



Fixed Income & FX Research

24 December 2024

Snapshot Summary...

Global FX: The dollar rebounded, recovering from Friday's losses**Global Rates:** US Treasury market started off the holiday-shortened week on weaker note**MYR Bonds:** Ringgit government bond market saw muted trading flows**USD/MYR:** The MYR gained further, in contrast with MSCI EM Currency movement

Macro News

UK: The final GDP report confirmed the UK economy stagnated in 3Q2024, covering the first three months of the new Labour government in the lead-up to its highly anticipated maiden budget at the end of October. This marks a downward revision from the preliminary estimate of 0.1% y/y growth and is lower than the revised 2Q2024 growth of 0.4%. The economy stalled amid prolonged elevated interest rates, weaker external demand, and concerns over budget policies, including tax rises and higher state borrowing. The services sector recorded no growth, while a 0.4% decline in production output offset a 0.7% increase in construction. The figures leaves the new government under pressure, with Chancellor Rachel Reeves acknowledging the huge challenge ahead to fix the economy.

Singapore: Singapore's November inflation data showed a deceleration in core CPI, which excludes accommodation and private transport costs, to a three-year low of 1.9% y/y, down from 2.1% in October. This has sparked speculation that the Monetary Authority of Singapore (MAS) may ease its monetary policy as early as January. The slowdown in core inflation was mainly driven by slower price growth in food and services. Meanwhile, overall inflation rose to 1.6% from 1.4%, as private transport costs declined at a more gradual pace.

Fixed Income

Global Bonds: The US Treasury market remained weak as we opened the holiday-shortened week, as sentiment remained affected by outlook for high inflation and slower pace of rate cuts in the coming year. Also on Monday, the UST market was cautious as the government held sale of the 2Y notes, worth USD69 billion. The sale is the first this week of a total of USD183 billion of UST papers. Nevertheless, the 2Y auction garnered a firm 3.73 times bid cover, and where foreign demand was strong reflected by indirect bidders ending up with 82.1% of the issuance.

MYR Government Bonds: The ringgit government bond market saw muted trading flows where benchmark MGS papers up to 10Y tenors generally saw less than MYR100 million volume each. Nevertheless, what little that were traded were on firmer footing which we think owed to UST yields finding resistance below the 4.60% level during the Asian session yesterday.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	108.04	0.4
EUR/USD	1.041	(0.2)
AUD/USD	0.625	(0.0)
GBP/USD	1.254	(0.3)
USD/JPY	157.17	0.6
USD/MYR	4.490	(0.3)
USD/IDR	16,175	(0.1)
USD/THB	34.21	(0.7)
USD/SGD	1.357	0.1
USD/CNY	7.296	0.0
USD/KRW	1,452	0.3
USD/INR	85.12	0.1
USD/PHP	58.46	(0.6)
USD/TWD	32.70	(0.0)
USD/HKD	7.770	(0.1)
USD/VND	25,450	(0.0)
NZD/USD	0.565	(0.1)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.673	(0.2)
GBP/MYR	5.644	0.2
AUD/MYR	2.810	0.0
JPY/MYR	2.857	(0.9)
SGD/MYR	3.312	(0.1)
10CNY/MYR	6.154	(0.4)
100IDR/MYR	2.772	(0.3)
THB/MYR	13.110	0.2
10HKD/MYR	5.778	(0.4)
100INR/MYR	5.270	(0.6)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.49	(0)
5-Year	08/29	3.64	(1)
7-Year	04/31	3.78	(1)
10-Year	07/34	3.84	(1)
15-Year	04/39	3.98	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	3.59	(0)
IRS 3-Year	3.51	(1)
IRS 5-Year	3.57	(1)
IRS 7-Year	3.64	(3)
IRS 10-Year	3.75	0
3-M KLIBOR	3.73	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.34	3
UST 10Y	4.59	6
Germany 10Y	2.32	4
UK 10Y	4.55	4
Japan 10Y	1.08	1
Australia 10Y	4.41	(9)
China 10Y	1.71	(1)
Korea 10Y	2.85	(1)
Indonesia 10Y	7.05	(2)
Thailand 10Y	2.22	(0)
Malaysia 10Y	3.84	(1)

MYR Corporate Bonds: Trading interest in the PDS market was also muted which is not surprising ahead of the year end. Meanwhile, yields moved mixed yesterday amid realignment along select issuers. Notable trades yesterday include AAA rated Air Selangor 08/34 traded unchanged at 4.00% but Air Selangor 10/31 ended 2 bps higher at 4.05%.

Forex

US: The dollar rebounded, recovering from Friday's losses. Investor sentiment on the dollar improved after Congress passed spending legislation to avoid a government shutdown over the weekend, while strong capital goods orders signalled economic resilience despite a sharp drop in consumer confidence. Some suspected safe haven bid also drove the dollar after the President-elect Trump threatened to increase US control over Panama Canal, raising the global uncertainty.

Europe: The euro declined by 0.2% as ECB President Christine Lagarde indicated the eurozone inflation is nearing the central bank's medium-term target, reiterating that further rate cuts could follow. Meanwhile, the GBP fell 0.3% on the day.

Asia Pacific: The Japanese yen weakened as sentiment on the currency continues to be dictated by the BoJ's patience in raising interest rates, making the JPY vulnerable against the current dollar-seeking trend. The USDCNY pair caught a bid as the dollar surged higher for the fourth time in five sessions, despite a stronger-than-expected PBoC fix at 7.1870 vs. the average Bloomberg Survey estimate of 7.2901. The yuan may also be pressured by news suggesting Biden's team is probing tariffs on China's legacy chips, setting the stage for Trump to tackle supply chain risks and national security issues, potentially raising trade tensions further.

Malaysia: The MYR gained further following the lower-than-expected US PCE inflation and closed just below the 4.50-level. This is in contrast with the fall in MSCI EM Currency, which fell 0.1%. The ringgit retained its crown with 2.3% positive spot returns, compared with other regional and major currencies.

Other Markets

Gold: Gold price declined 0.4% as the dollar strengthened, driven by traders evaluating US monetary policy outlook for 2025 and recent consumer confidence and inflation data.

Oil: Oil prices edged lower in light holiday trading, with WTI nearing USD70 and Brent below USD74, as a stronger dollar and Trump's geopolitical actions, threatening to seize the Panama Canal, influenced the market.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.83	1
3-Year AA	4.04	3
3-Year A	4.88	1
5-Year AAA	3.93	2
5-Year AA	4.11	2
5-Year A	5.12	2
10-Year AAA	4.09	1
10-Year AA	4.26	1
10-Year A	5.60	2

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	72.63	(0.4)
WTI (USD/bl)	69.81	(0.4)
Gold (USD/oz)	2,613	(0.4)
CPO (RM/tonne)	4,828	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,974	0.7
Dow Jones	42,907	0.2
Nasdaq	19,765	1.0
London FTSE	8,103	0.2
German DAX	19,849	(0.2)
Nikkei 225	39,161	1.2
Japan TOPIX	2,727	0.9
FBM KLCI	1,596	0.3
Strait Times	3,752	0.9
Jakarta	7,096	1.6
Shanghai	3,351	(0.5)
MSCI Asia Pac	181	1.0
MSCI World	3,745	0.6
Hang Seng	19,883	0.8
KOSPI	2,442	1.6
Thai Stock Exc	1,387	1.6
Taiwan	23,105	2.6
India	78,540	0.6
Australia	8,202	1.7

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	30-Jan
ECB Main Refinancing	3.15	30-Jan
BoE Base Rate	4.75	06-Feb
RBA Cash Rate	4.35	18-Feb
BoJ Cash Rate	0.25	24-Jan
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.00	-
BNM OPR	3.00	22-Jan

Ringgit Outlook for The Week

	1	2
Resistance	4.540	4.550
Support	4.430	4.450

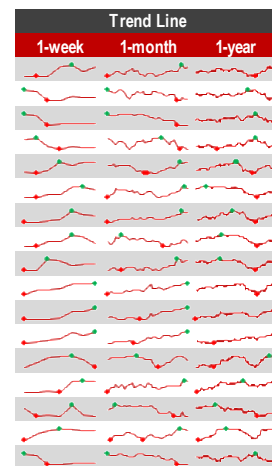
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
DXY Dollar Index	108.04	107.62	106.86	107.55	101.70
EUR/USD	1.041	1.043	1.051	1.042	1.101
AUD/USD	0.625	0.625	0.637	0.650	0.680
GBP/USD	1.254	1.257	1.268	1.253	1.270
USD/JPY	157.17	156.31	154.15	154.78	142.41
USD/MYR	4.490	4.506	4.449	4.470	4.629
USD/IDR	16,175	16,195	16,000	15,875	15,483
USD/THB	34.21	34.47	34.07	34.58	34.64
USD/SGD	1.357	1.356	1.350	1.347	1.324
USD/CNY	7.296	7.295	7.284	7.248	7.136
USD/KRW	1,452	1,447	1,437	1,406	1,303
USD/INR	85.12	85.02	84.87	84.46	83.15
USD/PHP	58.46	58.80	58.69	58.92	55.40
USD/TWD	32.70	32.70	32.50	32.60	31.20
USD/HKD	7.770	7.776	7.774	7.784	7.812
USD/VND	25,450	25,455	25,393	25,422	24,250
NZD/USD	0.565	0.565	0.578	0.583	0.630

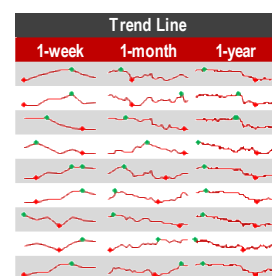
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.4	1.1	0.4	6.2	6.6
(0.2)	(1.0)	(0.1)	(5.5)	(5.7)
(0.0)	(1.9)	(3.9)	(8.1)	(8.3)
(0.3)	(1.2)	0.0	(1.3)	(1.5)
0.6	2.0	1.5	10.4	11.4
(0.3)	0.9	0.5	(3.0)	(2.3)
(0.1)	1.1	1.9	4.5	5.1
(0.7)	0.4	(1.0)	(1.2)	0.2
0.1	0.6	0.8	2.5	2.8
0.01	0.2	0.7	2.2	2.8
0.3	1.0	3.2	11.4	12.7
0.1	0.3	0.8	2.4	2.3
(0.6)	(0.4)	(0.8)	5.5	5.5
(0.0)	0.6	0.3	4.8	6.5
(0.1)	(0.1)	(0.2)	(0.5)	(0.5)
(0.0)	0.2	0.1	4.9	4.9
(0.1)	(2.3)	(3.2)	(10.3)	(10.6)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
EUR/MYR	4.673	4.680	4.677	4.648	5.093
GBP/MYR	5.644	5.634	5.630	5.593	5.872
AUD/MYR	2.810	2.809	2.832	2.900	3.144
JPY/MYR	2.857	2.882	2.888	2.887	3.250
SGD/MYR	3.312	3.315	3.299	3.313	3.495
10CNY/MYR	6.154	6.178	6.113	6.166	6.494
100IDR/MYR	2.772	2.779	2.782	2.815	2.989
THB/MYR	13.110	13.084	13.053	12.965	13.397
10HKD/MYR	5.778	5.799	5.727	5.741	5.923

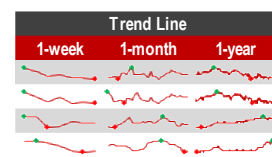
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.2)	(0.1)	0.5	(8.3)	(7.9)
0.2	0.2	0.9	(3.9)	(3.3)
0.0	(0.8)	(3.1)	(10.6)	(10.1)
(0.9)	(1.1)	(1.1)	(12.1)	(12.2)
(0.1)	0.4	(0.0)	(5.2)	(4.8)
(0.4)	0.7	(0.2)	(5.2)	(4.8)
(0.3)	(0.4)	(1.5)	(7.3)	(7.1)
0.2	0.4	1.1	(2.1)	(2.2)
(0.4)	0.9	0.6	(2.4)	(1.8)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
Brent (USD/barrel)	72.63	72.94	73.91	75.17	79.07
WTI (USD/barrel)	69.81	70.06	70.71	71.71	73.26
Gold (USD/oz)	2,613	2,623	2,653	2,716	2,053
Malaysia CPO (RM/tonne)	4,828	4,828	5,058	4,872	3,663

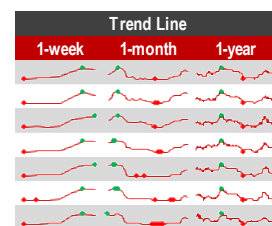
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.4)	(1.7)	(3.4)	(8.1)	(5.7)
(0.4)	(1.3)	(2.6)	(4.7)	(2.6)
(0.4)	(1.5)	(3.8)	27.3	26.6
0.0	(4.5)	(0.9)	31.8	29.9



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
3-Year	3.49	3.49	3.48	3.47	3.46
5-Year	3.64	3.66	3.63	3.61	3.57
7-Year	3.78	3.79	3.77	3.77	3.71
10-Year	3.84	3.85	3.82	3.81	3.74
15-Year	3.98	3.97	3.95	3.93	3.99
20-Year	4.06	4.06	4.05	4.07	4.10
30-Year	4.18	4.19	4.18	4.18	4.26

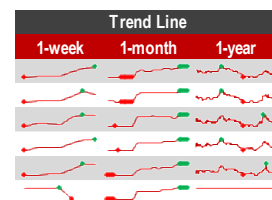
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	1	2	3	3
(1)	1	3	7	7
(1)	1	1	7	6
(1)	2	3	10	11
1	3	5	(1)	(0)
(0)	1	(0)	(4)	(4)
(0)	0	(0)	(8)	(6)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
3-Year	3.44	3.44	3.41	3.42	3.50
5-Year	3.66	3.67	3.63	3.62	3.60
7-Year	3.79	3.79	3.77	3.78	3.75
10-Year	3.86	3.85	3.82	3.83	3.77
15-Year	3.98	3.98	3.95	3.96	3.96
20-Year	4.10	4.10	4.09	4.09	4.12

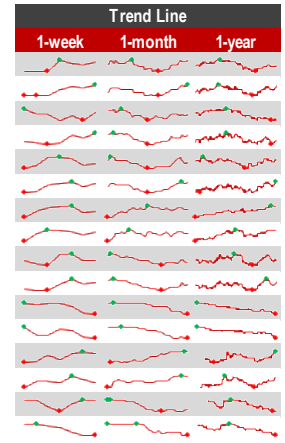
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	3	2	(6)	(5)
(2)	2	4	6	6
(0)	2	1	4	3
0	3	2	8	7
(0)	3	2	3	3
(0)	1	1	(2)	(2)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
UST 2Y	4.34	4.31	4.25	4.37	4.32
UST 10Y	4.59	4.52	4.40	4.40	3.90
Germany 2Y	2.06	2.03	2.05	1.99	2.43
Germany 10Y	2.32	2.29	2.25	2.24	1.98
UK 2Y	4.38	4.35	4.36	4.33	4.06
UK 10Y	4.55	4.51	4.44	4.39	3.51
Japan 2Y	0.59	0.58	0.59	0.59	0.06
Japan 10Y	1.08	1.06	1.07	1.09	0.63
Australia 2Y	3.93	3.98	3.92	4.08	3.75
Australia 10Y	4.41	4.49	4.32	4.54	4.01
China 2Y	1.06	1.08	1.17	1.39	2.33
China 10Y	1.71	1.72	1.73	2.08	2.62
Indonesia 2Y	7.02	7.03	6.99	6.64	6.55
Indonesia 10Y	7.05	7.07	7.06	6.93	6.50
Thailand 2Y	1.99	1.99	1.99	2.06	2.34
Thailand 10Y	2.22	2.22	2.29	2.42	2.73

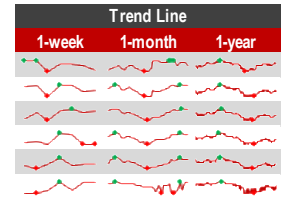
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
3	9	(3)	2	9
6	19	19	69	71
3	1	7	(37)	(35)
4	8	8	34	30
3	2	6	32	40
4	10	16	104	101
1	0	(0)	53	54
1	0	(1)	45	46
(6)	1	(16)	17	22
(9)	9	(14)	40	45
(3)	(11)	(34)	(127)	(114)
(1)	(2)	(37)	(91)	(85)
(1)	3	38	47	51
(2)	(1)	13	55	57
(0)	0	(7)	(35)	(34)
(0)	(7)	(20)	(51)	(46)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
IRS 1-Year	3.59	3.59	3.60	3.57	3.59
IRS 3-Year	3.51	3.52	3.52	3.50	3.50
IRS 5-Year	3.57	3.57	3.55	3.53	3.58
IRS 7-Year	3.64	3.66	3.64	3.62	3.70
IRS 10-Year	3.75	3.75	3.75	3.74	3.84
IRS 20-Year	4.10	3.95	3.89	4.09	4.20

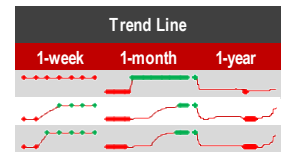
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(2)	2	0	1
(1)	(1)	1	1	2
(1)	1	3	(2)	(2)
(3)	(1)	1	(6)	(7)
0	0	1	(9)	(7)
15	21	1	(10)	(11)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
1-Month Klibor	3.29	3.29	3.29	3.29	3.37
3-Month Klibor	3.73	3.73	3.71	3.61	3.77
6-Month Klibor	3.77	3.77	3.76	3.66	3.81

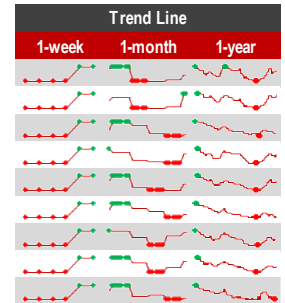
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(8)	(8)
0	2	12	(4)	(4)
0	1	11	(4)	(4)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	23-Dec-24	20-Dec-24	16-Dec-24	23-Nov-24	24-Dec-23
3-Year AAA	3.83	3.83	3.82	3.85	3.87
3-Year AA	4.04	4.04	4.00	4.03	4.05
3-Year A	4.88	4.88	4.87	4.94	5.24
5-Year AAA	3.93	3.93	3.91	3.93	3.98
5-Year AA	4.11	4.11	4.09	4.13	4.18
5-Year A	5.12	5.12	5.10	5.19	5.54
10-Year AAA	4.09	4.09	4.08	4.09	4.20
10-Year AA	4.26	4.26	4.25	4.27	4.41
10-Year A	5.60	5.60	5.58	5.72	6.03

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	(2)	(4)	(2)
0	3	1	(1)	(0)
0	1	(6)	(36)	(36)
0	2	(0)	(5)	(4)
0	2	(2)	(7)	(7)
0	2	(7)	(42)	(43)
0	1	(0)	(11)	(9)
0	1	(1)	(15)	(15)
0	2	(12)	(43)	(46)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only, and it is issued by AmBank (M) Berhad ("AmBank") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation, or expression of views to influence anyone to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment, or other products. AmBank recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal, or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmBank believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmBank has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete, or up-to-date and they should not be relied upon as such. All information included in this report constitute AmBank's views as of this date and are subject to change without notice. Notwithstanding that, AmBank has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmBank's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group, and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmBank's prior written consent. AmBank, AmBank Group and its respective directors, officers, employees, and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect, or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given about this report. Any such responsibility is hereby expressly disclaimed.

AmBank is not acting as your advisor and does not owe you any fiduciary duties related to this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and may trade or otherwise effect transactions for their own account or the accounts of their customers, which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held invalid in whole or part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.