



Fixed Income & FX Research

20 February 2025

Snapshot Summary...

Global FX: The dollar edged up following an announcement on possibility of 25% tariffs on US auto, semiconductor, and pharmaceutical imports

Global Rates: UST gained as FOMC minutes show discussion to slow or pause the Fed's balance sheet runoff

MYR Bonds: The ringgit government bond market saw sustained healthy flows with signs of buying on dips

USD/MYR The ringgit was firm yesterday but may turn bearish today as traders continue to focus on heightened global trade issues

Macro News

US: The FOMC minutes showed policymakers discussing readiness to pause or slow the pace of interest rate cuts given inflation uncertainties and issues related to the debt ceiling in the months ahead. However, the minutes also showed policymakers discussing whether to slow down or pause its balance sheet runoff.

President Trump announced that he is likely to impose a 25% tariff on semiconductor, automobile, and pharmaceutical imports, with an official announcement expected as soon as 2 April.

UK: The annual inflation rate in surged to 3.0% in January, marking its highest level since March 2024. This was an increase from 2.5% in the previous month and exceeded the forecast of 2.8%. Meanwhile, the annual services inflation climbed to 5%, up from 4.4% in the previous month, although it remained below the BOE forecast of 5.2%.

Fixed Income

Global Bonds: UST yields fell overnight as traders reacted to the FOMC meeting minutes. Specifically, net buying of bonds occurred as the minutes show policymakers discussing slowing down or pause the Fed's balance sheet runoff of its UST holdings. The Fed has been allowing its holdings of UST to roll off its balance sheet without replacement since June 2022. UK bond yields rose to a three-week high on the back of higher-than-expected UK inflation data, though m/m pace still showed a negative number.

MYR Government Bonds: The ringgit government bond market saw sustained healthy flows yesterday though the close was in range from the day before with signs of buying on dips on the front and bellies of the curve. There were no signs of trades done in the WI session for the 20Y MGS 05/44 though on the cash side the existing supply was heard around the 4.07% level.

MYR Corporate Bonds: The ringgit corporate bond market continued to be supported with sustained interest along various AAA, and AA names. Select gains include AA3 rated Affin Islamic 12/37 which fell 2 bps to 3.94% and AA1 rated Johor Plantations 09/34 which fell 3 bps to 3.96%. Leading the flows include AA1 rated 10nc05 Maybank 01/31

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	107.17	0.1
EUR/USD	1.042	(0.2)
AUD/USD	0.634	(0.1)
GBP/USD	1.259	(0.2)
USD/JPY	151.47	(0.4)
USD/MYR	4.443	(0.0)
USD/IDR	16,330	0.3
USD/THB	33.69	0.0
USD/SGD	1.343	0.0
USD/CNY	7.279	0.0
USD/KRW	1,442	0.1
USD/INR	86.95	0.0
USD/PHP	58.09	(0.1)
USD/TWD	32.76	(0.0)
USD/HKD	7.777	0.0
USD/VND	25,520	(0.0)
NZD/USD	0.571	0.0

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.634	(0.4)
GBP/MYR	5.601	(0.1)
AUD/MYR	2.825	(0.1)
JPY/MYR	2.933	0.3
SGD/MYR	3.309	(0.1)
10CNY/MYR	6.104	(0.1)
100IDR/MYR	2.722	(0.3)
THB/MYR	13.167	(0.2)
10HKD/MYR	5.712	(0.1)
100INR/MYR	5.120	0.0

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.45	0
5-Year	08/29	3.61	(0)
7-Year	07/32	3.77	0
10-Year	07/34	3.80	0
15-Year	04/39	3.97	0
20-Year	05/44	4.07	0
30-Year	03/53	4.18	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.60	1
IRS 3-Year	3.54	1
IRS 5-Year	3.58	1
IRS 7-Year	3.65	0
IRS 10-Year	3.75	1
3-M KLIBOR	3.66	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.27	(4)
UST 10Y	4.53	(2)
Germany 10Y	2.56	6
UK 10Y	4.61	5
Japan 10Y	1.44	1
Australia 10Y	4.52	2
China 10Y	1.69	(3)
Korea 10Y	2.88	(0)
Indonesia 10Y	6.82	6
Thailand 10Y	2.30	0
Malaysia 10Y	3.80	0

which fell 9 bps to 3.68% and AA1 rated 10nc05 Public Islamic Bank 0/732 at 3.77%, down 7 bps.

Forex

US: The dollar edged up by 0.1% following an announcement from Trump on possibility of 25% tariffs on US auto, semiconductor, and pharmaceutical imports by 2 April 2025. Additionally, hawkish FOMC meeting minutes gave support to the dollar as the committee would like to see more improvements in inflation before proceeding for further rate cuts moving forward.

Europe: The EUR/USD extended its losses as Ukrainian Zelenskiy and Trump swapped jabs as Trump claimed that Ukraine was responsible for Russia's 2022 invasion. This is notwithstanding hawkish comments from ECB Schnabel - ECB coming closer to a pause in interest rate cuts – the euro responded heavily to news about Russia and Ukraine. It dropped on indications of rising tensions but surged upon the potential for a peace deal. The GBP/USD reversed early gains, driven by the unexpected lower services inflation figure.

Asia Pacific: Yesterday saw the JPY gaining over the USD after BOJ board member Hajime Takata implied greater chances of more rate hikes. Takata said rate hikes will be needed to contain inflationary pressures. The next BOJ meeting is 19 March but the swaps market is only pricing a higher 32.7% chance of a rate hike by June, vs 2.3% in March and 25.8% in April.

Malaysia: The ringgit was firm near the 4.44-level but the prospect for today may turn bearish as traders continue to focus on heightening of the global trade war with the latest tariff salvo by Trump involve 25% tariffs on automobiles, semiconductor chips, and pharmaceutical products. The latest FOMC meeting minutes which underscored policymakers' cautious mode could also pressure the currency today.

Other Markets

Gold: Gold pulled back from record highs despite ongoing safe-haven demand driven by escalating US tariff threats.

Oil: WTI and Brent crude extended gains for a second session as supply disruptions from a Ukrainian drone attack on a Russian export pipeline and harsh US winter weather outweighed demand risks from Trump's fresh tariff threats. There is a speculation that OPEC+ may delay its planned production ramp-up, despite Russian oil minister Novak denying any changes.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.82	(0)
3-Year AA	4.01	0
3-Year A	4.84	0
5-Year AAA	3.91	(0)
5-Year AA	4.08	0
5-Year A	5.03	(1)
10-Year AAA	4.04	0
10-Year AA	4.21	0
10-Year A	5.42	(1)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	76.04	0.3
WTI (USD/bl)	72.25	0.6
Gold (USD/oz)	2,933	(0.1)
CPO (RM/tonne)	4,770	0.6

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,144	0.2
Dow Jones	44,628	0.2
Nasdaq	20,056	0.1
London FTSE	8,713	(0.6)
German DAX	22,434	(1.8)
Nikkei 225	39,165	(0.3)
Japan TOPIX	2,767	(0.3)
FBM KLCI	1,581	(0.2)
Strait Times	3,934	0.2
Jakarta	6,795	(1.1)
Shanghai	3,352	0.8
MSCI Asia Pac	190	(0.2)
MSCI World	3,907	(0.1)
Hang Seng	22,944	(0.1)
KOSPI	2,672	1.7
Thai Stock Exc	1,262	0.4
Taiwan	23,604	(0.3)
India	75,939	(0.0)
Australia	8,419	(0.7)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	19-Mar
ECB Main Refinancing	2.90	06-Mar
BOE Base Rate	4.50	20-Mar
RBA Cash Rate	4.10	01-Apr
BOJ Cash Rate	0.50	19-Mar
PBOC 1Y LPR	3.10	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	06-Mar

Ringgit Outlook for The Week

	1	2
Resistance	4.500	4.520
Support	4.400	4.380

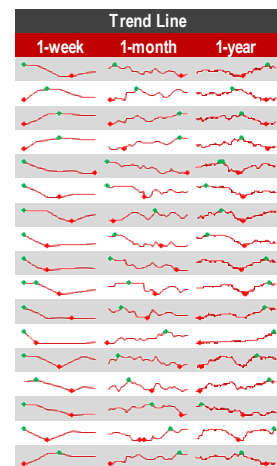
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
DXY Dollar Index	107.17	107.05	107.94	109.35	104.08
EUR/USD	1.042	1.045	1.038	1.042	1.081
AUD/USD	0.634	0.635	0.628	0.628	0.655
GBP/USD	1.259	1.261	1.245	1.233	1.262
USD/JPY	151.47	152.06	154.42	155.62	150.01
USD/MYR	4.443	4.446	4.469	4.493	4.799
USD/IDR	16,330	16,275	16,367	16,360	15,660
USD/THB	33.69	33.69	34.06	34.30	36.06
USD/SGD	1.343	1.342	1.354	1.356	1.344
USD/CNY	7.279	7.275	7.307	7.273	7.193
USD/KRW	1,442	1,441	1,455	1,440	1,338
USD/INR	86.95	86.95	86.89	86.57	82.97
USD/PHP	58.09	58.16	58.19	58.52	56.06
USD/TWD	32.76	32.77	32.87	32.80	31.50
USD/HKD	7.777	7.775	7.790	7.780	7.821
USD/VND	25,520	25,527	25,567	25,321	24,528
NZD/USD	0.571	0.570	0.564	0.567	0.617

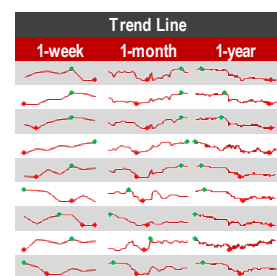
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.1	(0.7)	(2.0)	3.0	(1.2)
(0.2)	0.4	0.1	(3.6)	0.7
(0.1)	1.0	1.1	(3.1)	2.5
(0.2)	1.1	2.1	(0.3)	0.6
(0.4)	(1.9)	(2.7)	1.0	(3.6)
(0.0)	(0.6)	(1.1)	(7.4)	(0.6)
0.3	(0.2)	(0.2)	4.3	1.4
0.0	(1.1)	(1.8)	(6.6)	(1.2)
0.0	(0.8)	(1.0)	(0.1)	(1.7)
0.05	(0.4)	0.1	1.2	(0.3)
0.1	(0.9)	0.1	7.8	(2.0)
0.0	0.1	0.4	4.8	1.6
(0.1)	(0.2)	(0.7)	3.6	0.4
(0.0)	(0.3)	(0.1)	4.0	(0.1)
0.0	(0.2)	(0.0)	(0.6)	0.1
(0.0)	(0.2)	0.8	4.0	0.1
0.0	1.1	0.6	(7.5)	2.0



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
EUR/MYR	4.634	4.653	4.638	4.631	5.182
GBP/MYR	5.601	5.605	5.563	5.472	6.048
AUD/MYR	2.825	2.828	2.806	2.786	3.145
JPY/MYR	2.933	2.924	2.895	2.887	3.199
SGD/MYR	3.309	3.313	3.304	3.291	3.568
10CNY/MYR	6.104	6.111	6.118	6.180	6.673
100IDR/MYR	2.722	2.731	2.730	2.746	3.064
THB/MYR	13.167	13.189	13.103	13.156	13.338
10HKD/MYR	5.712	5.719	5.738	5.775	6.136

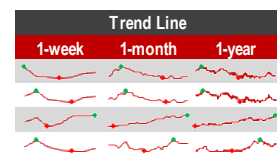
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.4)	(0.1)	0.1	(10.6)	(0.5)
(0.1)	0.7	2.4	(7.4)	(0.3)
(0.1)	0.7	1.4	(10.2)	1.6
0.3	1.3	1.6	(8.3)	3.1
(0.1)	0.2	0.6	(7.3)	0.7
(0.1)	(0.2)	(1.2)	(8.5)	(0.4)
(0.3)	(0.3)	(0.9)	(11.2)	(1.8)
(0.2)	0.5	0.1	(1.3)	1.1
(0.1)	(0.5)	(1.1)	(6.9)	(0.8)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
Brent (USD/barrel)	76.04	75.84	75.18	80.15	82.34
WTI (USD/barrel)	72.25	71.85	71.37	77.88	78.18
Gold (USD/oz)	2,933	2,936	2,904	2,708	2,024
Malaysia CPO (RM/tonne)	4,770	4,743	4,860	4,579	3,997

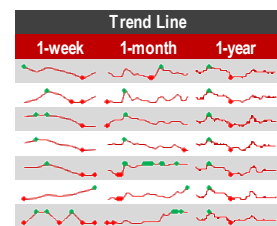
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.3	1.1	(5.1)	(7.7)	1.9
0.6	1.2	(7.2)	(7.6)	0.7
(0.1)	1.0	8.3	44.9	11.8
0.6	(1.8)	4.2	19.3	(3.0)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
3-Year	3.45	3.45	3.45	3.45	3.39
5-Year	3.61	3.61	3.62	3.62	3.55
7-Year	3.77	3.77	3.78	3.79	3.71
10-Year	3.80	3.79	3.82	3.82	3.86
15-Year	3.97	3.97	3.97	3.97	4.00
20-Year	4.07	4.07	4.06	4.06	4.08
30-Year	4.18	4.19	4.18	4.18	4.22

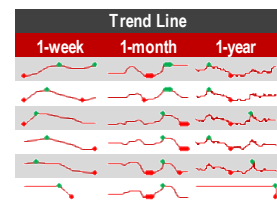
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(0)	6	(3)
(0)	(1)	(1)	6	(1)
0	(2)	(3)	6	(0)
0	(2)	(3)	(6)	(2)
0	(1)	(0)	(4)	(0)
0	1	1	(1)	1
(0)	(0)	1	(3)	0



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
3-Year	3.56	3.55	3.55	3.40	3.42
5-Year	3.63	3.62	3.63	3.63	3.57
7-Year	3.78	3.78	3.78	3.78	3.76
10-Year	3.81	3.81	3.83	3.84	3.85
15-Year	3.94	3.95	3.96	3.96	3.99
20-Year	4.08	4.08	4.08	4.08	4.14

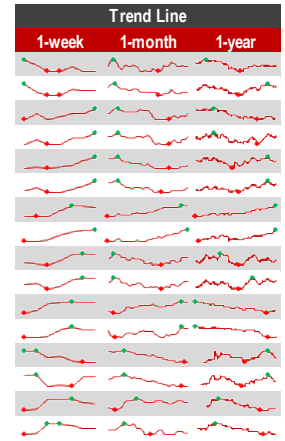
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	15	13	13
0	(0)	0	6	0
0	(1)	(0)	2	3
(0)	(1)	(3)	(4)	(2)
(0)	(1)	(2)	(5)	(3)
0	(0)	(1)	(7)	(1)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
UST 2Y	4.27	4.31	4.35	4.28	4.61
UST 10Y	4.53	4.55	4.62	4.63	4.28
Germany 2Y	2.18	2.13	2.14	2.22	2.77
Germany 10Y	2.56	2.49	2.48	2.53	2.37
UK 2Y	4.28	4.24	4.20	4.38	4.56
UK 10Y	4.61	4.56	4.54	4.66	4.04
Japan 2Y	0.82	0.83	0.80	0.68	0.15
Japan 10Y	1.44	1.43	1.34	1.20	0.73
Australia 2Y	3.92	3.91	3.84	3.90	3.84
Australia 10Y	4.52	4.51	4.46	4.48	4.18
China 2Y	1.40	1.41	1.28	1.28	2.12
China 10Y	1.69	1.72	1.63	1.68	2.42
Indonesia 2Y	6.48	6.50	6.62	6.94	6.26
Indonesia 10Y	6.82	6.77	6.84	7.16	6.62
Thailand 2Y	2.04	2.05	2.04	2.06	2.15
Thailand 10Y	2.30	2.29	2.28	2.40	2.56

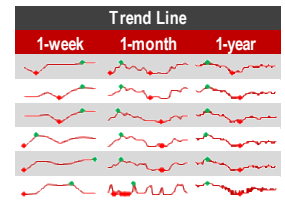
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(4)	(9)	(2)	(34)	3
(2)	(9)	(9)	26	(4)
5	4	(4)	(60)	10
6	8	3	18	19
3	8	(10)	(28)	(12)
5	7	(5)	57	107
(0)	2	14	67	22
1	9	23	70	33
1	7	2	8	6
2	6	5	34	16
(0)	12	12	(72)	30
(3)	6	1	(73)	1
(2)	(13)	(46)	23	(56)
6	(1)	(34)	20	(17)
(0)	1	(2)	(11)	4
0	2	(10)	(27)	4



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
IRS 1-Year	3.60	3.59	3.59	3.59	3.55
IRS 3-Year	3.54	3.53	3.52	3.53	3.52
IRS 5-Year	3.58	3.57	3.57	3.58	3.63
IRS 7-Year	3.65	3.65	3.63	3.66	3.76
IRS 10-Year	3.75	3.75	3.73	3.76	3.90
IRS 20-Year	3.96	4.10	3.92	3.97	4.25

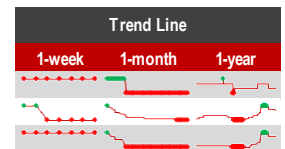
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	1	5	3
1	2	2	2	4
1	1	0	(5)	4
0	2	(0)	(11)	2
1	3	(0)	(15)	3
(14)	4	(1)	(29)	1



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
1-Month Klibor	3.28	3.28	3.28	3.28	3.29
3-Month Klibor	3.66	3.66	3.67	3.68	3.55
6-Month Klibor	3.73	3.73	3.73	3.73	3.63

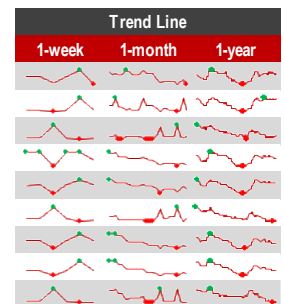
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(1)	(1)
0	(1)	(2)	11	(7)
0	0	0	10	(4)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	19-Feb-25	18-Feb-25	12-Feb-25	20-Jan-25	20-Feb-24
3-Year AAA	3.82	3.83	3.83	3.84	3.81
3-Year AA	4.01	4.03	4.01	4.02	4.00
3-Year A	4.84	4.83	4.84	4.83	5.13
5-Year AAA	3.91	3.91	3.91	3.92	3.93
5-Year AA	4.08	4.09	4.08	4.10	4.12
5-Year A	5.03	5.03	5.04	5.04	5.42
10-Year AAA	4.04	4.04	4.04	4.07	4.11
10-Year AA	4.21	4.22	4.21	4.24	4.31
10-Year A	5.42	5.42	5.43	5.47	5.91

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(0)	(1)	1	(1)
(2)	0	(1)	1	(0)
1	0	0	(29)	(2)
(0)	(0)	(2)	(2)	(2)
(0)	0	(1)	(3)	(2)
1	(1)	(1)	(39)	(5)
(0)	0	(3)	(7)	(3)
(0)	0	(3)	(10)	(3)
0	(1)	(5)	(49)	(14)



Sources: Bloomberg, AmBank Economics
 Note: All values are end-period

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