



## Fixed Income &amp; FX Research

30 December 2024

## Snapshot Summary...

**Global FX:** Dollar closes lower amid tight trading range during festive season**Global Rates:** US Treasuries hit seven-month highs amid inflation fears and slow rate cut expectations**MYR Bonds:** MGS closed mixed within a narrow range on lack of trading interest**USD/MYR:** Ringgit recovers amid positive economic prospects despite early losses

## Macro News

**Singapore:** Singapore's PPI fell by 3% y/y in November, marking the fourth consecutive month of decline. However, this decline was less severe than the downwardly revised 5.1% drop in the previous month.**Japan:** Retail sales in Japan increased by 2.8% y/y in November, up from a downwardly revised 1.3% rise in October, significantly surpassing market expectations of a 1.7% gain. This marked the 32nd consecutive month of retail sales growth and the fastest pace since August, supported by rising wages that continue to boost consumption.

## Fixed Income

**Global Bonds:** The US Treasuries remained affected by expectations of slow rate cuts and rising inflation fears ahead of the Trump presidency. Yields moved higher by around 5 bps on the medium tenors Friday and is now at seven-month highs. There was muted reaction to data showing US retailers' inventories ticking higher by 0.3% on Friday. In the week ahead, incoming macro data include pending home sales for November and the S&P Case Shiller house price index.**MYR Government Bonds:** Benchmark ringgit government bonds closed mixed within a narrow range last Friday as trading interest remained muted amid the year-end period. We noted the 3Y MGS closed 2 bps higher at 3.50% on decent MYR123 million volume and the 10Y GII inching 1 bp lower to close at 3.83% on MYR170 million volume but other benchmarks lacked much trading interest.**MYR Corporate Bonds:** Similarly in the ringgit corporate bond market, trading interest was also lacking. Amid the thin market, we noticed some bids on GG papers, such as Danainfra 04/33 which was dealt 3 bps lower to 3.92% on MYR40 million volume and Danainfra 11/40 which fell 1 bps to close at 4.03% on just MYR10 million volume.

## Forex

**US:** The dollar closed in red at around 108.00 but trading range was tight amidst seasonal festivities.**Europe:** The EUR was steady, closing Friday at around 1.043 while the GBP rose 0.4%. The differences in Friday's performance could be attributed by the interest rate outlook differential between the ECB and the BoE where the latter is expected to take more measured pace in lowering them due to still sticky core inflation.

## FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	108.00	(0.1)
EUR/USD	1.043	0.0
AUD/USD	0.622	(0.1)
GBP/USD	1.258	0.4
USD/JPY	157.87	(0.1)
USD/MYR	4.471	0.0
USD/IDR	16,235	0.2
USD/THB	34.11	(0.5)
USD/SGD	1.359	(0.0)
USD/CNY	7.296	(0.0)
USD/KRW	1,471	0.0
USD/INR	85.54	0.3
USD/PHP	57.84	(0.2)
USD/TWD	32.73	0.1
USD/HKD	7.763	(0.1)
USD/VND	25,452	0.1
NZD/USD	0.564	0.2

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.658	0.2
GBP/MYR	5.593	(0.1)
AUD/MYR	2.776	(0.2)
JPY/MYR	2.837	0.3
SGD/MYR	3.287	(0.1)
10CNY/MYR	6.126	0.0
100IDR/MYR	2.754	(0.3)
THB/MYR	13.160	0.7
10HKD/MYR	5.761	0.1
100INR/MYR	5.220	(0.4)

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.50	0
5-Year	08/29	3.64	(1)
7-Year	04/31	3.77	(1)
10-Year	07/34	3.82	(0)
15-Year	04/39	3.98	0
20-Year	05/44	4.07	0
30-Year	03/53	4.19	0

## MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.57	(1)
IRS 3-Year	3.51	(0)
IRS 5-Year	3.57	0
IRS 7-Year	3.65	1
IRS 10-Year	3.75	(0)
3-M KLIBOR	3.73	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.33	(0)
UST 10Y	4.63	4
Germany 10Y	2.40	7
UK 10Y	4.63	6
Japan 10Y	1.13	3
Australia 10Y	4.38	(6)
China 10Y	1.70	(3)
Korea 10Y	2.89	(3)
Indonesia 10Y	7.04	(0)
Thailand 10Y	2.23	0
Malaysia 10Y	3.82	(0)

**Asia Pacific:** The JPY bounced off a five-month low against the dollar, fuelled by hints of a potential BoJ rate hike and a reduction in monthly bond purchases, as signalled by the summary of opinion from latest BoJ meeting. Traders are on the lookout for potential yen intervention amidst Japan's finance minister repeated warnings of readiness to prop up the currency against excessive weakness. The CNY ended last week near 13-months low, hovering just below the 7.30 per dollar level. The PBoC set the yuan's midpoint rate at 7.1893 per dollar, much stronger than expected at 7.2981 and previous fix of 7.1897 in another sign of not letting the yuan to slide.

**Malaysia:** The ringgit trimmed its early losses as the prospects for ringgit remained decent. While the weakness in yuan and cautious sentiment surrounding Trump's tariff policies would weigh on the ringgit, Malaysia's still healthy growth outlook and BNM standing still while global central banks already easing provide some allure for the ringgit. As of now, the ringgit is the only regional currency that is set to end the year higher. Nonetheless, the ringgit this week is expected to feel some turbulence as global markets continue to assess Fed's rate cut path in 2025. But the thin trading volume running up to New Year holiday would subdue markets and can leave ringgit trading in tight ranges.

### Other Markets

**Gold:** Gold was down 0.5% and set for a 0.1% weekly loss as rising US Treasury yields and reduced expectations for near-term Fed rate cuts weigh on the metal's appeal.

**Oil:** Brent and WTI prices rose by 1.2% and 1.4%, respectively as markets digested a 4.2 million barrel drop in US crude inventories, compared with market

### Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.83	0
3-Year AA	4.04	0
3-Year A	4.88	0
5-Year AAA	3.93	0
5-Year AA	4.11	0
5-Year A	5.12	0
10-Year AAA	4.09	0
10-Year AA	4.26	0
10-Year A	5.60	0

### Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	74.17	1.2
WTI (USD/bl)	70.60	1.4
Gold (USD/oz)	2,621	(0.5)
CPO (RM/tonne)	4,925	0.8

### Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,971	(1.1)
Dow Jones	42,992	(0.8)
Nasdaq	19,722	(1.5)
London FTSE	8,150	0.2
German DAX	19,984	0.7
Nikkei 225	40,281	1.8
Japan TOPIX	2,802	1.3
FBM KLCI	1,628	0.9
Strait Times	3,772	0.3
Jakarta	7,037	(0.4)
Shanghai	3,400	0.1
MSCI Asia Pac	183	0.5
MSCI World	3,755	(0.6)
Hang Seng	20,090	(0.0)
KOSPI	2,405	(1.0)
Thai Stock Exc	1,401	0.3
Taiwan	23,276	0.1
India	78,699	0.3
Australia	8,262	0.5

### 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

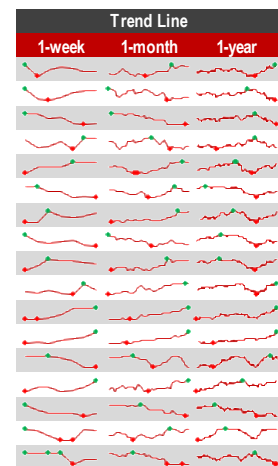
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
DXY Dollar Index	108.00	108.13	107.62	106.08	101.23
EUR/USD	1.043	1.042	1.043	1.057	1.106
AUD/USD	0.622	0.622	0.625	0.650	0.683
GBP/USD	1.258	1.253	1.257	1.268	1.273
USD/JPY	157.87	157.99	156.31	151.09	141.41
USD/MYR	4.471	4.469	4.506	4.444	4.609
USD/IDR	16,235	16,195	16,195	15,930	15,420
USD/THB	34.11	34.27	34.47	34.59	34.14
USD/SGD	1.359	1.359	1.356	1.340	1.320
USD/CNY	7.296	7.298	7.295	7.245	7.110
USD/KRW	1,471	1,471	1,447	1,392	1,288
USD/INR	85.54	85.27	85.02	84.45	83.17
USD/PHP	57.84	57.97	58.80	58.72	55.49
USD/TWD	32.73	32.70	32.70	32.54	30.71
USD/HKD	7.763	7.768	7.776	7.782	7.814
USD/VND	25,452	25,431	25,455	25,387	24,250
NZD/USD	0.564	0.562	0.565	0.589	0.633

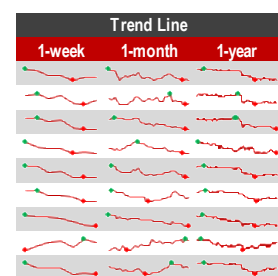
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.1)	0.4	1.8	6.7	6.6
0.0	(0.0)	(1.3)	(5.7)	(5.6)
(0.1)	(0.5)	(4.3)	(9.0)	(8.7)
0.4	0.1	(0.8)	(1.2)	(1.2)
(0.1)	1.0	4.5	11.6	11.9
0.0	(0.8)	0.6	(3.0)	(2.7)
0.2	0.2	1.9	5.3	5.4
(0.5)	(1.1)	(1.4)	(0.1)	(0.1)
(0.0)	0.2	1.4	2.9	2.9
(0.02)	0.0	0.7	2.6	2.8
0.0	1.6	5.7	14.2	14.2
0.3	0.6	1.3	2.8	2.8
(0.2)	(1.6)	(1.5)	4.2	4.4
0.1	0.1	0.6	6.6	6.6
(0.1)	(0.2)	(0.2)	(0.7)	(0.6)
0.1	(0.0)	0.3	5.0	4.9
0.2	(0.3)	(4.4)	(11.0)	(10.8)



### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
EUR/MYR	4.658	4.648	4.680	4.673	5.130
GBP/MYR	5.593	5.600	5.634	5.601	5.897
AUD/MYR	2.776	2.782	2.809	2.883	3.148
JPY/MYR	2.837	2.829	2.882	2.940	3.259
SGD/MYR	3.287	3.289	3.315	3.309	3.500
10CNY/MYR	6.126	6.124	6.178	6.133	6.484
100IDR/MYR	2.754	2.761	2.779	2.788	2.990
THB/MYR	13.160	13.064	13.084	12.867	13.483
10HKD/MYR	5.761	5.754	5.799	5.710	5.897

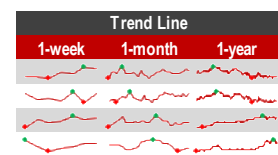
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	(0.5)	(0.3)	(9.2)	(8.2)
(0.1)	(0.7)	(0.1)	(5.2)	(4.2)
(0.2)	(1.2)	(3.7)	(11.8)	(11.2)
0.3	(1.6)	(3.5)	(13.0)	(12.9)
(0.1)	(0.9)	(0.7)	(6.1)	(5.5)
0.0	(0.8)	(0.1)	(5.5)	(5.2)
(0.3)	(0.9)	(1.2)	(7.9)	(7.7)
0.7	0.6	2.3	(2.4)	(1.8)
0.1	(0.7)	0.9	(2.3)	(2.0)



### Commodities

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
Brent (USD/barrel)	74.17	73.26	72.94	72.83	78.39
WTI (USD/barrel)	70.6	69.62	70.06	68.72	71.77
Gold (USD/oz)	2,621	2,634	2,623	2,636	2,066
Malaysia CPO (RM/tonne)	4,925	4,925	4,828	4,945	3,717

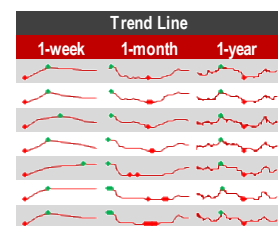
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.2	1.7	1.8	(5.4)	(3.7)
1.4	0.8	2.7	(1.6)	(1.5)
(0.5)	(0.1)	(0.6)	26.9	27.1
0.0	2.0	(0.4)	32.5	32.5



### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
3-Year	3.50	3.50	3.49	3.47	3.46
5-Year	3.64	3.64	3.66	3.61	3.57
7-Year	3.77	3.79	3.79	3.78	3.71
10-Year	3.82	3.82	3.85	3.81	3.73
15-Year	3.98	3.98	3.97	3.94	3.98
20-Year	4.07	4.07	4.06	4.06	4.10
30-Year	4.19	4.19	4.19	4.17	4.24

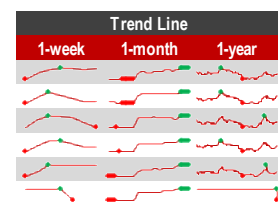
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	3	3	3
(1)	(2)	2	6	6
(1)	(2)	(0)	6	5
(0)	(3)	1	9	9
0	1	4	0	(0)
0	0	1	(3)	(3)
0	(0)	1	(6)	(5)



### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
3-Year	3.44	3.44	3.44	3.40	3.50
5-Year	3.64	3.64	3.67	3.61	3.61
7-Year	3.77	3.78	3.79	3.78	3.76
10-Year	3.84	3.84	3.85	3.82	3.78
15-Year	3.98	3.98	3.98	3.95	3.95
20-Year	4.09	4.10	4.10	4.08	4.12

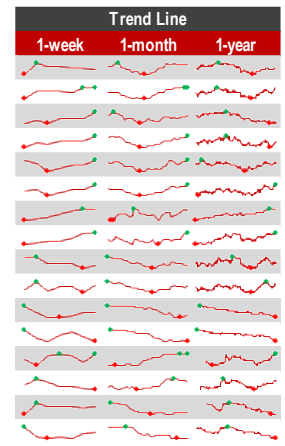
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	4	(6)	(6)
(0)	(4)	2	3	4
(1)	(2)	(0)	1	1
(0)	(1)	2	6	6
0	(0)	3	3	3
(0)	(1)	1	(3)	(3)



### Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
UST 2Y	4.33	4.33	4.31	4.23	4.28
UST 10Y	4.63	4.58	4.52	4.26	3.84
Germany 2Y	2.10	2.06	2.03	2.04	2.38
Germany 10Y	2.40	2.32	2.29	2.16	1.94
UK 2Y	4.47	4.41	4.35	4.31	4.00
UK 10Y	4.63	4.58	4.51	4.30	3.49
Japan 2Y	0.62	0.61	0.58	0.59	0.05
Japan 10Y	1.13	1.10	1.06	1.07	0.60
Australia 2Y	3.87	3.92	3.98	4.00	3.67
Australia 10Y	4.38	4.44	4.49	4.42	3.89
China 2Y	1.09	1.09	1.08	1.40	2.21
China 10Y	1.70	1.73	1.72	2.05	2.57
Indonesia 2Y	7.03	7.01	7.03	6.58	6.55
Indonesia 10Y	7.04	7.05	7.07	6.93	6.49
Thailand 2Y	1.99	1.99	1.99	2.01	2.33
Thailand 10Y	2.23	2.23	2.22	2.37	2.68

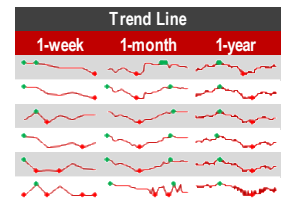
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	2	10	5	8
4	10	36	78	75
4	7	6	(28)	(30)
7	11	24	45	37
5	12	16	47	48
6	12	34	114	110
1	3	2	57	56
3	6	5	53	51
(5)	(11)	(13)	20	17
(6)	(12)	(4)	49	42
(0)	1	(31)	(112)	(111)
(3)	(2)	(35)	(87)	(86)
2	0	45	48	52
(0)	(2)	11	56	56
0	(0)	(2)	(34)	(34)
0	1	(14)	(45)	(45)



### Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
IRS 1-Year	3.57	3.58	3.59	3.56	3.58
IRS 3-Year	3.51	3.51	3.52	3.46	3.48
IRS 5-Year	3.57	3.57	3.57	3.50	3.55
IRS 7-Year	3.65	3.63	3.66	3.59	3.69
IRS 10-Year	3.75	3.76	3.75	3.71	3.83
IRS 20-Year	3.95	3.95	3.95	4.06	4.18

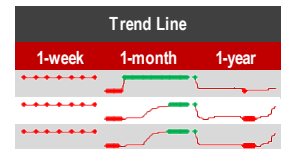
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(2)	1	(1)	(1)
(0)	(2)	4	2	1
0	(0)	7	2	(1)
1	(1)	6	(4)	(6)
(0)	0	4	(8)	(7)
0	0	(11)	(23)	(26)



### Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-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

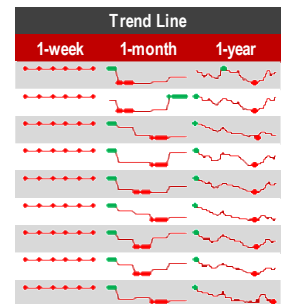
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(8)	(8)
0	0	11	(4)	(4)
0	0	10	(4)	(4)



### Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	27-Dec-24	26-Dec-24	20-Dec-24	27-Nov-24	28-Dec-23
3-Year AAA	3.83	3.83	3.83	3.85	3.87
3-Year AA	4.04	4.04	4.04	4.03	4.05
3-Year A	4.88	4.88	4.88	4.94	5.24
5-Year AAA	3.93	3.93	3.93	3.93	3.98
5-Year AA	4.11	4.11	4.11	4.13	4.18
5-Year A	5.12	5.12	5.12	5.19	5.54
10-Year AAA	4.09	4.09	4.09	4.09	4.20
10-Year AA	4.26	4.26	4.26	4.27	4.41
10-Year A	5.60	5.60	5.60	5.72	6.03

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



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Group Economic Research	
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