



## Fixed Income &amp; FX Research

26 December 2024

## Snapshot Summary...

**Global FX:** The dollar remained steady but finding resistance below 108.50

**Global Rates:** US Treasury yields remained elevated as players continue to respond to Fed's rate cut signals

**MYR Bonds:** Ringgit government bonds were lacking in interest ahead of the year end

**USD/MYR:** The MYR was firm as the dollar was backing down from recent highs

## Macro News

**Malaysia:** Malaysia's PPI decreased by 0.4% y/y in November, following a 2.4% decline in October. This marks the third consecutive month of producer deflation, although at a slower pace.

**China:** The People's Bank of China (PBoC) injected CNY300 billion into financial institutions on December 25 through a one-year medium-term lending facility (MLF) at an unchanged rate of 2.0%. This was in contrast to CNY1.45 trillion of MLF loans maturing this month, resulting in a net cash withdrawal of CNY1.15 trillion, the largest since 2014. This marked the third consecutive month with a steady MLF rate following a record 30 bps reduction in September.

**US:** US Richmond Fed Manufacturing Index increased to -10 in December from -14 in November, indicating a slight improvement. Among its components, shipments and employment remained stable, while new orders improved from -19 to -11.

## Fixed Income

**Global Bonds:** The US Treasury market was modestly supported after the 5Y UST sale but yields remained elevated on a weekly basis post last week's FOMC meeting and 'hawkish' rate cut. The 5Y UST auction worth USD70 billion garnered a firm 2.40x BTC at a high yield of 4.478%.

**MYR Government Bonds:** The ringgit government bond market was thinly traded as market participants were either away from their desks ahead of the year end or were already closing their books for the year. Yields were down slightly but this occurred on very light volumes.

**MYR Corporate Bonds:** Trading interest in the PDS market was mixed to weaker ahead of the Christmas break. Various names appeared on the traded list led by papers such as AAA rated PLUS 01/29 which rose 15 bps to 3.89% A-rated MBSB 12/31 which closed unchanged at 4.06%.

## FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	108.26	0.0
EUR/USD	1.041	0.1
AUD/USD	0.624	0.0
GBP/USD	1.256	0.2
USD/JPY	157.33	0.1
USD/MYR	4.487	0.0
USD/IDR	16,195	0.0
USD/THB	34.22	0.2
USD/SGD	1.359	(0.1)
USD/CNY	7.295	(0.0)
USD/KRW	1,458	0.0
USD/INR	85.20	0.0
USD/PHP	58.46	0.0
USD/TWD	32.69	0.0
USD/HKD	7.767	(0.0)
USD/VND	25,431	(0.0)
NZD/USD	0.565	0.0

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.663	0.0
GBP/MYR	5.634	0.2
AUD/MYR	2.806	0.3
JPY/MYR	2.853	(0.1)
SGD/MYR	3.302	0.0
10CNY/MYR	6.147	(0.1)
100IDR/MYR	2.771	(0.0)
THB/MYR	13.138	0.0
10HKD/MYR	5.776	(0.0)
100INR/MYR	5.270	0.0

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.49	0
5-Year	08/29	3.64	0
7-Year	04/31	3.78	0
10-Year	07/34	3.84	0
15-Year	04/39	3.98	0
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	3.58	0
IRS 3-Year	3.52	1
IRS 5-Year	3.57	(0)
IRS 7-Year	3.65	1
IRS 10-Year	3.77	2
3-M KLIBOR	3.73	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.33	0
UST 10Y	4.59	0
Germany 10Y	2.32	0
UK 10Y	4.58	0
Japan 10Y	1.09	0
Australia 10Y	4.44	0
China 10Y	1.75	2
Korea 10Y	2.88	0
Indonesia 10Y	7.05	0
Thailand 10Y	2.22	(0)
Malaysia 10Y	3.84	0

## Forex

**US:** The dollar remained supported ahead of the Christmas break as sentiment for the greenback remained aided by the prospects for slower-than-expected Fed rate cut next year. Nevertheless, last week's softer-than-expected PCE inflation data and the US government averting a shutdown pared the dollar gains.

**Europe:** The light trading session during Christmas eve favoured the dollar and pressured other currencies including the EUR and GBP. Sentiments surrounding the GBP continue to be on the downside following Monday's data showing UK's economy stagnated during 3Q2024, further putting dilemma for the BoE in maintaining its policy rate.

**Asia Pacific:** Most Asian currencies remained weak so far this week, against the strong USD. The CNY weakness was also sustained amid China's growth worries though expectations remained for additional fresh stimulus. On the other hand, expectations of easier monetary policy continue to pressure China's currency. The JPY is starting this morning on firmer ground though is weaker from a week ago. Data this week being awaited is the Tokyo CPI which is anticipated to show a higher 2.9% y/y in November versus 2.6% in October though expectations is also for BoJ to remain patient before its next rate hike. The AUD fell as the RBA minutes highlighted a cautious stance, emphasizing that current policies remain restrictive to address inflation risks, while acknowledging easing inflation trends.

**Malaysia:** The MYR was receiving some support below the 4.450 level this week, partly as the DXY level was finding resistance below 108.50. We think short-term moves are mainly technical amid a lack of major drivers.

## Other Markets

**Gold:** Gold remained supported amid outlook for Fed rate policy path next year though firm USD are pressuring a cautious gold direction for the time being.

**Oil:** Oil prices were supported amid a lack of short-term drivers. Sentiment was driven by expectations of longer-term expectations such as China providing more stimulus to drive its economy, Trump push for the US economy and prospects of continued OPEC+ output cuts.

## 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)	73.58	0.0
WTI (USD/bl)	70.80	0.0
Gold (USD/oz)	2,617	0.0
CPO (RM/tonne)	4,853	0.0

## Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,040	0.0
Dow Jones	43,297	0.0
Nasdaq	20,031	0.0
London FTSE	8,137	0.0
German DAX	19,849	0.0
Nikkei 225	39,130	0.2
Japan TOPIX	2,734	0.2
FBM KLCI	1,603	0.0
Strait Times	3,770	0.0
Jakarta	7,066	0.0
Shanghai	3,393	(0.0)
MSCI Asia Pac	182	0.1
MSCI World	3,779	0.0
Hang Seng	20,098	0.0
KOSPI	2,441	0.0
Thai Stock Exc	1,401	0.4
Taiwan	23,220	0.4
India	78,473	0.0
Australia	8,221	0.0

## 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

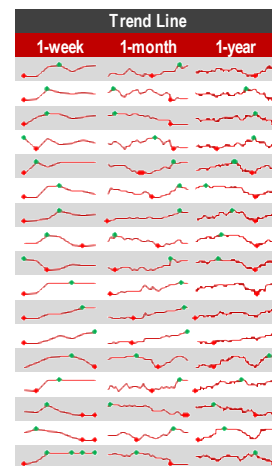
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
DXY Dollar Index	108.26	108.26	108.03	106.82	101.47
EUR/USD	1.041	1.040	1.035	1.050	1.104
AUD/USD	0.624	0.624	0.622	0.650	0.683
GBP/USD	1.256	1.254	1.257	1.257	1.273
USD/JPY	157.33	157.19	154.8	154.23	142.4
USD/MYR	4.487	4.487	4.470	4.452	4.639
USD/IDR	16,195	16,195	16,090	15,870	15,483
USD/THB	34.22	34.15	34.25	34.64	34.58
USD/SGD	1.359	1.360	1.363	1.346	1.323
USD/CNY	7.295	7.295	7.286	7.246	7.143
USD/KRW	1,458	1,458	1,439	1,400	1,294
USD/INR	85.20	85.20	84.96	84.29	83.19
USD/PHP	58.46	58.46	59.00	58.99	55.40
USD/TWD	32.69	32.68	32.49	32.48	31.06
USD/HKD	7.767	7.768	7.770	7.782	7.808
USD/VND	25,431	25,441	25,452	25,416	24,309
NZD/USD	0.565	0.565	0.562	0.585	0.633

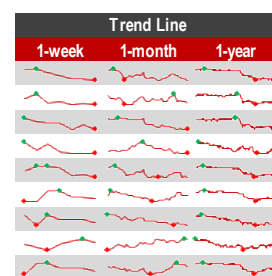
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.0	0.2	1.3	6.7	6.8
0.1	0.5	(0.8)	(5.8)	(5.7)
0.0	0.3	(4.1)	(8.6)	(8.4)
0.2	(0.1)	(0.1)	(1.3)	(1.3)
0.1	1.6	2.0	10.5	11.5
0.0	0.4	0.8	(3.3)	(2.3)
0.0	0.7	2.0	4.6	5.2
0.2	(0.1)	(1.2)	(1.0)	0.2
(0.1)	(0.3)	1.0	2.7	2.9
(0.01)	0.1	0.7	2.1	2.7
0.0	1.3	4.2	12.7	13.2
0.0	0.3	1.1	2.4	2.4
0.0	(0.9)	(0.9)	5.5	5.5
0.0	0.6	0.6	5.2	6.4
(0.0)	(0.1)	(0.2)	(0.5)	(0.6)
(0.0)	(0.1)	0.1	4.6	4.8
0.0	0.5	(3.3)	(10.7)	(10.6)



### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
EUR/MYR	4.663	4.662	4.691	4.671	5.109
GBP/MYR	5.634	5.623	5.671	5.597	5.887
AUD/MYR	2.806	2.797	2.819	2.900	3.154
JPY/MYR	2.853	2.855	2.887	2.888	3.258
SGD/MYR	3.302	3.300	3.307	3.305	3.504
10CNY/MYR	6.147	6.151	6.135	6.147	6.494
100IDR/MYR	2.771	2.772	2.777	2.804	2.996
THB/MYR	13.138	13.138	13.059	12.868	13.410
10HKD/MYR	5.776	5.778	5.753	5.723	5.942

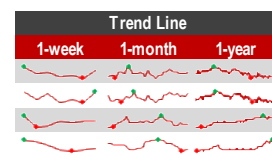
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.0	(0.6)	(0.2)	(8.7)	(8.1)
0.2	(0.7)	0.7	(4.3)	(3.5)
0.3	(0.5)	(3.3)	(11.0)	(10.3)
(0.1)	(1.2)	(1.2)	(12.4)	(12.3)
0.0	(0.2)	(0.1)	(5.8)	(5.1)
(0.1)	0.2	0.0	(5.3)	(4.9)
(0.0)	(0.2)	(1.2)	(7.5)	(7.1)
0.0	0.6	2.1	(2.0)	(1.9)
(0.0)	0.4	0.9	(2.8)	(1.8)



### Commodities

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
Brent (USD/barrel)	73.58	73.58	73.39	73.01	81.07
WTI (USD/barrel)	70.8	70.8	70.58	69.27	75.57
Gold (USD/oz)	2,617	2,617	2,585	2,625	2,068
Malaysia CPO (RM/tonne)	4,853	4,853	4,839	4,886	3,698

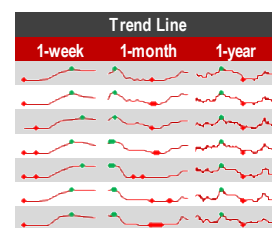
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.0	0.3	0.8	(9.2)	(4.5)
0.0	0.3	2.2	(6.3)	(1.2)
0.0	1.2	(0.3)	26.6	26.8
0.0	0.3	(0.7)	31.2	30.6



### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
3-Year	3.49	3.49	3.47	3.47	3.46
5-Year	3.64	3.64	3.62	3.60	3.57
7-Year	3.78	3.78	3.78	3.78	3.71
10-Year	3.84	3.84	3.82	3.81	3.74
15-Year	3.98	3.98	3.95	3.93	3.99
20-Year	4.06	4.06	4.06	4.06	4.10
30-Year	4.18	4.18	4.18	4.18	4.24

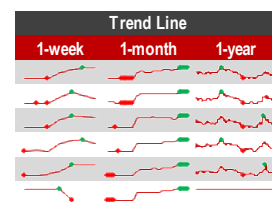
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	2	3	3	3
0	2	4	7	7
0	1	1	7	6
0	2	3	10	11
0	3	5	(1)	(0)
0	1	0	(4)	(4)
0	0	1	(6)	(6)



### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
3-Year	3.44	3.44	3.41	3.41	3.50
5-Year	3.65	3.65	3.63	3.61	3.60
7-Year	3.79	3.79	3.77	3.77	3.75
10-Year	3.85	3.85	3.83	3.82	3.78
15-Year	3.98	3.98	3.96	3.95	3.95
20-Year	4.10	4.10	4.09	4.09	4.12

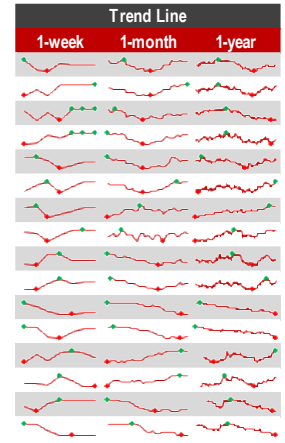
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	3	3	(6)	(6)
0	2	4	5	5
0	2	2	4	3
0	2	3	7	6
0	3	3	3	3
0	1	1	(2)	(2)



### Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
UST 2Y	4.33	4.33	4.35	4.27	4.35
UST 10Y	4.59	4.59	4.51	4.27	3.90
Germany 2Y	2.06	2.06	2.03	2.02	2.43
Germany 10Y	2.32	2.32	2.25	2.21	1.98
UK 2Y	4.41	4.41	4.46	4.32	4.06
UK 10Y	4.58	4.58	4.56	4.34	3.51
Japan 2Y	0.60	0.59	0.60	0.60	0.07
Japan 10Y	1.09	1.08	1.08	1.08	0.64
Australia 2Y	3.92	3.92	3.87	4.05	3.75
Australia 10Y	4.44	4.44	4.28	4.48	4.01
China 2Y	1.07	1.05	1.18	1.38	2.27
China 10Y	1.75	1.74	1.77	2.06	2.58
Indonesia 2Y	7.01	7.01	7.00	6.59	6.55
Indonesia 10Y	7.05	7.05	7.05	6.91	6.50
Thailand 2Y	1.99	1.99	1.98	2.04	2.34
Thailand 10Y	2.22	2.22	2.27	2.41	2.68

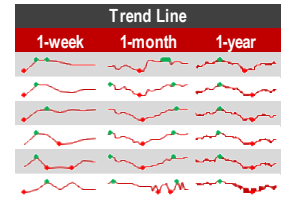
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(2)	6	(2)	8
0	7	32	69	71
0	3	3	(37)	(35)
0	8	11	34	30
0	(5)	9	35	43
0	2	23	107	104
1	0	1	54	55
0	0	1	45	47
0	5	(13)	17	21
0	16	(4)	43	48
2	(11)	(32)	(121)	(113)
2	(1)	(30)	(83)	(81)
0	1	42	46	50
0	(1)	14	55	57
0	1	(5)	(35)	(34)
(0)	(5)	(19)	(46)	(46)



### Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
IRS 1-Year	3.58	3.58	3.57	3.57	3.59
IRS 3-Year	3.52	3.51	3.51	3.48	3.50
IRS 5-Year	3.57	3.57	3.55	3.52	3.58
IRS 7-Year	3.65	3.64	3.64	3.61	3.70
IRS 10-Year	3.77	3.75	3.75	3.72	3.83
IRS 20-Year	3.96	3.96	3.95	4.07	4.20

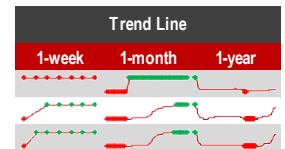
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	1	(0)	0
1	1	4	2	2
(0)	2	5	(1)	(1)
1	1	4	(5)	(6)
2	2	4	(6)	(5)
0	0	(12)	(24)	(26)



### Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-Dec-23
1-Month Klibor	3.29	3.29	3.29	3.29	3.37
3-Month Klibor	3.73	3.73	3.73	3.62	3.77
6-Month Klibor	3.77	3.77	3.77	3.67	3.81

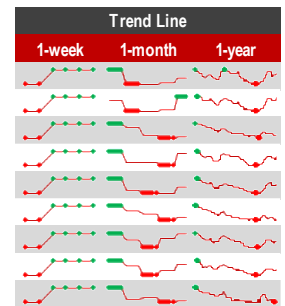
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(8)	(8)
0	0	11	(4)	(4)
0	0	10	(4)	(4)



### Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	25-Dec-24	24-Dec-24	18-Dec-24	25-Nov-24	26-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

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