



Fixed Income & FX Research

25 August 2025

Macro: Powell opened the door for an upcoming rate cut, though a hawkish-tilted decision is expected. Malaysian inflation saw a mild rise in July, while core CPI held steady at 1.8% y/y.

Forex: DXY fell 0.9% as majors advanced. Improved sentiment and MYR valuation are expected today, following the dissipation of US risks and the overnight Asian FX rally.

Fixed Income: Front-end UST led gains across the curve while equities also rallied on Powell's dovish signalling. Govvies saw better interest in bellies and benchmark papers.

Macro

Global: Fed chair Jerome Powell opened the door for a Fed rate cut in September, stating that 'with policy in restrictive territory, the baseline outlook and shifting balance of risks may warrant adjusting our policy stance'. However, a hawkish-tilted rate cut decision is likely, given still elevated PCE inflation, rising producer inflation, and clear divisions among policymakers on the pathway ahead. Meanwhile, BOJ Governor Kazuo Ueda said he expects tight labour markets to keep upward pressure on wages, noting wage increases have spread beyond large enterprises to SME. Ueda's remarks suggest a possibility of another BOJ rate hike this year, despite not being directly mentioned by the Governor. ECB President Christine Lagarde remarked that labour markets have weathered recent shocks well, coming as data indicated quickening Eurozone wage growth, backing the case for the ECB to remain cautious against further rate cuts.

Malaysia: Headline CPI rose by 1.2% y/y in July (consensus: 1.2%; June: 1.1%), easing F&B and housing & utilities inflation were more than offset by a spike in health insurance premiums and restaurant & accommodation services prices. The latest inflation print prompted us to cut our inflation forecast from 2.0% y/y to 1.5% in 2025. Meanwhile, JPMorgan Chase & Co. will pay MYR1.4 billion to Malaysia to resolve all existing and potential claims relating to the 1MDB case.

Forex

Global: Powell's dovish tilt in Jackson Hole catapulted UST and Wall Street into a sharp rally, while casting down the DXY (-0.9%). The relief rally also fueled better gains for risk-on currencies, with the NOK (+1.2%) and AUD (+1.1%) leading the pack, while majors such as the EUR, JPY, and GBP saw similar rallies of 0.8-1.0%. NZD (+0.8%) continued to trail the AUD after the RBNZ's earlier dovish rate decision, while the CAD also underperformed on weaker greenback sentiment.

Malaysia: MYR closed only mildly down (-0.1%) despite daily trading volumes falling to their lowest on Friday (at USD11.0 billion). Sentiment is expected to improve today following the dissipation of risks and the overnight gains of Asian counterparts KRW (+1.2%), JPY (+1.0%), and SGD (+0.6%).

Fixed Income

Global Bonds: UST bull steepened by 4-10 bps following Fed chair Powell's speech, with the front-end outperforming as swap markets raised convictions of 2025 Fed rate cuts to 55 bps (prior: 48 bps), after markets showed up wrong-footed amid earlier expectations of a neutral or hawkish push back by the Fed chair. Long-end gains, however, trailed, as bond players still heeded recent high PPI, signs of rising prices in the latest PMI data, and continued worries on the US fiscal outlook. Bunds and Gilts also broadly tracked the downshift in UST yields.

MYR Bonds: Trade flows in the ringgit government market were heavy last Friday but slanted on select benchmark papers, reflecting a cautious risk appetite ahead of Jackson Hole. However, Malaysia's CPI release caused some net buying interest, especially on the 7-10Y parts of the curve. Corporate bonds kept up with gains from the govies segment, with higher grade GGs, AAA, and AA names being traded. Flows were heavy on GG Pengurusan Air SPV 11/30, which fell 19 bps to 3.20%

Commodities

Gold rose 1.0% to USD3,372/oz, rebounding from earlier losses, as prospects of US rate cuts reduce upcoming holding costs for the precious metal. Though demand continues to remain robust for safe assets, gold has traded within a narrow range of USD3,250/oz—USD3,450/oz since testing record highs of USD3,500/oz in April, indicating markets' continued discomfort with current valuations.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	97.72	(0.9)
EUR/USD	1.172	1.0
AUD/USD	0.649	1.1
GBP/USD	1.353	0.8
USD/JPY	146.94	(1.0)
USD/MYR	4.227	0.1
USD/IDR	16,345	0.4
USD/THB	32.65	0.1
USD/SGD	1.281	(0.6)
USD/CNY	7.168	(0.2)

Ringgit Outlook for The Week

	1	2
Resistance	4.268	4.310
Support	4.196	4.166

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.70	(10)
UST 10Y	4.25	(7)
Germany 10Y	2.72	(4)
UK 10Y	4.69	(4)
Japan 10Y	1.63	1
Australia 10Y	4.31	4
China 10Y	1.79	2

MGS Bond Yields (%)

MGS	Last	bps
3-Year	2.98	0
5-Year	3.08	(0)
7-Year	3.27	(0)
10-Year	3.39	1
15-Year	3.58	(1)
20-Year	3.74	(0)
30-Year	3.89	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.09	1
IRS 3-Year	3.02	2
IRS 5-Year	3.09	1
IRS 7-Year	3.16	1
IRS 10-Year	3.28	1
3M KLIBOR	3.21	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	67.73	0.1
WTI (USD/bbl)	63.66	0.2
Gold (USD/oz)	3,372	1.0
CPO (RM/tonne)	4,453	1.4

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	18-Sep
ECB Deposit Rate	2.00	11-Sep
BOE Base Rate	4.00	18-Sep
RBA Cash Rate	3.60	30-Sep
BOJ Cash Rate	0.50	19-Sep
RBNZ Cash Rate	3.00	08-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-Sep

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	Percentage Change					Trend Line		
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	97.72	98.62	97.85	97.21	101.51	(0.9)	(0.1)	0.5	(3.7)	(9.9)			
EUR/USD	1.172	1.161	1.170	1.177	1.111	1.0	0.1	(0.5)	5.5	13.2			
AUD/USD	0.649	0.642	0.651	0.660	0.671	1.1	(0.3)	(1.7)	(3.2)	4.9			
GBP/USD	1.353	1.341	1.355	1.358	1.309	0.8	(0.2)	(0.4)	3.3	8.1			
USD/JPY	146.94	148.37	147.19	146.51	146.29	(1.0)	(0.2)	0.3	0.4	(6.5)			
USD/MYR	4.227	4.224	4.213	4.228	4.378	0.1	0.3	(0.0)	(3.5)	(5.5)			
USD/IDR	16,345	16,285	16,160	16,293	15,600	0.4	1.1	0.3	4.8	1.5			
USD/THB	32.65	32.62	32.43	32.16	34.35	0.1	0.7	1.5	(5.0)	(4.3)			
USD/SGD	1.281	1.289	1.283	1.277	1.311	(0.6)	(0.1)	0.4	(2.2)	(6.2)			
USD/CNY	7.168	7.181	7.185	7.154	7.147	(0.18)	(0.2)	0.2	0.3	(1.8)			
USD/KRW	1,383	1,399	1,390	1,376	1,343	(1.2)	(0.5)	0.5	3.0	(6.0)			
USD/INR	87.53	87.26	87.57	86.42	83.95	0.3	(0.0)	1.3	4.3	2.2			
USD/PHP	56.95	56.97	57.08	56.89	56.34	(0.0)	(0.2)	0.1	1.1	(1.6)			
USD/TWD	30.59	30.50	30.00	29.35	31.97	0.3	2.0	4.2	(4.3)	(6.7)			
USD/HKD	7.815	7.814	7.824	7.850	7.798	0.0	(0.1)	(0.4)	0.2	0.6			
USD/VND	26,358	26,429	26,272	26,144	24,973	(0.3)	0.3	0.8	5.5	3.4			
NZD/USD	0.587	0.582	0.592	0.605	0.614	0.8	(0.9)	(3.0)	(4.4)	4.9			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.902	4.925	4.923	4.962	4.877	(0.5)	(0.4)	(1.2)	0.5	5.2			
GBP/MYR	5.669	5.692	5.712	5.727	5.746	(0.4)	(0.8)	(1.0)	(1.3)	1.0			
AUD/MYR	2.713	2.714	2.741	2.785	2.951	(0.0)	(1.0)	(2.6)	(8.1)	(2.4)			
JPY/MYR	2.877	2.848	2.862	2.886	2.992	1.0	0.5	(0.3)	(3.9)	1.1			
SGD/MYR	3.278	3.284	3.285	3.309	3.349	(0.2)	(0.2)	(0.9)	(2.1)	(0.2)			
10CNY/MYR	5.888	5.887	5.867	5.905	6.126	0.0	0.3	(0.3)	(3.9)	(3.9)			
100IDR/MYR	2.585	2.594	2.605	2.593	2.806	(0.3)	(0.8)	(0.3)	(7.9)	(6.7)			
THB/MYR	12.951	12.942	12.991	13.139	12.677	0.1	(0.3)	(1.4)	2.2	(0.6)			
10HKD/MYR	5.407	5.408	5.384	5.386	5.615	(0.0)	0.4	0.4	(3.7)	(6.1)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	67.73	67.67	65.85	68.51	77.22	0.1	2.9	(1.1)	(12.3)	(9.3)			
WTI (USD/barrel)	63.66	63.52	62.8	65.25	73.01	0.2	1.4	(2.4)	(12.8)	(11.2)			
Gold (USD/oz)	3,372	3,339	3,336	3,387	2,485	1.0	1.1	(0.5)	35.7	28.5			
Malaysia CPO (RM/tonne)	4,453	4,391	4,338	4,244	3,928	1.4	2.7	4.9	13.4	(8.4)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	2.98	2.98	2.96	3.07	3.33	0	2	(9)	(35)	(50)			
5-Year	3.08	3.08	3.04	3.16	3.48	(0)	4	(8)	(40)	(54)			
7-Year	3.27	3.28	3.26	3.36	3.68	(0)	1	(9)	(41)	(50)			
10-Year	3.39	3.38	3.37	3.42	3.77	1	2	(3)	(39)	(43)			
15-Year	3.58	3.59	3.58	3.66	3.90	(1)	0	(8)	(32)	(39)			
20-Year	3.74	3.74	3.73	3.75	4.05	(0)	1	(2)	(31)	(32)			
30-Year	3.89	3.89	3.89	3.92	4.17	(0)	(1)	(3)	(29)	(30)			

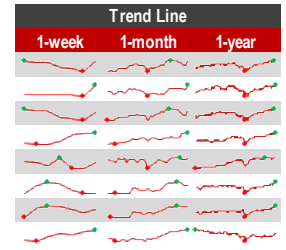
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.02	3.03	3.02	3.12	3.33	(0)	0	(10)	(30)	(40)			
5-Year	3.13	3.12	3.13	3.21	3.49	0	(1)	(8)	(36)	(50)			
7-Year	3.25	3.25	3.24	3.35	3.70	0	1	(10)	(45)	(49)			
10-Year	3.41	3.40	3.38	3.47	3.78	0	2	(7)	(37)	(42)			
15-Year	3.59	3.59	3.59	3.66	3.94	0	0	(7)	(35)	(39)			
20-Year	3.73	3.73	3.73	3.74	4.06	0	0	(1)	(33)	(35)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24
S&P500 Index	6,467	6,370	6,450	6,359	5,571
Dow Jones	45,632	44,786	44,946	45,010	40,713
Nasdaq	21,497	21,100	21,623	21,020	17,619
London FTSE	9,321	9,309	9,139	9,061	8,288
German DAX	24,363	24,293	24,359	24,241	18,493
Nikkei 225	42,633	42,610	43,378	41,171	38,211
Japan TOPIX	3,101	3,083	3,108	2,926	2,671
FBM KLCI	1,597	1,593	1,576	1,530	1,642

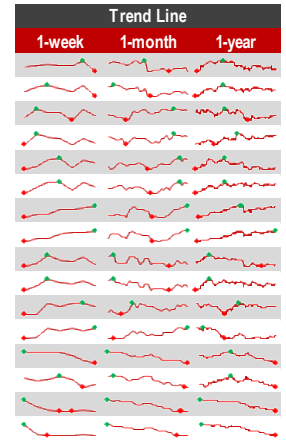
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.5	0.3	1.7	16.1	68.4
1.9	1.5	1.4	12.1	37.7
1.9	(0.6)	2.3	22.0	105.4
0.1	2.0	2.9	12.5	25.1
0.3	0.0	0.5	31.7	75.0
0.1	(1.7)	3.6	11.6	63.4
0.6	(0.2)	6.0	16.1	63.9
0.3	1.3	4.4	(2.7)	6.8



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24
UST 2Y	3.70	3.79	3.75	3.88	4.00
UST 10Y	4.25	4.33	4.32	4.38	3.85
Germany 2Y	1.95	1.97	1.97	1.84	2.40
Germany 10Y	2.72	2.76	2.79	2.64	2.24
UK 2Y	3.94	3.97	3.93	3.88	3.72
UK 10Y	4.69	4.73	4.70	4.64	3.96
Japan 2Y	0.87	0.86	0.83	0.83	0.36
Japan 10Y	1.63	1.61	1.57	1.59	0.88
Australia 2Y	3.35	3.33	3.30	3.34	3.63
Australia 10Y	4.31	4.28	4.23	4.29	3.89
China 2Y	1.43	1.44	1.41	1.41	1.62
China 10Y	1.79	1.77	1.75	1.71	2.16
Indonesia 2Y	5.49	5.53	5.61	5.78	6.54
Indonesia 10Y	6.36	6.33	6.39	6.50	6.65
Thailand 2Y	1.14	1.14	1.15	1.29	2.21
Thailand 10Y	1.34	1.35	1.35	1.47	2.56

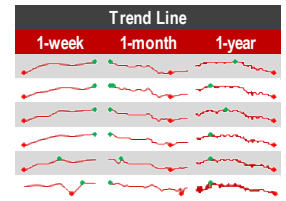
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(10)	(5)	(18)	(31)	(55)
(7)	(6)	(13)	40	(32)
(2)	(3)	10	(45)	(13)
(4)	(7)	8	48	36
(3)	1	6	22	(45)
(4)	(0)	6	73	13
1	4	4	51	27
1	5	4	75	52
2	6	1	(28)	(50)
4	8	2	43	(5)
(1)	2	2	(19)	33
2	4	8	(37)	11
(4)	(13)	(29)	(106)	(155)
3	(3)	(14)	(29)	(64)
(1)	(1)	(15)	(107)	(86)
(1)	(0)	(13)	(122)	(91)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24
IRS 1-Year	3.09	3.08	3.07	3.13	3.39
IRS 3-Year	3.02	3.00	2.98	3.07	3.31
IRS 5-Year	3.09	3.08	3.06	3.14	3.38
IRS 7-Year	3.16	3.15	3.12	3.23	3.45
IRS 10-Year	3.28	3.27	3.25	3.35	3.57
IRS 20-Year	3.59	3.60	3.56	3.63	3.68

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	2	(4)	(30)	(48)
2	4	(5)	(29)	(49)
1	3	(6)	(30)	(46)
1	4	(6)	(29)	(47)
1	3	(8)	(30)	(45)
(1)	4	(4)	(9)	(36)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24
1-Month Klibor	3.00	3.00	3.00	3.01	3.28
3-Month Klibor	3.21	3.21	3.21	3.23	3.53
6-Month Klibor	3.26	3.26	3.26	3.30	3.61

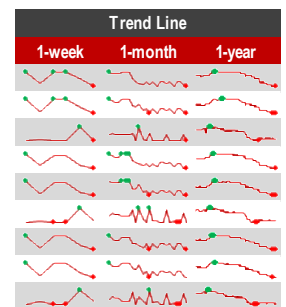
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(28)	(29)
0	0	(2)	(32)	(52)
0	0	(4)	(35)	(51)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	22-Aug-25	21-Aug-25	15-Aug-25	23-Jul-25	22-Aug-24
3-Year AAA	3.52	3.53	3.53	3.55	3.76
3-Year AA	3.68	3.69	3.70	3.72	3.89
3-Year A	4.51	4.54	4.52	4.55	4.85
5-Year AAA	3.60	3.61	3.62	3.63	3.83
5-Year AA	3.77	3.77	3.78	3.80	3.98
5-Year A	4.65	4.69	4.65	4.68	5.10
10-Year AAA	3.75	3.76	3.77	3.78	3.99
10-Year AA	3.92	3.92	3.93	3.95	4.17
10-Year A	5.02	5.06	5.01	5.05	5.62

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(1)	(3)	(24)	(31)
(1)	(1)	(4)	(21)	(33)
(3)	(0)	(3)	(33)	(34)
(0)	(1)	(3)	(23)	(32)
(0)	(1)	(3)	(21)	(33)
(3)	0	(3)	(45)	(43)
(1)	(2)	(3)	(24)	(31)
(1)	(2)	(3)	(26)	(32)
(5)	1	(3)	(60)	(54)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Economics	
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
Michael Yim	yim.soon-kah@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

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