



## Fixed Income &amp; FX Research

05 November 2024

## Snapshot Summary...

**Global FX:** The US dollar shifted away from Trump-backed trades**Global Rates:** US Treasury yields fell as Harris' chances were shown to have improved**MYR Bonds:** Players took to the sidelines ahead of the US elections**USD/MYR:** The retreat in USD provided some lift to the ringgit

## Macro News

**Eurozone:** The HCOB Eurozone Manufacturing PMI was slightly adjusted upwards to 46 in October 2024, up from an initial figure of 45.9 and a previous reading of 45 in September. While the PMI remains below 50, indicating continued contraction, this improvement reflects a slower decline in the Eurozone's manufacturing sector, marking the mildest contraction since May.**US:** New orders for manufactured goods in the US decreased by 0.5% m/m in September from the previous month. This follows a revised decline of 0.8% in August and is somewhat consistent with market expectations of a 0.4% drop. This outcome reflects a broader trend, evident in other key data indicating a slowing US manufacturing sector momentum. Both durable goods-producing industries and non-durable goods producers experienced declines, with durable goods down by 0.7% m/m and non-durable goods down by 0.2% m/m.

## Fixed Income

**Global Bonds:** US Treasury yields fell on Monday as the recent 'Trump trade' ended as recent polls show Harris' improved chances and leading Trump. Treasuries were also decently supported ahead of FOMC this week, with the Fed already starting its rate cut cycle after the 50 bps cut in September. Treasuries were also relatively supported by last Friday's weak US jobs data.**MYR Government Bonds:** The government bond market traded in range and on light volume yesterday as players took to the sidelines going into the US elections. Most benchmarks were unchanged except for the 7Y MGS, which fell by 3 bps.**MYR Corporate Bonds:** The ringgit corporate bond market also lags interest yesterday, and papers traded recorded losses. Flows were led by papers such as AAA-rated Danum 02/34, which rose 12 bps to close at 4.05%, and AAA Infracap Resources 04/31, which ended 12 bps higher at 4.02%. On the AA curve, DRB-Hicom 08/25 (AA-) edged 1 bps higher to close at 3.83%.

## Forex

**US:** Amidst subdued data day, the US dollar edged lower on Monday to below the 104-level amidst suspected shifting away from Trump-backed trades, as polls showed Harris has gained some traction, showing improvement on election betting platforms.

## FX Daily Rates

Vs. USD	Last Close	Per cent
DX	103.89	(0.4)
EUR/USD	1.088	0.4
AUD/USD	0.659	0.4
GBP/USD	1.296	0.3
USD/JPY	152.13	(0.6)
USD/MYR	4.374	(0.2)
USD/IDR	15,753	0.2
USD/THB	33.71	(0.6)
USD/SGD	1.320	(0.5)
USD/CNY	7.101	(0.4)
USD/KRW	1,376	(0.2)
USD/INR	84.11	0.0
USD/PHP	58.35	0.4
USD/TWD	31.97	0.0
USD/HKD	7.772	(0.1)
USD/VND	25,320	0.1
NZD/USD	0.597	0.2

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.766	0.2
GBP/MYR	5.674	0.3
AUD/MYR	2.884	0.3
JPY/MYR	2.875	0.4
SGD/MYR	3.321	0.4
10CNY/MYR	6.159	0.2
100IDR/MYR	2.777	(0.3)
THB/MYR	12.955	0.5
10HKD/MYR	5.627	(0.1)
100INR/MYR	5.200	(0.2)

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.55	0
5-Year	08/29	3.67	(0)
7-Year	04/31	3.88	(2)
10-Year	07/34	3.92	(0)
15-Year	04/39	4.03	0
20-Year	05/44	4.14	(1)
30-Year	03/53	4.23	(0)

## MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.57	(1)
IRS 3-Year	3.53	0
IRS 5-Year	3.57	(1)
IRS 7-Year	3.66	(1)
IRS 10-Year	3.77	(1)
3-M KLIBOR	3.58	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.16	(5)
UST 10Y	4.28	(10)
Germany 10Y	2.40	(1)
UK 10Y	4.46	1
Japan 10Y	0.95	0
Australia 10Y	4.56	2
China 10Y	2.12	(2)
Korea 10Y	3.10	1
Indonesia 10Y	6.78	(0)
Thailand 10Y	2.42	0
Malaysia 10Y	3.92	(0)

**Europe:** Both the EUR and GBP went up against the weaker dollar. Final Eurozone Manufacturing PMI data showed that the number had been revised upwardly to 46.0 but remained below the growth threshold of 50, suggesting the region's growth remained uncertain. Meanwhile, the BoE meets on Thursday and is expected to cut its interest rate by 25 bps.

**Asia Pacific:** The Japanese market was closed yesterday amid the Culture Day holiday, resulting in the yen trading within a tight range. In China, the CNY rose to its highest level in two weeks, erasing recent losses due to the "Trump Trade". Aside from the US election, traders are also on the lookout for China's National People's Congress (NPC) Standing Committee meeting this week, during which it's expected to greenlight spending and debt refinancing initiatives designed to bolster local governments and promote economic growth.

**Malaysia:** The retreat in USD provided some lift for the ringgit as it gained 0.2% to close at 4.374 yesterday. The next leg for the currency continues to be dictated by external factors, such as the outcome of the US election, alongside the Fed's decision on Thursday.

### Other Markets

**Gold:** Gold fell slightly at USD2,737/oz ahead of the US election. However, conditions still favour a bullish outlook for the metal, supported by rising fiscal debt concerns and the ongoing Fed rate cut cycle.

**Oil:** Crude oil rallied on Monday as OPEC+ countries agreed to postpone plans to boost production for the second time. At the same time, geopolitical tensions escalated with Iran's renewed threats against Israel, while the upcoming US election added uncertainty.

**Palm Oil:** Price of the edible oil was seen testing nearer the MYR5,000 level. A Bloomberg survey indicated that inventories in Malaysia possibly fell by 4.5% in October, and which will be lower by as much as 22% from levels a year ago.

### Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.79	2
3-Year AA	3.95	3
3-Year A	4.99	3
5-Year AAA	3.89	3
5-Year AA	4.05	4
5-Year A	5.24	2
10-Year AAA	4.06	4
10-Year AA	4.24	2
10-Year A	5.85	(0)

### Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	75.08	2.7
WTI (USD/bl)	71.47	2.8
Gold (USD/oz)	2,737	0.0
CPO (RM/tonne)	4,994	2.2

### Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,713	(0.3)
Dow Jones	41,795	(0.6)
Nasdaq	18,180	(0.3)
London FTSE	8,184	0.1
German DAX	19,148	(0.6)
Nikkei 225	38,054	0.0
Japan TOPIX	2,644	0.0
FBM KLCI	1,616	0.8
Strait Times	3,572	0.5
Jakarta	7,480	(0.3)
Shanghai	3,310	1.2
MSCI Asia Pac	186	0.7
MSCI World	3,656	(0.1)
Hang Seng	20,568	0.3
KOSPI	2,589	1.8
Thai Stock Exc	1,463	(0.1)
Taiwan	22,965	0.8
India	78,782	(1.2)
Australia	8,165	0.6

### Policy Rates

Central Banks	Current	Next
US Fed Funds	5.00	08-Nov
ECB Main Refinancing	3.40	12-Dec
BoE Base Rate	5.00	07-Nov
RBA Cash Rate	4.35	05-Nov
BoJ Cash Rate	0.25	18-Dec
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.25	-
BNM OPR	3.00	06-Nov

### Ringgit Outlook for The Week

	1	2
Resistance	4.400	4.464
Support	4.273	4.300

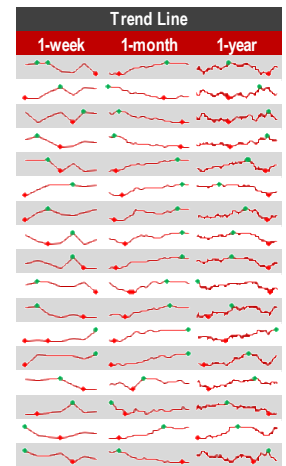
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23
DXY Dollar Index	103.89	104.28	104.32	102.52	105.02
EUR/USD	1.088	1.083	1.081	1.097	1.073
AUD/USD	0.659	0.656	0.658	0.680	0.651
GBP/USD	1.296	1.292	1.297	1.312	1.238
USD/JPY	152.13	153.01	153.29	148.7	149.39
USD/MYR	4.374	4.381	4.362	4.220	4.727
USD/IDR	15,753	15,720	15,725	15,485	15,728
USD/THB	33.71	33.90	33.86	33.04	35.71
USD/SGD	1.320	1.326	1.323	1.305	1.354
USD/CNY	7.101	7.129	7.129	7.019	7.275
USD/KRW	1,376	1,379	1,384	1,348	1,322
USD/INR	84.11	84.08	84.08	83.98	83.29
USD/PHP	58.35	58.12	58.24	56.29	56.11
USD/TWD	31.97	31.96	32.10	31.98	32.30
USD/HKD	7.772	7.777	7.772	7.767	7.824
USD/VND	25,320	25,300	25,357	24,756	24,561
NZD/USD	0.597	0.596	0.598	0.616	0.600

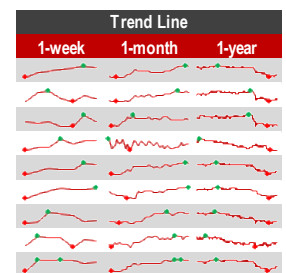
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.4)	(0.4)	1.3	(1.1)	2.5
0.4	0.6	(0.9)	1.4	(1.5)
0.4	0.0	(3.1)	1.1	(3.3)
0.3	(0.1)	(1.3)	4.7	1.8
(0.6)	(0.8)	2.3	1.8	7.9
(0.2)	0.3	3.7	(7.5)	(4.8)
0.2	0.2	1.7	0.2	2.3
(0.6)	(0.4)	2.0	(5.6)	(1.3)
(0.5)	(0.2)	1.2	(2.6)	(0.0)
(0.39)	(0.4)	1.2	(2.4)	0.0
(0.2)	(0.6)	2.1	4.1	6.8
0.0	0.0	0.2	1.0	1.1
0.4	0.2	3.7	4.0	5.3
0.0	(0.4)	(0.0)	(1.0)	4.1
(0.1)	0.0	0.1	(0.7)	(0.5)
0.1	(0.1)	2.3	3.1	4.3
0.2	(0.1)	(3.0)	(0.4)	(5.5)



### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23
EUR/MYR	4.766	4.757	4.717	4.653	5.036
GBP/MYR	5.674	5.655	5.659	5.556	5.774
AUD/MYR	2.884	2.876	2.880	2.887	3.045
JPY/MYR	2.875	2.863	2.846	2.838	3.166
SGD/MYR	3.321	3.308	3.299	3.253	3.472
10CNY/MYR	6.159	6.147	6.122	5.873	6.500
100IDR/MYR	2.777	2.784	2.774	2.725	3.007
THB/MYR	12.955	12.894	12.916	12.657	13.232
10HKD/MYR	5.627	5.633	5.613	5.433	6.044

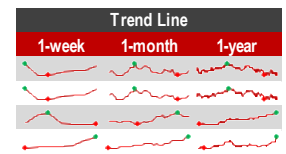
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	1.0	2.4	(5.4)	(6.1)
0.3	0.3	2.1	(1.7)	(2.8)
0.3	0.2	(0.1)	(5.3)	(7.7)
0.4	1.0	1.3	(9.2)	(11.7)
0.4	0.7	2.1	(4.3)	(4.5)
0.2	0.6	4.9	(5.2)	(4.7)
(0.3)	0.1	1.9	(7.6)	(6.9)
0.5	0.3	2.4	(2.1)	(3.3)
(0.1)	0.2	3.6	(6.9)	(4.3)



### Commodities

	Latest	1-day	1 week	1-Month	1-Year
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23
Brent (USD/barrel)	75.08	73.1	71.42	78.05	84.89
WTI (USD/barrel)	71.47	69.49	67.38	74.38	80.51
Gold (USD/oz)	2,737	2,737	2,742	2,654	1,993
Malaysia CPO (RM/tonne)	4,994	4,887	4,693	4,371	3,663

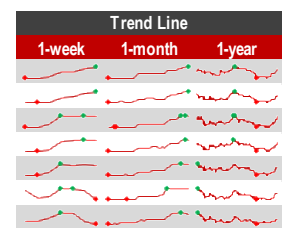
Percentage Change				
1-day	1-week	1-month	1-year	YTD
2.7	5.1	(3.8)	(11.6)	(2.5)
2.8	6.1	(3.9)	(11.2)	(0.3)
0.0	(0.2)	3.1	37.3	32.7
2.2	6.4	14.2	36.3	34.4



### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23
3-Year	3.55	3.54	3.51	3.35	3.61
5-Year	3.67	3.67	3.64	3.52	3.79
7-Year	3.88	3.90	3.87	3.70	3.97
10-Year	3.92	3.92	3.89	3.73	3.98
15-Year	4.03	4.02	4.01	3.89	4.14
20-Year	4.14	4.14	4.14	4.04	4.30
30-Year	4.23	4.23	4.23	4.18	4.44

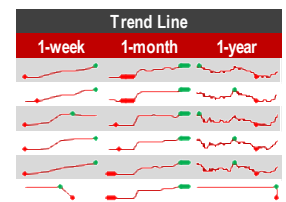
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	3	19	(6)	8
(0)	4	16	(11)	10
(2)	2	19	(9)	17
(0)	4	19	(6)	19
0	2	14	(11)	5
(1)	(1)	9	(16)	4
(0)	(1)	4	(22)	(2)



### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23
3-Year	3.48	3.46	3.44	3.34	3.64
5-Year	3.67	3.67	3.65	3.51	3.79
7-Year	3.90	3.90	3.86	3.71	3.98
10-Year	3.95	3.95	3.92	3.76	4.00
15-Year	4.03	4.02	4.01	3.92	4.12
20-Year	4.16	4.16	4.16	4.06	4.31

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	4	14	(17)	(2)
0	2	16	(12)	7
(0)	4	19	(9)	14
0	3	19	(5)	16
1	2	10	(10)	7
(0)	(0)	10	(16)	4



### Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	4.16	4.21	4.14	3.92	4.84	(5)	2	24	(68)	(9)			
UST 10Y	4.28	4.38	4.28	3.97	4.57	(10)	0	32	(29)	41			
Germany 2Y	2.26	2.25	2.10	2.20	2.96	2	16	6	(70)	(14)			
Germany 10Y	2.40	2.41	2.29	2.21	2.65	(1)	11	19	(25)	37			
UK 2Y	4.44	4.43	4.21	4.14	4.68	0	23	30	(24)	45			
UK 10Y	4.46	4.45	4.25	4.13	4.29	1	20	33	17	92			
Japan 2Y	0.47	0.47	0.46	0.37	0.15	0	0	9	32	41			
Japan 10Y	0.95	0.95	0.98	0.89	0.93	0	(3)	6	2	34			
Australia 2Y	4.06	4.06	4.00	3.67	4.34	(0)	5	39	(29)	35			
Australia 10Y	4.56	4.54	4.48	4.07	4.72	2	8	48	(16)	60			
China 2Y	1.43	1.45	1.50	1.46	2.37	(2)	(7)	(3)	(94)	(77)			
China 10Y	2.12	2.14	2.16	2.21	2.67	(2)	(4)	(9)	(55)	(44)			
Indonesia 2Y	6.52	6.51	6.52	6.30	6.89	1	(0)	22	(37)	0			
Indonesia 10Y	6.78	6.79	6.82	6.65	6.86	(0)	(4)	13	(8)	30			
Thailand 2Y	2.09	2.09	2.09	2.16	2.54	(0)	(0)	(7)	(45)	(24)			
Thailand 10Y	2.42	2.41	2.40	2.51	3.18	0	1	(9)	(76)	(26)			

### Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.57	3.58	3.58	3.53	3.73	(1)	(2)	4	(17)	(1)			
IRS 3-Year	3.53	3.53	3.53	3.44	3.83	0	(0)	9	(30)	3			
IRS 5-Year	3.57	3.58	3.58	3.46	3.88	(1)	(1)	11	(31)	(1)			
IRS 7-Year	3.66	3.67	3.66	3.56	4.03	(1)	1	11	(37)	(4)			
IRS 10-Year	3.77	3.78	3.76	3.66	4.16	(1)	1	11	(40)	(5)			
IRS 20-Year	4.12	3.89	3.86	3.77	4.51	24	26	35	(39)	(9)			

### Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.28	3.28	3.28	3.28	3.33	0	0	0	(5)	(9)			
3-Month Klibor	3.58	3.58	3.58	3.56	3.65	0	0	2	(7)	(19)			
6-Month Klibor	3.65	3.65	3.64	3.62	3.70	0	1	3	(5)	(16)			

### Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	4-Nov-24	1-Nov-24	28-Oct-24	5-Oct-24	5-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.79	3.79	3.77	3.75	4.07	0	2	4	(28)	(6)			
3-Year AA	3.95	3.95	3.92	3.87	4.25	0	3	8	(30)	(9)			
3-Year A	4.99	4.99	4.96	4.88	5.37	0	3	11	(38)	(25)			
5-Year AAA	3.89	3.89	3.86	3.83	4.23	0	3	6	(34)	(8)			
5-Year AA	4.05	4.05	4.02	3.96	4.41	0	4	9	(36)	(13)			
5-Year A	5.24	5.24	5.22	5.12	5.71	0	2	12	(46)	(31)			
10-Year AAA	4.06	4.06	4.02	3.98	4.49	0	4	8	(43)	(12)			
10-Year AA	4.24	4.24	4.22	4.15	4.69	0	2	9	(45)	(18)			
10-Year A	5.85	5.85	5.85	5.70	6.17	0	(0)	14	(33)	(21)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Group Economic Research	
Firdaos Rosli	<a href="mailto:firdaos.rosli@ambankgroup.com">firdaos.rosli@ambankgroup.com</a>
Nik Ahmad Mukharriz Nik Muhammad	<a href="mailto:nik-ahmad-mukharriz.n@ambankgroup.com">nik-ahmad-mukharriz.n@ambankgroup.com</a>
Lee Si Xin	<a href="mailto:lee.si-xin@ambankgroup.com">lee.si-xin@ambankgroup.com</a>
Raja Adibah Raja Hasnan	<a href="mailto:raja-adibah.r@ambankgroup.com">raja-adibah.r@ambankgroup.com</a>
Muhamad Farid Anas Johari	<a href="mailto:muhamad-farid-anas.j@ambankgroup.com">muhamad-farid-anas.j@ambankgroup.com</a>
Aman Nazmi Abd Karim	<a href="mailto:aman-nazmi.abd-karim@ambankgroup.com">aman-nazmi.abd-karim@ambankgroup.com</a>
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	<a href="mailto:azli-abd-jamil@ambankgroup.com">azli-abd-jamil@ambankgroup.com</a>
Jacqueline E. Rodrigues	<a href="mailto:jacqueline-r@ambankgroup.com">jacqueline-r@ambankgroup.com</a>
Ho Su Farn	<a href="mailto:ho-su-farn@ambankgroup.com">ho-su-farn@ambankgroup.com</a>
Melisa Lim Giok Ling	<a href="mailto:melisa-lim@ambankgroup.com">melisa-lim@ambankgroup.com</a>
Roger Yee Chan Chung	<a href="mailto:roger-yee@ambankgroup.com">roger-yee@ambankgroup.com</a>
Nadia Binti Hazmi	<a href="mailto:nadia.hazmi@ambankgroup.com">nadia.hazmi@ambankgroup.com</a>

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