



## Fixed Income &amp; FX Research

15 October 2024

## Snapshot Summary...

**Global FX:** USD remained on strong footing**Global Rates:** Bunds consolidate after recent weakness, ahead of ECB decision**MYR Bonds:** Government bonds weakened, and IRS rates rose as markets expect a slower Fed**USD/MYR:** In tandem with weakness in the yuan and other Asian currencies, the ringgit weakened as well

## Macro News

**Singapore:** The Monetary Authority of Singapore maintained the slope, width and centre of its currency band yesterday. The decision comes with its statement saying that risks to inflation have become more 'balanced' and consistent with 'medium-term price stability'. A Bloomberg survey had expected MAS not to have altered its policy yesterday, though the decision may be in contrast with the rate cuts at most other central banks.

An advanced reading from the Ministry of Trade and Industry (MTI) showed Singapore's growth was 4.1% y/y in 3Q2024, accelerating from a 2.9% gain in the previous quarter. The manufacturing sector led the solid growth (3Q2024: 7.5% vs. 2Q2024: -1.1%). For the rest of 2024, the country's sustained growth is anticipated amid ongoing upswing in the electronics and trade cycles and the easing in the global financial conditions. Therefore, the central bank expects Singapore's full-year GDP to come around the upper end of its 2%-3% range.

**China:** The country's exports slowed sharply in September when it grew by just 2.4% y/y (August: 8.7%) as global demand weakened, increasing worries over how to stimulate the growth of the world's second-largest economy. Meanwhile, imports rose 0.3% y/y, moderating from a gain of 0.5% in the previous month, reflecting slack demand partly due to a prolonged slump in the property market. Over the weekend, Finance Minister Lan Foan reiterated that the government is considering various ways to boost the economy, yet did not state the size of stimulus plans.

## Fixed Income

**Global Bonds:** As the US was closed for Columbus Day, Bunds consolidated after their recent weakness and coming ahead of the ECB meeting this week when the expectation is for Europe's central bank to cut rates by 25 bps to 3.40% (Main Refi Rate). Meanwhile, Germany cut its 2024 GDP forecast to -0.2%, which would mean a second consecutive year of recession.

**MYR Government Bonds:** Government bonds weakened while IRS rates rose on Monday. The bond weakness was slanted towards medium to longer tenors amid the reopening of GII 11/34, generating a low BTC of 1.60x following last Friday's losses in global bonds.

## FX Daily Rates

Vs. USD	Last Close	Per cent
DX	103.30	0.4
EUR/USD	1.091	(0.3)
AUD/USD	0.673	(0.4)
GBP/USD	1.306	(0.1)
USD/JPY	149.76	0.4
USD/MYR	4.297	0.2
USD/IDR	15,560	(0.1)
USD/THB	33.34	0.0
USD/SGD	1.309	0.3
USD/CNY	7.090	0.3
USD/KRW	1,358	0.5
USD/INR	84.06	(0.0)
USD/PHP	57.47	0.5
USD/TWD	32.17	(0.1)
USD/HKD	7.764	(0.1)
USD/VND	24,846	0.1
NZD/USD	0.610	(0.2)

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.696	0.1
GBP/MYR	5.609	0.1
AUD/MYR	2.889	0.0
JPY/MYR	2.869	(0.2)
SGD/MYR	3.289	0.1
10CNY/MYR	6.061	(0.1)
100IDR/MYR	2.761	0.3
THB/MYR	12.905	0.2
10HKD/MYR	5.534	0.3
100INR/MYR	5.120	0.4

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.42	0
5-Year	08/29	3.55	(1)
7-Year	04/31	3.75	0
10-Year	07/34	3.80	1
15-Year	04/39	3.93	0
20-Year	05/44	4.07	0
30-Year	03/53	4.20	0

## MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.54	(0)
IRS 3-Year	3.49	2
IRS 5-Year	3.53	2
IRS 7-Year	3.62	2
IRS 10-Year	3.72	2
3-M KLIBOR	3.56	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.96	0
UST 10Y	4.10	0
Germany 10Y	2.28	1
UK 10Y	4.24	3
Japan 10Y	0.95	0
Australia 10Y	4.27	4
China 10Y	2.15	0
Korea 10Y	3.08	1
Indonesia 10Y	6.68	(0)
Thailand 10Y	2.52	0
Malaysia 10Y	3.80	1

**MYR Corporate Bonds:** Very little trading was recorded yesterday in the ringgit credit market. Amongst the few papers that were traded, notable trades involved AAA-rated Danga 01/30 at 3.82% (unch) and Danainfra 03/27 (GG) at 3.45% (+5 bps).

## Forex

**US:** On Monday, the USD surged to a nine-week high amid light trading, continuing its recent bullish momentum driven by shifts in expectations for the Fed's rate policy. Minneapolis Fed President Neel Kashkari said 'further modest' rate cuts may be necessary in the coming quarters to meet the Fed's dual mandate of maintaining low unemployment and stable inflation. The dollar was also boosted by global concerns after China's stimulus plans announced over the weekend failed to boost confidence in the country's growth expectations.

**Europe:** The euro fell for the 11th time in 12 sessions as traders priced in a near-certain 25 bps rate cut at Thursday's ECB meeting, driven by signs of slowing activity. As Germany cut its 2024 growth outlook, Fitch downgraded France's outlook from "Stable" to "Negative," citing growing fiscal and political risks.

**Asia Pacific:** In Asia, trading was primarily influenced by Beijing's fiscal stimulus briefing, with China's offshore yuan down 0.3% against the dollar. Additional pressure on the yuan was slower growth in both imports and exports, which suggests the economy is still struggling to claw out of the structural problems it is currently facing. The JPY was traded thin as Japanese markets were shut for a bank holiday.

**Malaysia:** With weakness in the yuan and other Asian currencies, the ringgit weakened but remained within the consolidation range since last week. The next leg for the currency tilts towards the upside, as viewed from the macro side, the Fed is still expected to cut its rate, though the pace is up for debate. However, near-term risks, such as the US election, geopolitical tensions, and further paring down of the Fed's rate cut pricing could dampen the ringgit's strengthening path.

## Other Markets

**Gold:** Gold was weighed down by gains in the USD. The metal gave up last week's gains after China's finance ministry fell short of announcing new stimulus measures in specific terms and while markets pared down their aggressive Fed rate cut pricing.

**Oil:** Oil fell 2% on Monday, driven by concerns over China's weakening economy following the disappointing trade data.

## Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.77	1
3-Year AA	3.92	2
3-Year A	4.92	16
5-Year AAA	3.86	2
5-Year AA	4.00	2
5-Year A	5.19	11
10-Year AAA	4.00	2
10-Year AA	4.19	3
10-Year A	5.79	17

## Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	77.46	(2.0)
WTI (USD/bl)	73.83	(2.3)
Gold (USD/oz)	2,649	(0.3)
CPO (RM/tonne)	4,406	0.0

## Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,860	0.8
Dow Jones	43,065	0.5
Nasdaq	18,503	0.9
London FTSE	8,293	0.5
German DAX	19,508	0.7
Nikkei 225	39,606	0.0
Japan TOPIX	2,706	0.0
FBM KLCI	1,637	0.2
Strait Times	3,596	0.6
Jakarta	7,560	0.5
Shanghai	3,284	2.1
MSCI Asia Pac	192	(0.1)
MSCI World	3,753	0.6
Hang Seng	21,093	(0.7)
KOSPI	2,623	1.0
Thai Stock Exc	1,470	0.0
Taiwan	22,975	0.3
India	81,973	0.7
Australia	8,253	0.5

## Policy Rates

Central Banks	Current	Next
US Fed Funds	5.00	08-Novt
ECB Main Refinancing	3.65	17-Oct
BoE Base Rate	5.00	07-Novt
RBA Cash Rate	4.35	05-Nov
BoJ Cash Rate	0.25	31-Oct
PBoC 1Y LPR	3.35	n.a.
BoK Base Rate	3.50	-
BNM OPR	3.00	06-Nov

## Ringgit Outlook for The Week

	1	2
Resistance	4.345	4.366
Support	4.150	4.200

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		
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	103.30	102.89	102.54	101.11	106.65	0.4	0.7	2.2	(3.1)	1.9			
EUR/USD	1.091	1.094	1.098	1.108	1.051	(0.3)	(0.6)	(1.5)	3.8	(1.2)			
AUD/USD	0.673	0.675	0.676	0.670	0.630	(0.4)	(0.5)	0.3	6.8	(1.3)			
GBP/USD	1.306	1.307	1.308	1.312	1.214	(0.1)	(0.2)	(0.5)	7.5	2.6			
USD/JPY	149.76	149.13	148.18	140.85	149.57	0.4	1.1	6.3	0.1	6.2			
USD/MYR	4.297	4.289	4.285	4.301	4.728	0.2	0.3	(0.1)	(9.1)	(6.5)			
USD/IDR	15,560	15,580	15,680	15,400	15,683	(0.1)	(0.8)	1.0	(0.8)	1.1			
USD/THB	33.34	33.34	33.45	33.33	36.18	0.0	(0.3)	0.0	(7.8)	(2.3)			
USD/SGD	1.309	1.305	1.304	1.298	1.369	0.3	0.3	0.8	(4.4)	(0.9)			
USD/CNY	7.090	7.067	7.019	7.097	7.305	0.32	1.0	(0.1)	(2.9)	(0.1)			
USD/KRW	1,358	1,351	1,344	1,334	1,350	0.5	1.0	1.8	0.6	5.4			
USD/INR	84.06	84.07	83.98	83.90	83.26	(0.0)	0.1	0.2	1.0	1.0			
USD/PHP	57.47	57.21	56.81	55.99	56.81	0.5	1.2	2.6	1.2	3.8			
USD/TWD	32.17	32.19	32.14	32.01	32.23	(0.1)	0.1	0.5	(0.2)	4.8			
USD/HKD	7.764	7.771	7.766	7.800	7.825	(0.1)	(0.0)	(0.5)	(0.8)	(0.6)			
USD/VND	24,846	24,815	24,852	24,580	24,449	0.1	(0.0)	1.1	1.6	2.4			
NZD/USD	0.610	0.611	0.613	0.616	0.589	(0.2)	(0.5)	(1.0)	3.6	(3.5)			

## Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.696	4.691	4.695	4.771	4.979	0.1	0.0	(1.6)	(5.7)	(7.5)			
GBP/MYR	5.609	5.606	5.600	5.650	5.765	0.1	0.2	(0.7)	(2.7)	(3.9)			
AUD/MYR	2.889	2.889	2.908	2.887	2.985	0.0	(0.6)	0.1	(3.2)	(7.6)			
JPY/MYR	2.869	2.876	2.891	3.055	3.161	(0.2)	(0.8)	(6.1)	(9.2)	(11.8)			
SGD/MYR	3.289	3.284	3.286	3.313	3.454	0.1	0.1	(0.7)	(4.8)	(5.4)			
10CNY/MYR	6.061	6.069	6.104	6.062	6.470	(0.1)	(0.7)	(0.0)	(6.3)	(6.2)			
100IDR/MYR	2.761	2.753	2.731	2.792	3.015	0.3	1.1	(1.1)	(8.4)	(7.5)			
THB/MYR	12.905	12.884	12.801	12.888	12.991	0.2	0.8	0.1	(0.7)	(3.7)			
10HKD/MYR	5.534	5.519	5.517	5.516	6.043	0.3	0.3	0.3	(8.4)	(5.9)			

## Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	77.46	79.04	80.93	71.61	90.89	(2.0)	(4.3)	8.2	(14.8)	0.5			
WTI (USD/barrel)	73.83	75.56	77.14	68.65	87.69	(2.3)	(4.3)	7.5	(15.8)	3.0			
Gold (USD/oz)	2,649	2,657	2,643	2,578	1,933	(0.3)	0.2	2.7	37.0	28.4			
Malaysia CPO (RM/tonne)	4,406	4,406	4,384	3,996	3,641	0.0	0.5	10.3	21.0	18.6			

## Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.42	3.42	3.42	3.32	3.62	0	0	10	(19)	(4)			
5-Year	3.55	3.56	3.55	3.48	3.72	(1)	(0)	8	(17)	(2)			
7-Year	3.75	3.75	3.75	3.68	3.93	0	0	8	(18)	3			
10-Year	3.80	3.79	3.77	3.72	4.04	1	2	8	(24)	7			
15-Year	3.93	3.93	3.92	3.87	4.17	0	2	7	(23)	(5)			
20-Year	4.07	4.07	4.06	4.03	4.38	0	1	4	(31)	(3)			
30-Year	4.20	4.20	4.20	4.17	4.46	0	0	3	(26)	(4)			

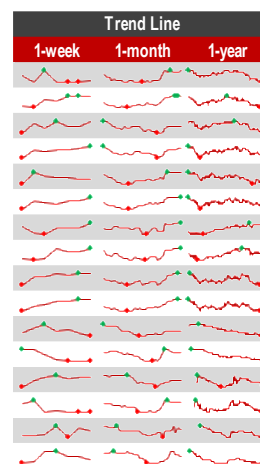
## Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.37	3.37	3.36	3.32	3.65	0	1	5	(28)	(12)			
5-Year	3.55	3.55	3.54	3.51	3.79	0	0	4	(24)	(5)			
7-Year	3.76	3.76	3.74	3.69	3.96	0	2	7	(20)	(0)			
10-Year	3.83	3.80	3.79	3.77	4.07	3	5	6	(24)	5			
15-Year	3.95	3.95	3.94	3.92	4.18	0	1	2	(23)	(0)			
20-Year	4.08	4.08	4.07	4.07	4.41	0	1	1	(33)	(4)			

## Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23
UST 2Y	3.96	3.96	4.00	3.58	5.05
UST 10Y	4.10	4.10	4.03	3.65	4.61
Germany 2Y	2.26	2.24	2.25	2.21	3.14
Germany 10Y	2.28	2.27	2.26	2.15	2.74
UK 2Y	4.18	4.17	4.22	3.80	4.85
UK 10Y	4.24	4.21	4.21	3.77	4.39
Japan 2Y	0.42	0.42	0.42	0.39	0.05
Japan 10Y	0.95	0.95	0.93	0.85	0.76
Australia 2Y	3.86	3.83	3.67	3.56	4.03
Australia 10Y	4.27	4.23	4.07	3.82	4.46
China 2Y	1.46	1.46	1.46	1.37	2.28
China 10Y	2.15	2.15	2.21	2.07	2.68
Indonesia 2Y	6.39	6.38	6.34	6.57	6.50
Indonesia 10Y	6.68	6.68	6.73	6.58	6.79
Thailand 2Y	2.18	2.18	2.16	2.15	2.54
Thailand 10Y	2.52	2.52	2.55	2.54	3.25

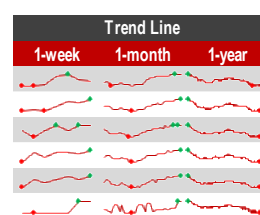
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(4)	37	(110)	(29)
0	7	45	(51)	22
2	1	5	(88)	(15)
1	2	13	(46)	25
1	(4)	38	(67)	20
3	3	47	(15)	70
0	(0)	2	37	36
0	2	10	19	34
3	19	30	(17)	15
4	20	46	(19)	32
(1)	(0)	8	(83)	(74)
0	(6)	8	(53)	(41)
1	5	(18)	(11)	(13)
(0)	(4)	10	(10)	20
0	2	2	(36)	(15)
0	(4)	(2)	(74)	(16)



## Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23
IRS 1-Year	3.54	3.54	3.53	3.41	3.69
IRS 3-Year	3.49	3.48	3.45	3.30	3.74
IRS 5-Year	3.53	3.51	3.51	3.34	3.87
IRS 7-Year	3.62	3.60	3.60	3.43	3.99
IRS 10-Year	3.72	3.70	3.70	3.54	4.12
IRS 20-Year	4.07	3.81	3.80	3.68	4.50

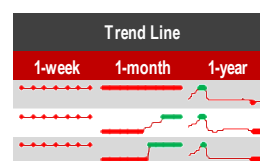
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	1	13	(15)	(4)
2	4	19	(25)	0
2	1	18	(34)	(6)
2	2	19	(37)	(9)
2	2	18	(41)	(11)
26	27	40	(43)	(14)



## Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23
1-Month Klibor	3.28	3.28	3.28	3.28	3.29
3-Month Klibor	3.56	3.56	3.56	3.53	3.61
6-Month Klibor	3.62	3.62	3.62	3.61	3.66

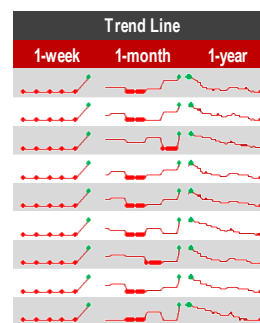
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(1)	(9)
0	0	3	(5)	(21)
0	0	1	(4)	(19)



## Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-24	11-Oct-24	7-Oct-24	14-Sep-24	15-Oct-23
3-Year AAA	3.77	3.77	3.77	3.75	4.03
3-Year AA	3.92	3.90	3.90	3.89	4.18
3-Year A	4.92	4.76	4.76	4.87	5.32
5-Year AAA	3.86	3.84	3.84	3.84	4.13
5-Year AA	4.00	3.98	3.98	3.98	4.32
5-Year A	5.19	5.08	5.08	5.11	5.63
10-Year AAA	4.00	3.98	3.98	3.99	4.39
10-Year AA	4.19	4.16	4.16	4.17	4.59
10-Year A	5.79	5.62	5.62	5.62	6.11

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	2	(25)	(8)
2	2	2	(27)	(12)
16	16	6	(40)	(32)
2	2	2	(27)	(12)
2	2	2	(32)	(18)
11	11	9	(44)	(36)
2	2	1	(39)	(18)
3	3	2	(40)	(23)
17	17	17	(32)	(27)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Group Economic Research	
Firdaos Rosli	<a href="mailto:firdaos.rosli@ambankgroup.com">firdaos.rosli@ambankgroup.com</a>
Nik Ahmad Mukharriz Nik Muhammad	<a href="mailto:nik-ahmad-mukharriz.n@ambankgroup.com">nik-ahmad-mukharriz.n@ambankgroup.com</a>
Raja Adibah Raja Hasnan	<a href="mailto:raja-adibah.r@ambankgroup.com">raja-adibah.r@ambankgroup.com</a>
Muhamad Farid Anas Johari	<a href="mailto:muhamad-farid-anas.j@ambankgroup.com">muhamad-farid-anas.j@ambankgroup.com</a>
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	<a href="mailto:azli-abd-jamil@ambankgroup.com">azli-abd-jamil@ambankgroup.com</a>
Jacqueline E. Rodrigues	<a href="mailto:jacqueline-r@ambankgroup.com">jacqueline-r@ambankgroup.com</a>
Ho Su Farn	<a href="mailto:ho-su-farn@ambankgroup.com">ho-su-farn@ambankgroup.com</a>
Melisa Lim Giok Ling	<a href="mailto:melisa-lim@ambankgroup.com">melisa-lim@ambankgroup.com</a>
Roger Yee Chan Chung	<a href="mailto:roger-yee@ambankgroup.com">roger-yee@ambankgroup.com</a>
Nadia Binti Hazmi	<a href="mailto:nadia.hazmi@ambankgroup.com">nadia.hazmi@ambankgroup.com</a>

### DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only, and it is issued by AmBank (M) Berhad ("AmBank") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation, or expression of views to influence anyone to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment, or other products. AmBank recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal, or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmBank believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmBank has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete, or up-to-date and they should not be relied upon as such. All information included in this report constitute AmBank's views as of this date and are subject to change without notice. Notwithstanding that, AmBank has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmBank's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group, and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmBank's prior written consent. AmBank, AmBank Group and its respective directors, officers, employees, and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect, or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given about this report. Any such responsibility is hereby expressly disclaimed.

AmBank is not acting as your advisor and does not owe you any fiduciary duties related to this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and may trade or otherwise effect transactions for their own account or the accounts of their customers, which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.