reading.

Other Markets

Gold: Gold prices rose for the fourth consecutive day, trading above USD2,660/oz, as escalating tensions from Russia's war with Ukraine increased demand for the safe-haven asset.

Oil: Oil prices rose with Brent and WTI both climbing 2.0% driven by escalating Russia-Ukraine conflict and signs of improving demand.

Palm Oil: Price was steady at MYR5,025 per tonne yesterday. There was data indicating Indonesia's palm oil exports fell to 1.86 million tonnes in September from 2.384 million tonnes in August. Prices are down from October highs on signs of weakening demand as well as recent declines in soybean oil prices.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.84	2
3-Year AA	4.02	3
3-Year A	4.91	(3)
5-Year AAA	3.94	2
5-Year AA	4.11	3
5-Year A	5.15	(3)
10-Year AAA	4.09	0
10-Year AA	4.27	(0)
10-Year A	5.67	(9)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	74.23	2.0
WTI (USD/bl)	70.49	2.4
Gold (USD/oz)	2,670	0.7
CPO (RM/tonne)	5,025	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,949	0.5
Dow Jones	43,870	1.1
Nasdaq	18,972	0.0
London FTSE	8,149	0.8
German DAX	19,146	0.7
Nikkei 225	38,026	(0.9)
Japan TOPIX	2,683	(0.6)
FBM KLCI	1,589	(0.6)
Strait Times	3,739	(0.1)
Jakarta	7,141	(0.5)
Shanghai	3,370	0.1
MSCI Asia Pac	182	(0.4)
MSCI World	3,754	0.6
Hang Seng	19,601	(0.5)
KOSPI	2,481	(0.1)
Thai Stock Exc	1,440	(1.5)
Taiwan	22,556	(0.6)
India	77,156	(0.5)
Australia	8,323	(0.0)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.75	18-Dec
ECB Main Refinancing	3.40	12-Dec
BoE Base Rate	4.75	19-Dec
RBA Cash Rate	4.35	10-Dec
BoJ Cash Rate	0.25	18-Dec
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.25	-
BNM OPR	3.00	22-Jan

Ringgit Outlook for The Week

	1	2
Resistance	4.500	4.534
Support	4.400	4.420

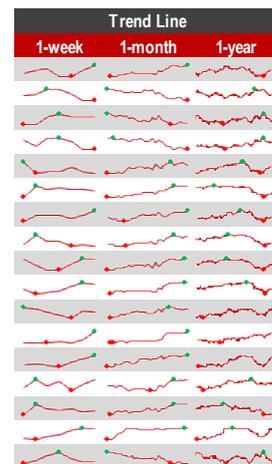
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
DXY Dollar Index	106.97	106.68	106.67	104.08	103.92
EUR/USD	1.047	1.054	1.053	1.080	1.089
AUD/USD	0.651	0.651	0.645	0.668	0.654
GBP/USD	1.259	1.265	1.267	1.298	1.249
USD/JPY	154.54	155.44	156.27	151.08	149.54
USD/MYR	4.467	4.471	4.486	4.328	4.677
USD/IDR	15,925	15,865	15,855	15,560	15,575
USD/THB	34.64	34.72	35.10	33.50	35.21
USD/SGD	1.346	1.343	1.346	1.316	1.342
USD/CNY	7.242	7.246	7.227	7.124	7.165
USD/KRW	1,399	1,400	1,402	1,377	1,301
USD/INR	84.50	84.41	84.41	84.08	83.32
USD/PHP	59.00	58.92	58.79	57.86	55.48
USD/TWD	32.55	32.50	32.56	32.06	31.58
USD/HKD	7.783	7.784	7.782	7.772	7.797
USD/VND	25,420	25,416	25,394	25,405	24,240
NZD/USD	0.586	0.588	0.585	0.604	0.602

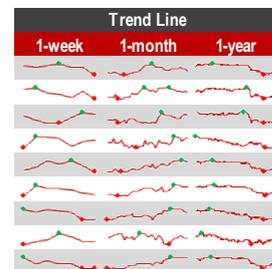
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.3	0.3	2.8	2.9	5.6
(0.7)	(0.5)	(3.0)	(3.8)	(5.1)
0.1	0.9	(2.6)	(0.5)	(4.4)
(0.5)	(0.6)	(3.0)	0.8	(1.1)
(0.6)	(1.1)	2.3	3.3	9.6
(0.1)	(0.4)	3.2	(4.5)	(2.8)
0.4	0.4	2.3	2.2	3.4
(0.2)	(1.3)	3.4	(1.6)	1.5
0.3	0.0	2.3	0.3	2.0
(0.05)	0.2	1.7	1.1	2.0
(0.1)	(0.2)	1.5	7.5	8.6
0.1	0.1	0.5	1.4	1.6
0.1	0.4	2.0	6.3	6.5
0.2	(0.0)	1.5	3.1	6.0
(0.0)	0.0	0.1	(0.2)	(0.4)
0.0	0.1	0.1	4.9	4.7
(0.3)	0.2	(3.0)	(2.7)	(7.3)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
EUR/MYR	4.694	4.720	4.719	4.681	5.099
GBP/MYR	5.643	5.665	5.677	5.614	5.860
AUD/MYR	2.907	2.911	2.900	2.891	3.065
JPY/MYR	2.888	2.877	2.870	2.865	3.126
SGD/MYR	3.324	3.330	3.330	3.290	3.487
10CNY/MYR	6.165	6.172	6.205	6.076	6.540
100IDR/MYR	2.801	2.818	2.827	2.781	3.003
THB/MYR	12.865	12.916	12.822	12.918	13.292
10HKD/MYR	5.734	5.745	5.763	5.569	5.999

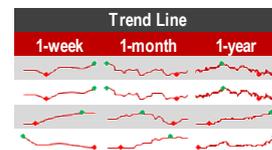
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.6)	(0.5)	0.3	(8.0)	(7.5)
(0.4)	(0.6)	0.5	(3.7)	(3.3)
(0.1)	0.3	0.6	(5.2)	(7.0)
0.4	0.6	0.8	(7.6)	(11.3)
(0.2)	(0.2)	1.0	(4.7)	(4.4)
(0.1)	(0.6)	1.5	(5.7)	(4.6)
(0.6)	(0.9)	0.7	(6.7)	(6.1)
(0.4)	0.3	(0.4)	(3.2)	(4.0)
(0.2)	(0.5)	3.0	(4.4)	(2.5)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
Brent (USD/barrel)	74.23	72.81	72.56	76.04	81.96
WTI (USD/barrel)	70.49	68.87	68.7	72.09	76.75
Gold (USD/oz)	2,670	2,651	2,565	2,749	1,990
Malaysia CPO (RM/tonne)	5,025	5,025	5,078	4,433	3,842

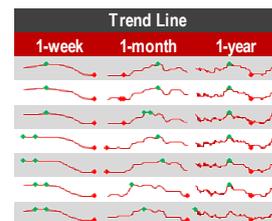
Percentage Change				
1-day	1-week	1-month	1-year	YTD
2.0	2.3	(2.4)	(9.4)	(3.6)
2.4	2.6	(2.2)	(8.2)	(1.6)
0.7	4.1	(2.9)	34.1	29.4
0.0	(1.0)	13.4	30.8	35.2



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
3-Year	3.47	3.47	3.52	3.45	3.50
5-Year	3.61	3.61	3.67	3.58	3.62
7-Year	3.77	3.78	3.83	3.79	3.86
10-Year	3.81	3.82	3.89	3.83	3.86
15-Year	3.94	3.95	4.02	3.97	4.02
20-Year	4.06	4.07	4.11	4.15	4.19
30-Year	4.18	4.18	4.19	4.21	4.31

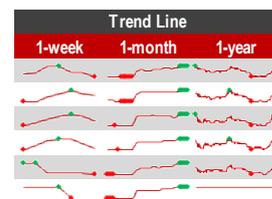
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(5)	2	(2)	1
0	(7)	2	(1)	3
(1)	(6)	(2)	(9)	5
(1)	(8)	(2)	(4)	8
(1)	(8)	(3)	(9)	(4)
(0)	(4)	(9)	(13)	(4)
0	(1)	(3)	(13)	(6)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
3-Year	3.43	3.43	3.46	3.39	3.57
5-Year	3.65	3.65	3.66	3.61	3.70
7-Year	3.81	3.81	3.82	3.81	3.90
10-Year	3.87	3.87	3.89	3.89	3.94
15-Year	3.99	3.99	4.01	3.98	4.04
20-Year	4.10	4.10	4.12	4.14	4.24

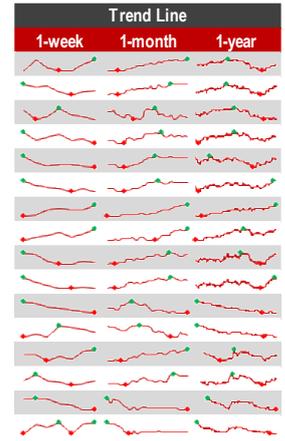
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(2)	4	(14)	(6)
0	(1)	4	(5)	5
0	(1)	0	(9)	5
0	(2)	(1)	(6)	9
0	(2)	1	(5)	4
0	(2)	(3)	(14)	(2)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
UST 2Y	4.35	4.31	4.34	4.03	4.90
UST 10Y	4.42	4.41	4.44	4.21	4.40
Germany 2Y	2.11	2.13	2.10	2.18	3.03
Germany 10Y	2.32	2.35	2.34	2.32	2.56
UK 2Y	4.38	4.41	4.42	4.07	4.61
UK 10Y	4.44	4.47	4.48	4.17	4.16
Japan 2Y	0.58	0.56	0.54	0.45	0.04
Japan 10Y	1.10	1.08	1.06	0.98	0.73
Australia 2Y	4.11	4.09	4.19	3.98	4.15
Australia 10Y	4.58	4.56	4.70	4.43	4.45
China 2Y	1.39	1.40	1.41	1.53	2.39
China 10Y	2.09	2.09	2.08	2.14	2.69
Indonesia 2Y	6.62	6.60	6.59	6.46	6.77
Indonesia 10Y	6.92	6.90	6.96	6.68	6.66
Thailand 2Y	2.06	2.07	2.09	2.09	2.47
Thailand 10Y	2.42	2.42	2.42	2.40	2.99

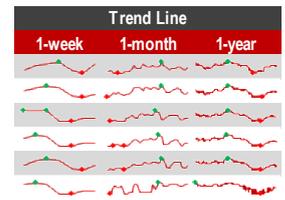
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
3	0	32	(55)	10
1	(1)	21	2	54
(2)	1	(7)	(93)	(30)
(3)	(2)	0	(24)	29
(2)	(4)	31	(23)	40
(3)	(4)	28	29	91
2	4	13	54	53
2	3	12	37	49
3	(7)	14	(4)	41
2	(12)	15	13	62
(0)	(2)	(14)	(100)	(80)
(1)	1	(6)	(60)	(48)
2	3	16	(16)	10
2	(4)	24	26	44
(0)	(2)	(3)	(40)	(27)
0	0	2	(57)	(26)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
IRS 1-Year	3.57	3.55	3.57	3.56	3.68
IRS 3-Year	3.49	3.48	3.53	3.53	3.68
IRS 5-Year	3.54	3.52	3.57	3.55	3.76
IRS 7-Year	3.62	3.61	3.67	3.65	3.89
IRS 10-Year	3.74	3.72	3.78	3.75	4.03
IRS 20-Year	4.09	4.08	4.13	3.86	4.39

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	0	0	(11)	(1)
2	(3)	(4)	(19)	0
1	(3)	(1)	(22)	(4)
2	(4)	(2)	(27)	(8)
2	(3)	(0)	(29)	(8)
1	(4)	24	(30)	(12)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
1-Month Klibor	3.28	3.28	3.28	3.28	3.34
3-Month Klibor	3.60	3.60	3.60	3.58	3.68
6-Month Klibor	3.66	3.65	3.65	3.63	3.72

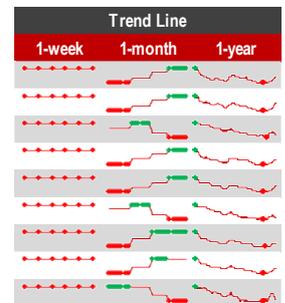
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(6)	(9)
0	0	2	(8)	(17)
1	1	3	(6)	(15)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	21-Nov-24	20-Nov-24	14-Nov-24	22-Oct-24	22-Nov-23
3-Year AAA	3.84	3.84	3.84	3.77	3.99
3-Year AA	4.02	4.02	4.02	3.92	4.16
3-Year A	4.91	4.91	4.91	4.96	5.29
5-Year AAA	3.94	3.94	3.94	3.86	4.13
5-Year AA	4.11	4.11	4.11	4.02	4.31
5-Year A	5.15	5.15	5.15	5.22	5.62
10-Year AAA	4.09	4.09	4.09	4.02	4.37
10-Year AA	4.27	4.27	4.27	4.22	4.55
10-Year A	5.67	5.67	5.67	5.85	6.09

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	7	(15)	(1)
0	0	10	(15)	(2)
0	0	(5)	(39)	(33)
0	0	8	(19)	(3)
0	0	9	(20)	(7)
0	0	(7)	(48)	(41)
0	0	7	(28)	(9)
0	0	5	(28)	(15)
0	0	(19)	(42)	(39)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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