



## Fixed Income &amp; FX Research

12 December 2025

**Macro:** US trade deficit narrowed sharply in September.**Forex:** DXY continued its fall to an eight-week low, as soft US employment data reaffirmed market expectations of two Fed rate cuts in 2026.**Fixed Income:** UST was supported for a second day after the FOMC meeting and the Fed's plan to purchase shorter-dated Treasury securities.**Macro**

**Global:** The US trade deficit continued to narrow sharply in September to USD52.8 billion (consensus: USD63.3 billion; August: USD59.3 billion), as import growth (+0.6% y/y) trailed exports (+3.0% y/y), while the trade gap with China narrowed to USD11.4 billion. Initial jobless claims normalised to 236k for the week ending 6 December (prior: 192k), following the earlier Thanksgiving lull, though jobless claims data are expected to remain volatile heading into year-end amid the holiday season. The conclusion of China's annual Central Economic Work Conference saw authorities pledging fiscal policies for next year to stimulate both consumption and investment, aiming to maintain high economic growth. However, the dual focus likely suggests China's trade surplus will remain very strong next year, which may risk backlash from more countries, with Mexico having approved tariffs of 5-50% on more than 1,400 products from Asian nations without a trade deal with Mexico – though mainly targeting imports from China (especially autos), given its rising trade deficit with China (2024: USD71 billion).

**Malaysia:** FM2 Amir Hamzah stated that efforts to introduce tiered pricing (following Budi95 quotas) will not be efficient and will result in risks of leakages, adding instead that the subsidy policy will continue to be refined. Meanwhile, Deputy MITI Minister Chin Tong stated that the rights issue for Bumiputera was not raised in the ART agreement with the US.

**Forex**

**Global:** The DXY (-0.4%) continued its fall to an eight-week low, as soft US employment data reaffirmed market expectations of two Fed rate cuts in 2026, in contrast to the FOMC median dot plot projections, which see only one. Broad dollar weaknesses drove gains for most G10 FX, including the EUR (+0.4%), GBP (+0.0%), and JPY (+0.3%). AUD (-0.2%) eased from a three-month high, after Australia's economy unexpectedly shed 21.3k jobs in November (consensus: +20k; prior: +41.2k), with its steepest drop since February marked by declines in full-time employment. CHF (+0.1%) closed firmer, after the SNB kept policy rates unchanged at 0.00%, reinforcing cautiousness against negative policy rates. The SNB cited an improved economic outlook amid the recent trade deal with the US, while recent inflation continues to underperform expectations.

**Asia:** MYR rose 0.2% to the 4.10 level, in line with overnight gains for the SGD post-Fed meeting.

**Fixed Income**

**Global Bonds:** UST was supported for a second day after the FOMC meeting and the Fed's plan to purchase shorter-dated Treasury securities. However, we note that levels are closer to the top range for the month than the lower one, with the 10Y UST at 4.15% compared to the past month's low of 3.99%. We estimate resistance at around 4.20% with the next FOMC meeting unlikely to result in another rate cut.

**MYR Bonds:** Local bonds strengthened despite a rise in IRS levels following the FOMC and late profit-taking activity. Meanwhile, today will see a tender for the 10Y MGS as the market awaits the 2026 MGS+GII auction calendar.

**Commodities**

The IEA trimmed its forecast of 2026's global oil supply glut to 3.84mbpd (prior: 4.09mbpd), its first downward shift in forecasts since May, as it flagged higher demand prospects from a more resilient world economy and fading anxiety over tariffs. Higher demand forecasts offset fading supply/sanction risks, with Trump reportedly envisioning major US investments into Russia,

**FX Daily Rates**

Vs. USD	Last Close	Per cent
DXY	98.35	(0.4)
EUR/USD	1.174	0.4
AUD/USD	0.666	(0.2)
GBP/USD	1.339	0.0
USD/JPY	155.59	(0.3)
USD/MYR	4.108	(0.2)
USD/IDR	16,675	(0.1)
USD/THB	31.76	(0.2)
USD/SGD	1.292	(0.1)
USD/CNY	7.052	(0.1)

**Ringgit Outlook for The Week**

	1	2
Resistance	4.171	4.230
Support	4.082	4.052

**Major Sovereign Yields (%)**

Sov. Yield	Last Close	bps
UST 2Y	3.54	0
UST 10Y	4.16	1
Germany 10Y	2.84	(1)
UK 10Y	4.48	(2)
Japan 10Y	1.93	(3)
Australia 10Y	4.72	(9)
China 10Y	1.82	(2)

**MGS Bond Yields (%)**

MGS	Last	bps
3-Year	3.04	(2)
5-Year	3.27	(3)
7-Year	3.48	(1)
10-Year	3.55	(1)
15-Year	3.77	(0)
20-Year	3.88	(0)
30-Year	3.98	(1)

**MYR Swap Rates (%)**

Swap / Rates	Last Close	bps
IRS 1-Year	3.24	(0)
IRS 3-Year	3.32	2
IRS 5-Year	3.41	2
IRS 7-Year	3.47	0
IRS 10-Year	3.63	2
3M KLIBOR	3.26	0

**Key Commodities**

Commodities	Last Close	Per cent
Brent (USD/bbl)	61.28	(1.5)
WTI (USD/bbl)	57.60	(1.5)
Gold (USD/oz)	4,280	1.2
CPO (RM/tonne)	4,010	0.2

**Policy Rates**

Central Banks	Current	Next
US Fed Funds	4.00	28-Jan
ECB Deposit Rate	2.00	18-Dec
BOE Base Rate	4.00	18-Dec
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.50	19-Dec
PBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	22-Jan

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.

restoring Russian energy flows to Europe, and tapping frozen Russian reserve assets. Brent fell 1.5%.

### Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.35	98.79	98.99	99.44	106.71	(0.4)	(0.6)	(1.1)	(7.8)	(9.3)			
EUR/USD	1.174	1.170	1.164	1.158	1.050	0.4	0.8	1.3	11.8	13.4			
AUD/USD	0.666	0.668	0.661	0.653	0.637	(0.2)	0.8	2.1	4.6	7.7			
GBP/USD	1.339	1.338	1.333	1.315	1.275	0.0	0.5	1.8	5.0	7.0			
USD/JPY	155.59	156.02	155.1	154.16	152.45	(0.3)	0.3	0.9	2.1	(1.0)			
USD/MYR	4.108	4.118	4.113	4.140	4.433	(0.2)	(0.1)	(0.8)	(7.3)	(8.2)			
USD/IDR	16,675	16,685	16,650	16,689	15,915	(0.1)	0.2	(0.1)	4.8	3.6			
USD/THB	31.76	31.82	32.04	32.40	33.89	(0.2)	(0.9)	(2.0)	(6.3)	(6.9)			
USD/SGD	1.292	1.293	1.296	1.301	1.345	(0.1)	(0.3)	(0.7)	(3.9)	(5.4)			
USD/CNY	7.052	7.061	7.072	7.122	7.279	(0.1)	(0.3)	(1.0)	(3.1)	(3.9)			
USD/KRW	1,472	1,471	1,474	1,462	1,430	0.1	(0.1)	0.7	3.0	0.0			
USD/INR	90.37	89.98	89.98	88.57	84.84	0.4	0.4	2.0	6.5	5.6			
USD/PHP	59.00	59.23	59.04	58.98	58.30	(0.4)	(0.1)	0.0	1.2	2.0			
USD/TWD	31.26	31.19	31.33	31.05	32.52	0.2	(0.2)	0.7	(3.9)	(4.7)			
USD/HKD	7.782	7.781	7.783	7.773	7.775	0.0	(0.0)	0.1	0.1	0.2			
USD/VND	26,326	26,357	26,370	26,312	25,375	(0.1)	(0.2)	0.1	3.7	3.3			
NZD/USD	0.581	0.582	0.576	0.566	0.579	(0.1)	0.8	2.7	0.4	3.8			

### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.806	4.791	4.804	4.786	4.655	0.3	0.0	0.4	3.3	3.2			
GBP/MYR	5.493	5.482	5.489	5.436	5.644	0.2	0.1	1.0	(2.7)	(2.2)			
AUD/MYR	2.732	2.738	2.721	2.699	2.814	(0.2)	0.4	1.2	(2.9)	(1.8)			
JPY/MYR	2.640	2.639	2.652	2.684	2.907	0.0	(0.4)	(1.6)	(9.2)	(7.2)			
SGD/MYR	3.174	3.177	3.177	3.177	3.296	(0.1)	(0.1)	(0.1)	(3.7)	(3.4)			
10 CNY/MYR	5.819	5.829	5.818	5.812	6.103	(0.2)	0.0	0.1	(4.7)	(5.0)			
1 million IDR/MYR	2.464	2.467	2.471	2.479	2.784	(0.1)	(0.3)	(0.6)	(11.5)	(11.1)			
THB/MYR	12.933	12.930	12.844	12.783	13.079	0.0	0.7	1.2	(1.1)	(0.7)			
10 HKD/MYR	5.278	5.292	5.286	5.323	5.702	(0.3)	(0.2)	(0.8)	(7.4)	(8.4)			

### Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	61.28	62.21	63.26	65.16	73.52	(1.5)	(3.1)	(6.0)	(16.6)	(17.9)			
WTI (USD/barrel)	57.6	58.46	59.67	61.04	70.29	(1.5)	(3.5)	(5.6)	(18.1)	(19.7)			
Gold (USD/oz)	4,280	4,229	4,208	4,127	2,718	1.2	1.7	3.7	57.5	63.1			
Malaysia CPO (RM/tonne)	4,010	4,000	4,065	4,068	5,113	0.2	(1.4)	(1.4)	(21.6)	(17.5)			

### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.04	3.05	3.01	3.13	3.46	(2)	2	(9)	(42)	(44)			
5-Year	3.27	3.30	3.25	3.26	3.59	(3)	2	1	(32)	(35)			
7-Year	3.48	3.49	3.46	3.46	3.76	(1)	2	2	(28)	(29)			
10-Year	3.55	3.55	3.48	3.52	3.79	(1)	6	2	(25)	(27)			
15-Year	3.77	3.77	3.74	3.75	3.93	(0)	2	2	(17)	(20)			
20-Year	3.88	3.88	3.85	3.91	4.04	(0)	3	(3)	(17)	(19)			
30-Year	3.98	3.99	3.98	4.01	4.18	(1)	(0)	(3)	(20)	(21)			

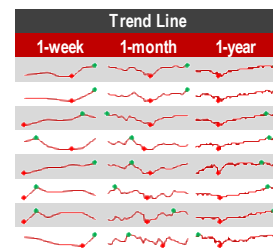
### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.14	3.15	3.12	3.14	3.40	(1)	2	(0)	(26)	(29)			
5-Year	3.29	3.29	3.26	3.24	3.60	(0)	3	5	(31)	(34)			
7-Year	3.37	3.38	3.35	3.38	3.75	(1)	2	(0)	(38)	(37)			
10-Year	3.56	3.57	3.53	3.55	3.80	(1)	3	1	(24)	(27)			
15-Year	3.76	3.76	3.75	3.76	3.94	(0)	1	0	(18)	(22)			
20-Year	3.90	3.90	3.89	3.91	4.08	(0)	1	(1)	(19)	(19)			

## Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24
S&P500 Index	6,901	6,887	6,857	6,847	6,084
Dow Jones	48,704	48,058	47,851	47,928	44,149
Nasdaq	23,594	23,654	23,505	23,468	20,035
London FTSE	9,703	9,656	9,711	9,900	8,302
German DAX	24,295	24,130	23,882	24,088	20,399
Nikkei 225	50,149	50,603	51,028	50,843	39,372
Japan TOPIX	3,357	3,389	3,398	3,322	2,749
FBM KLCI	1,625	1,611	1,621	1,635	1,603

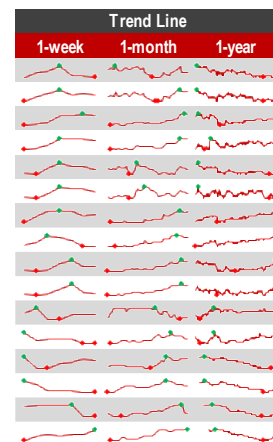
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	0.6	0.8	13.4	79.7
1.3	1.8	1.6	10.3	46.9
(0.3)	0.4	0.5	17.8	125.4
0.5	(0.1)	(2.0)	16.9	30.2
0.7	1.7	0.9	19.1	74.5
(0.9)	(1.7)	(1.4)	27.4	92.2
(0.9)	(1.2)	1.1	22.1	77.5
0.9	0.3	(0.6)	1.4	8.7



## Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24
UST 2Y	3.54	3.54	3.52	3.59	4.15
UST 10Y	4.16	4.15	4.10	4.12	4.27
Germany 2Y	2.16	2.18	2.07	2.00	1.95
Germany 10Y	2.84	2.85	2.77	2.66	2.13
UK 2Y	3.77	3.79	3.74	3.72	4.25
UK 10Y	4.48	4.51	4.44	4.39	4.32
Japan 2Y	1.06	1.07	1.03	0.94	0.59
Japan 10Y	1.93	1.96	1.94	1.69	1.08
Australia 2Y	4.03	4.12	3.99	3.64	3.79
Australia 10Y	4.72	4.81	4.70	4.39	4.18
China 2Y	1.41	1.41	1.41	1.44	1.29
China 10Y	1.82	1.84	1.86	1.81	1.84
Indonesia 2Y	5.09	5.10	5.06	4.83	6.93
Indonesia 10Y	6.18	6.19	6.21	6.17	6.94
Thailand 2Y	1.19	1.19	1.34	1.34	1.99
Thailand 10Y	1.74	1.74	1.74	1.74	2.28

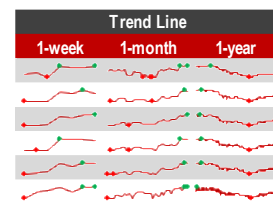
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	2	(5)	(61)	(70)
1	6	4	(11)	(41)
(2)	9	16	21	8
(1)	7	19	72	48
(2)	3	5	(48)	(62)
(2)	5	10	17	(8)
(2)	3	12	46	45
(3)	(1)	24	85	83
(9)	5	39	24	17
(9)	2	33	54	36
0	(0)	(2)	12	31
(2)	(3)	1	(2)	15
(1)	4	26	(183)	(195)
(1)	(3)	1	(76)	(82)
0	(16)	(16)	(81)	(81)
0	0	0	(54)	(52)



## Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24
IRS 1-Year	3.24	3.24	3.23	3.21	3.59
IRS 3-Year	3.32	3.30	3.26	3.21	3.47
IRS 5-Year	3.41	3.39	3.34	3.27	3.50
IRS 7-Year	3.47	3.47	3.41	3.35	3.59
IRS 10-Year	3.63	3.61	3.54	3.49	3.70
IRS 20-Year	3.92	3.87	3.81	3.81	4.05

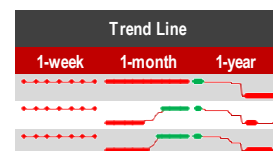
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	1	2	(35)	(34)
2	6	11	(15)	(18)
2	6	14	(10)	(14)
0	6	13	(12)	(16)
2	9	15	(7)	(10)
6	12	12	(13)	(3)



## Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24
1-Month Klibor	3.00	3.00	3.00	3.00	3.29
3-Month Klibor	3.26	3.26	3.26	3.22	3.71
6-Month Klibor	3.29	3.29	3.29	3.26	3.76

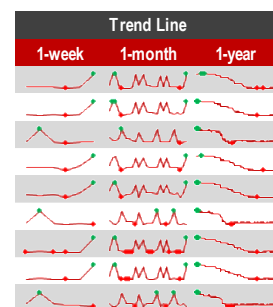
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(29)	(29)
0	0	4	(45)	(47)
0	0	3	(47)	(48)



## Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	11-Dec-25	10-Dec-25	4-Dec-25	11-Nov-25	11-Dec-24
3-Year AAA	3.53	3.52	3.52	3.53	3.82
3-Year AA	3.69	3.68	3.68	3.69	4.00
3-Year A	4.52	4.53	4.53	4.53	4.89
5-Year AAA	3.61	3.60	3.59	3.60	3.91
5-Year AA	3.77	3.76	3.76	3.77	4.09
5-Year A	4.66	4.66	4.66	4.66	5.14
10-Year AAA	3.77	3.76	3.75	3.77	4.06
10-Year AA	3.93	3.91	3.91	3.93	4.24
10-Year A	5.02	5.04	5.04	5.03	5.63

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	0	(28)	(30)
1	1	0	(31)	(32)
(0)	(0)	(0)	(37)	(33)
1	1	0	(31)	(32)
1	1	0	(32)	(33)
(1)	(1)	(0)	(49)	(43)
2	2	0	(29)	(30)
2	2	0	(31)	(31)
(1)	(1)	(0)	(61)	(54)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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