



Fixed Income & FX Research

03 July 2025

Macro: ADP payrolls fell to 33k amid service-sector job cuts. Vietnam sealed trade deal with US, lowering tariffs to 20% for local exports.

Forex: DXY eased rate of decline to near nil. GBP fell 0.8% amid Labour Party turmoil. Ringgit (-0.7%) fell back to the recent 4.20-4.25 trading range.

Fixed Income: UST weighed by selloff in long-dated UK Gilts, given fiscal and political stability concerns. Local bonds held steady despite recent UST pressure.

Macro

Global: US private payrolls shed 33k jobs in June (consensus: +95k; May: +29k), it's first decline since March 2023, driven chiefly by declines in service-oriented sectors such as professional/business (-56k), and education/health services. This comes ahead of today's highly watched June nonfarm payrolls (NFP) data with some data softness expected (consensus: +106k; May: +139k). Ahead of Trump's self-imposed deadline for fiscal negotiations tomorrow (4 July), conservative Republicans' resistance to Trump's 'One Big Beautiful Bill' has softened, signifying a deal may be reached imminently with no major revisions to its current form. Meanwhile, Fed chair Jerome Powell has remained mum on whether he will step down from the Fed Board of Governors after his Chairmanship position ends in May 2026, reflecting back pressure on the Trump administration, which is seeking to replace outgoing Governors with more dovish-oriented candidates. Separately, President Trump announced a trade deal with Vietnam, lowering tariffs from 46% to 20% for the country with a 40% levy on any goods deemed to be transhipped through the country, while Vietnam drops all levies on US imports.

Forex

Global: DXY closed unchanged, easing its rate of decline from earlier sessions. G10 currencies had mixed performance, with the CAD up 0.4% (on resumption of trade discussions), while others such as EUR, CHF, and JPY fell 0.1-0.2% against the greenback. GBP, however, fell a sharp 0.8% as internal turmoil in the UK's incumbent Labour Party tore confidence in the country's debt.

Malaysia: A steady grind upward for USDMYR to close 0.7% up, with the ringgit underperforming all Asian peers, after breaching below the 4.20 level in recent sessions. With the decline, USDMYR levels now fall back to the main trading range around 4.20-4.25.

Fixed Income

Global Bonds: More net selling occurred on the UST market overnight, led by the long-end, driven primarily by the sharp selloff in UK Gilts. Intraday gains from UST-supportive ADP data were quickly wiped out given speculation regarding the future of the UK finance minister Rachel Reeves, after the government backed down from planned GBP5.5 billion welfare spending cuts, sparking a 16 bps runup in 10Y Gilts and spilling over to other major DM bonds. Long-end UST were also weighed by progress on the US's budget bill, ahead of the NFP data release today.

MYR Bonds: The local government bond market closed steady yesterday despite selling in the UST market yesterday, post-release of the firm JOLTS data. Interest was noted on long-dated GII 03/54 for yield pickup as it was seen above 4.00%. Aside from this, authorities announced the reopening of the 7Y GII (GII 10/31) at MYR5.0 billion size. However, the corporate bond market was mixed yesterday. Notable trades included Air Selangor 08/39 (AAA), which fell 5 bps to 3.81%.

Other Markets

Crude Oil: Oil prices surged 3% alongside gains in equities, following a lift in risk appetite from the US's 3rd trade deal (with Vietnam).

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	96.78	(0.0)
EUR/USD	1.180	(0.1)
AUD/USD	0.658	0.0
GBP/USD	1.364	(0.8)
USD/JPY	143.66	0.2
USD/MYR	4.226	0.7
USD/IDR	16,242	0.3
USD/THB	32.45	0.0
USD/SGD	1.273	0.0
USD/CNY	7.163	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.268	4.327
Support	4.178	4.148

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.78	1
UST 10Y	4.28	4
Germany 10Y	2.66	9
UK 10Y	4.61	16
Japan 10Y	1.43	4
Australia 10Y	4.15	3
China 10Y	1.64	(0)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.12	(1)
5-Year	3.17	(1)
7-Year	3.38	(2)
10-Year	3.50	(1)
15-Year	3.68	0
20-Year	3.78	0
30-Year	4.00	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.24	0
IRS 3-Year	3.12	0
IRS 5-Year	3.20	(1)
IRS 7-Year	3.28	(1)
IRS 10-Year	3.41	(0)
3M KLIBOR	3.49	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	69.11	3.0
WTI (USD/bbl)	67.45	3.1
Gold (USD/oz)	3,357	0.6
CPO (RM/tonne)	4,034	2.3

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	30-Jul
ECB Deposit Rate	2.00	24-Jul
BOE Base Rate	4.25	07-Aug
RBA Cash Rate	3.85	28-Jul
BOJ Cash Rate	0.50	31-Jul
PBOC 1Y LPR	3.00	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	09-Jul

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		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	96.78	96.82	97.68	98.71	105.72	(0.0)	(0.9)	(2.0)	(8.5)	(10.8)			
EUR/USD	1.180	1.181	1.166	1.144	1.075	(0.1)	1.2	3.1	9.8	14.0			
AUD/USD	0.658	0.658	0.651	0.650	0.667	0.0	1.1	1.4	(1.2)	6.4			
GBP/USD	1.364	1.375	1.366	1.354	1.269	(0.8)	(0.2)	0.7	7.5	8.9			
USD/JPY	143.66	143.42	145.24	142.71	161.44	0.2	(1.1)	0.7	(11.0)	(8.6)			
USD/MYR	4.226	4.197	4.237	4.257	4.721	0.7	(0.2)	(0.7)	(10.5)	(5.5)			
USD/IDR	16,242	16,198	16,290	16,248	16,395	0.3	(0.3)	(0.0)	(0.9)	0.9			
USD/THB	32.45	32.43	32.66	32.83	36.86	0.0	(0.7)	(1.2)	(12.0)	(4.8)			
USD/SGD	1.273	1.273	1.279	1.285	1.356	0.0	(0.4)	(1.0)	(6.1)	(6.8)			
USD/CNY	7.163	7.166	7.174	7.199	7.271	(0.04)	(0.2)	(0.5)	(1.5)	(1.9)			
USD/KRW	1,356	1,358	1,362	1,379	1,387	(0.1)	(0.4)	(1.7)	(2.2)	(7.9)			
USD/INR	85.71	85.54	86.09	85.39	83.50	0.2	(0.4)	0.4	2.6	0.1			
USD/PHP	56.38	56.34	56.71	55.71	58.80	0.1	(0.6)	1.2	(4.1)	(2.5)			
USD/TWD	29.00	29.17	29.38	29.97	32.63	(0.6)	(1.3)	(3.2)	(11.1)	(11.6)			
USD/HKD	7.850	7.850	7.850	7.845	7.814	(0.0)	(0.0)	0.1	0.5	1.0			
USD/VND	26,162	26,130	26,152	26,018	25,455	0.1	0.0	0.6	2.8	2.7			
NZD/USD	0.609	0.610	0.604	0.604	0.608	(0.1)	0.8	0.9	0.2	8.9			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.976	4.959	4.916	4.853	5.057	0.3	1.2	2.5	(1.6)	6.8			
GBP/MYR	5.786	5.781	5.767	5.758	5.965	0.1	0.3	0.5	(3.0)	3.0			
AUD/MYR	2.774	2.763	2.752	2.758	3.140	0.4	0.8	0.6	(11.6)	(0.3)			
JPY/MYR	2.943	2.927	2.918	2.983	2.924	0.5	0.9	(1.3)	0.6	3.4			
SGD/MYR	3.318	3.304	3.309	3.304	3.475	0.4	0.3	0.4	(4.5)	1.0			
10CNY/MYR	5.900	5.861	5.908	5.913	6.493	0.7	(0.1)	(0.2)	(9.1)	(3.7)			
100IDR/MYR	2.602	2.592	2.600	2.615	2.880	0.4	0.1	(0.5)	(9.7)	(6.1)			
THB/MYR	13.057	12.952	12.983	12.958	12.825	0.8	0.6	0.8	1.8	0.3			
10HKD/MYR	5.385	5.348	5.400	5.428	6.042	0.7	(0.3)	(0.8)	(10.9)	(6.5)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	69.11	67.11	67.68	64.63	86.24	3.0	2.1	6.9	(19.9)	(7.4)			
WTI (USD/barrel)	67.45	65.45	64.92	62.52	82.81	3.1	3.9	7.9	(18.5)	(6.0)			
Gold (USD/oz)	3,357	3,339	3,332	3,382	2,329	0.6	0.8	(0.7)	44.1	27.9			
Malaysia CPO (RM/tonne)	4,034	3,942	3,939	3,888	4,140	2.3	2.4	3.8	(2.6)	(17.0)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.12	3.14	3.13	3.17	3.54	(1)	(1)	(5)	(42)	(36)			
5-Year	3.17	3.18	3.22	3.20	3.67	(1)	(5)	(3)	(50)	(45)			
7-Year	3.38	3.39	3.41	3.40	3.82	(2)	(4)	(2)	(44)	(39)			
10-Year	3.50	3.51	3.54	3.53	3.88	(1)	(4)	(3)	(38)	(31)			
15-Year	3.68	3.68	3.71	3.69	4.02	0	(3)	(1)	(34)	(29)			
20-Year	3.78	3.78	3.79	3.80	4.13	0	(1)	(2)	(35)	(28)			
30-Year	4.00	4.00	4.01	4.02	4.23	(0)	(1)	(2)	(23)	(19)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.16	3.16	3.17	3.17	3.48	(0)	(2)	(1)	(33)	(27)			
5-Year	3.27	3.28	3.31	3.29	3.65	(1)	(4)	(3)	(38)	(36)			
7-Year	3.39	3.38	3.40	3.40	3.80	1	(1)	(2)	(41)	(36)			
10-Year	3.50	3.51	3.54	3.53	3.88	(0)	(4)	(3)	(38)	(33)			
15-Year	3.70	3.71	3.71	3.70	4.02	(1)	(1)	(0)	(32)	(28)			
20-Year	3.76	3.77	3.77	3.79	4.14	(1)	(1)	(3)	(38)	(32)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.78	3.77	3.78	3.94	4.74	1	0	(15)	(96)	(46)			
UST 10Y	4.28	4.24	4.29	4.44	4.43	4	(1)	(16)	(15)	(29)			
Germany 2Y	1.86	1.85	1.84	1.79	2.91	1	2	7	(104)	(22)			
Germany 10Y	2.66	2.57	2.57	2.52	2.60	9	10	14	6	30			
UK 2Y	3.88	3.83	3.86	4.03	4.19	5	2	(15)	(31)	(51)			
UK 10Y	4.61	4.45	4.48	4.67	4.25	16	13	(5)	36	4			
Japan 2Y	0.75	0.74	0.73	0.77	0.37	1	3	(2)	38	15			
Japan 10Y	1.43	1.39	1.40	1.51	1.09	4	4	(8)	35	33			
Australia 2Y	3.24	3.20	3.18	3.28	4.21	4	5	(5)	(97)	(62)			
Australia 10Y	4.15	4.12	4.12	4.27	4.41	3	3	(12)	(26)	(21)			
China 2Y	1.37	1.37	1.38	1.47	1.65	(0)	(1)	(11)	(28)	27			
China 10Y	1.64	1.65	1.66	1.71	2.24	(0)	(1)	(6)	(60)	(3)			
Indonesia 2Y	6.01	6.02	6.11	6.27	6.78	(1)	(10)	(26)	(77)	(103)			
Indonesia 10Y	6.62	6.60	6.68	6.87	7.12	1	(7)	(25)	(51)	(38)			
Thailand 2Y	1.39	1.39	1.42	1.56	2.35	(0)	(3)	(17)	(97)	(61)			
Thailand 10Y	1.59	1.58	1.66	1.78	2.68	1	(6)	(19)	(109)	(66)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.24	3.24	3.25	3.25	3.58	0	(1)	(1)	(34)	(34)			
IRS 3-Year	3.12	3.12	3.14	3.14	3.58	0	(2)	(1)	(46)	(38)			
IRS 5-Year	3.20	3.20	3.23	3.23	3.65	(1)	(3)	(3)	(45)	(35)			
IRS 7-Year	3.28	3.29	3.33	3.33	3.76	(1)	(5)	(5)	(48)	(35)			
IRS 10-Year	3.41	3.42	3.45	3.47	3.88	(0)	(4)	(6)	(47)	(32)			
IRS 20-Year	3.70	3.71	3.74	3.71	4.24	(1)	(4)	(1)	(54)	(25)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.26	3.26	3.26	3.26	3.29	0	0	0	(3)	(3)			
3-Month Klibor	3.49	3.50	3.50	3.50	3.59	(1)	(1)	(1)	(10)	(24)			
6-Month Klibor	3.53	3.54	3.54	3.55	3.64	(1)	(1)	(2)	(11)	(24)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jul-25	1-Jul-25	25-Jun-25	2-Jun-25	2-Jul-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.61	3.61	3.62	3.69	3.84	0	(0)	(7)	(23)	(22)			
3-Year AA	3.77	3.77	3.77	3.83	3.97	0	(0)	(6)	(20)	(25)			
3-Year A	4.54	4.54	4.55	4.49	4.92	0	(1)	6	(38)	(31)			
5-Year AAA	3.68	3.68	3.69	3.75	3.94	0	(0)	(7)	(25)	(24)			
5-Year AA	3.85	3.85	3.85	3.91	4.07	0	(0)	(6)	(22)	(25)			
5-Year A	4.67	4.67	4.68	4.64	5.16	0	(0)	3	(49)	(41)			
10-Year AAA	3.84	3.84	3.84	3.89	4.08	0	(0)	(5)	(24)	(23)			
10-Year AA	4.00	4.00	4.01	4.04	4.25	0	(1)	(4)	(25)	(24)			
10-Year A	5.02	5.02	5.02	5.00	5.65	0	(0)	2	(63)	(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
Aman Nazmi Abd Karim	aman-nazmi.abd-karim@ambankgroup.com
Michael Yim	yim.soon-kah@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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