



Fixed Income & FX Research

05 March 2026

Macro: Sources indicate that Iran is reaching out to the US for negotiations. Batch of US data tuned strongly, while China's PMI fared mixed. BNM is expected to hold OPR at 2.75% today.

Forex: DXY saw some reversals amid preliminary signs of talks, though not enough to reverse earlier declines. MYR saw slight gains, though some pressure may be seen today.

Fixed Income: UST yields rose for a third session amid upbeat US data and continued inflation fears. Local bonds closed mixed amid the 0.8% selloff in the KLCI.

Macro

Global: Sources indicate that Iran has reached out (indirectly) to the US for negotiations, supporting market sentiment, despite Iran's subsequent denial of this action, Israel's advice to disregard the overture (for now), and continued US/Israel-Iran strikes against each other. US Treasury Secretary Scott Bessent said Trump plans to raise universal tariffs from 10% to 15% "sometime this week". On the data front, ISM services PMI rose to 56.1 in February (consensus: 53.5; prior: 53.8), its fastest expansion since August 2022. ADP private payrolls also rose to 63k for the month (consensus: 50k; prior: 11k), coming as the Fed's Beige Book also revealed generally stable employment levels and divergence in economic activity expansion across US regions. Meanwhile, China's NBS and RatingDog PMI diverged – with the largely state-owned enterprise-focused NBS PMI showing activity declines, while the more SME- and market-driven RatingDog PMI showed sharp expansion in manufacturing and services activity.

Malaysia: Deputy MITI Tze Tzen said while the government is monitoring the Middle East conflict, it currently expects little impact on Malaysia's trade due to minimal exposure with Iran. Ahead, BNM is expected to hold its OPR steady at 2.75% for today's MPC meeting, with investors expected to focus on BNM's assessment of the economic and inflation impact from the ME conflict.

Forex

Global: Dollar strength reversed as markets grasped signs that the war may indeed be short-lived, as expected. DXY fell 0.3% as all G10 currencies rose against the USD, though still not enough to reverse earlier declines. AUD saw better strength (+0.55%), after data showed Australia's GDP expanding 0.8% sa q/q in 4Q2025 and 2.6% for 2025 – topping estimates amid its fastest pace in three years. JPY and CHF (+0.4%) remain decent performers despite improving market risk sentiment, supported either by hawkish central bank comments (JPY) or continued intervention risks (CHF). EUR (+0.2%) and GBP (+0.1%) remain weighed down by rising inflation risks.

Malaysia: MYR saw mild gains (+0.1%), supported by CNH gains (+0.4%) and a relatively minor KLCI decline (-0.8%). However, given the rise in overnight UST yields, we think USD/MYR may see some upward pressure today towards the ~3.96 level from some MGS/GII pressure.

Fixed Income

Global Bonds: UST yields rose for a third day amid inflation fears as well as the release of strong ISM services and ADP data, leading swap markets to further reduce bets of a Fed rate cut to just a 67% chance for the next four Fed meetings (until July), compared to full pricing in prior to the ME conflict. Gilt yields fell as the Office for Budget Responsibility cut UK 2026 growth expectations to 1.1% y/y from 1.4% previously.

MYR Bonds: Local government bond market closed mixed, with early net selling action subsequently met by buying interest, even as the KLCI saw minor declines. We think yesterday's demand came ahead of today's MPC meeting, though some pressure may be seen pre-meeting today given the climb in overnight UST yields.

Commodities

Oil prices closed basically flat after surging 11-12% for the first two days since the war. The year-to-date rally remains around 34%, as markets balance the binary outcomes of escalating war risks. vs supply tailwinds from the Americas and other OPEC+ countries.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.77	(0.3)
EUR/USD	1.163	0.2
AUD/USD	0.708	0.6
GBP/USD	1.338	0.1
USD/JPY	157.06	(0.4)
USD/MYR	3.944	(0.1)
USD/IDR	16,885	0.2
USD/THB	31.44	(0.0)
USD/SGD	1.275	(0.1)
USD/CNY	6.895	(0.4)

Ringgit Outlook for The Week

	1	2
Resistance	4.010	4.135
Support	3.823	3.761

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.55	4
UST 10Y	4.10	4
Germany 10Y	2.75	(0)
UK 10Y	4.44	(3)
Japan 10Y	2.12	(2)
Australia 10Y	4.75	(2)
China 10Y	1.80	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.07	0
5-Year	3.34	0
7-Year	3.43	1
10-Year	3.54	1
15-Year	3.79	1
20-Year	3.93	1
30-Year	4.03	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.27	0
IRS 3-Year	3.33	1
IRS 5-Year	3.42	0
IRS 7-Year	3.51	(1)
IRS 10-Year	3.68	(1)
3M KLIBOR	3.24	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	81.40	0.0
WTI (USD/bbl)	74.66	0.1
Gold (USD/oz)	5,140	1.0
CPO (RM/tonne)	4,071	(0.2)

Policy Rates

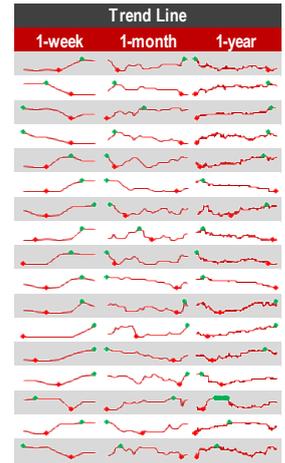
Central Banks	Current	Next
US Fed Funds	3.75	18-Mar
ECB Deposit Rate	2.00	19-Mar
BOE Base Rate	3.75	19-Mar
RBA Cash Rate	3.85	17-Mar
BOJ Cash Rate	0.75	19-Mar
RBNZ Cash Rate	2.25	08-Apr
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-Mar

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

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
DXY Dollar Index	98.77	99.05	97.70	97.63	105.74
EUR/USD	1.163	1.161	1.181	1.179	1.063
AUD/USD	0.708	0.704	0.712	0.695	0.627
GBP/USD	1.338	1.336	1.356	1.367	1.280
USD/JPY	157.06	157.74	156.37	155.63	149.79
USD/MYR	3.944	3.946	3.892	3.945	4.465
USD/IDR	16,885	16,857	16,785	16,790	16,445
USD/THB	31.44	31.45	31.08	31.57	33.84
USD/SGD	1.275	1.277	1.264	1.272	1.339
USD/CNY	6.895	6.919	6.854	6.943	7.253
USD/KRW	1,463	1,490	1,427	1,452	1,459
USD/INR	92.15	91.48	90.96	91.52	87.27
USD/PHP	58.59	58.43	57.51	58.90	57.76
USD/TWD	31.71	31.63	31.32	31.60	32.92
USD/HKD	7.818	7.805	7.820	7.811	7.771
USD/VND	26,202	26,183	26,108	26,016	25,566
NZD/USD	0.594	0.589	0.600	0.600	0.567

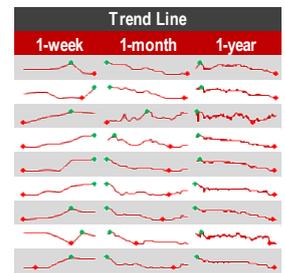
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.3)	1.1	1.2	(6.6)	0.5
0.2	(1.5)	(1.3)	9.5	(1.0)
0.6	(0.7)	1.8	12.8	6.0
0.1	(1.4)	(2.1)	4.5	(0.7)
(0.4)	0.4	0.9	4.9	0.2
(0.1)	1.3	(0.0)	(11.7)	(2.9)
0.2	0.6	0.6	2.7	1.2
(0.0)	1.2	(0.4)	(7.1)	(0.2)
(0.1)	0.9	0.2	(4.8)	(0.8)
(0.4)	0.6	(0.7)	(4.9)	(1.2)
(1.8)	2.5	0.8	0.3	1.6
0.7	1.3	0.7	5.6	2.5
0.3	1.9	(0.5)	1.4	(0.4)
0.3	1.2	0.4	(3.7)	0.9
0.2	(0.0)	0.1	0.6	0.5
0.1	0.4	0.7	2.5	(0.4)
0.9	(1.0)	(1.0)	4.9	3.2



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
EUR/MYR	4.577	4.581	4.589	4.681	4.695
GBP/MYR	5.269	5.248	5.261	5.399	5.682
AUD/MYR	2.776	2.779	2.758	2.742	2.778
JPY/MYR	2.511	2.502	2.490	2.536	2.981
SGD/MYR	3.089	3.088	3.076	3.102	3.323
10 CNY/MYR	5.716	5.716	5.666	5.677	6.148
1 million IDR/MYR	2.334	2.340	2.317	2.349	2.716
THB/MYR	12.525	12.439	12.517	12.571	13.265
10 HKD/MYR	5.044	5.058	4.978	5.055	5.746

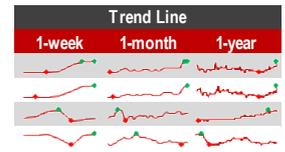
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.1)	(0.3)	(2.2)	(2.5)	(3.9)
0.4	0.2	(2.4)	(7.3)	(3.4)
(0.1)	0.6	1.2	(0.1)	2.3
0.3	0.8	(1.0)	(15.8)	(3.1)
0.0	0.4	(0.4)	(7.0)	(2.1)
0.0	0.9	0.7	(7.0)	(1.6)
(0.3)	0.7	(0.6)	(14.1)	(4.1)
0.7	0.1	(0.4)	(5.6)	(2.4)
(0.3)	1.3	(0.2)	(12.2)	(3.3)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
Brent (USD/barrel)	81.4	81.4	70.85	66.3	71.04
WTI (USD/barrel)	74.66	74.56	65.42	62.14	68.26
Gold (USD/oz)	5,140	5,089	5,165	4,661	2,918
Malaysia CPO (RM/tonne)	4,071	4,080	4,018	4,160	4,600

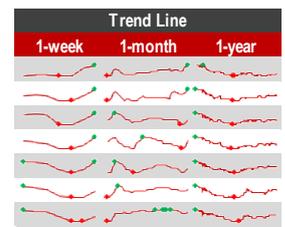
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.0	14.9	22.8	14.6	33.8
0.1	14.1	20.1	9.4	30.0
1.0	(0.5)	10.3	76.2	19.0
(0.2)	1.3	(2.1)	(11.5)	1.8



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
3-Year	3.07	3.07	3.03	3.01	3.42
5-Year	3.34	3.34	3.28	3.27	3.59
7-Year	3.43	3.42	3.44	3.43	3.74
10-Year	3.54	3.53	3.51	3.50	3.78
15-Year	3.79	3.78	3.79	3.77	3.95
20-Year	3.93	3.92	3.94	3.91	4.05
30-Year	4.03	4.03	4.03	4.03	4.17

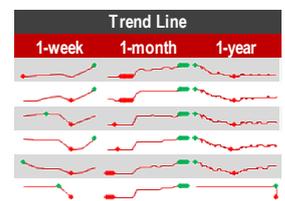
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	4	6	(35)	7
0	6	7	(25)	8
1	(1)	(1)	(31)	5
1	3	4	(24)	4
1	0	2	(16)	2
1	(0)	2	(12)	8
(0)	(0)	(0)	(15)	5



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
3-Year	3.13	3.11	3.10	3.12	3.55
5-Year	3.30	3.28	3.28	3.27	3.62
7-Year	3.37	3.36	3.38	3.37	3.75
10-Year	3.53	3.51	3.53	3.53	3.80
15-Year	3.82	3.81	3.82	3.81	3.94
20-Year	3.94	3.93	3.95	3.90	4.07

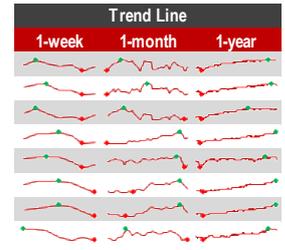
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	2	1	(42)	3
1	2	3	(33)	4
1	(0)	1	(38)	3
2	1	0	(27)	1
1	0	1	(12)	7
1	(1)	4	(13)	8



Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
S&P500 Index	6,870	6,817	6,946	6,976	5,778
Dow Jones	48,739	48,501	49,482	49,408	42,521
Nasdaq	22,807	22,517	23,152	23,592	18,285
London FTSE	10,568	10,484	10,806	10,342	8,759
German DAX	24,205	23,791	25,176	24,798	22,327
Nikkei 225	54,246	56,279	58,583	52,655	37,331
Japan TOPIX	3,634	3,772	3,843	3,536	2,710
FBM KLCI	1,698	1,712	1,748	1,741	1,556

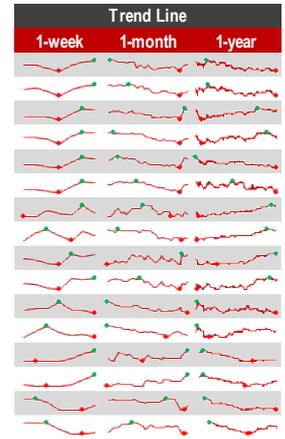
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.8	(1.1)	(1.5)	18.9	78.9
0.5	(1.5)	(1.4)	14.6	47.0
1.3	(1.5)	(3.3)	24.7	117.9
0.8	(2.2)	2.2	20.6	41.8
1.7	(3.9)	(2.4)	8.4	73.8
(3.6)	(7.4)	3.0	45.3	107.9
(3.7)	(5.5)	2.8	34.1	92.1
(0.8)	(2.8)	(2.5)	9.2	13.6



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
UST 2Y	3.55	3.51	3.47	3.57	3.99
UST 10Y	4.10	4.06	4.05	4.28	4.24
Germany 2Y	2.13	2.16	2.05	2.11	2.04
Germany 10Y	2.75	2.75	2.71	2.87	2.50
UK 2Y	3.71	3.73	3.58	3.70	4.18
UK 10Y	4.44	4.47	4.32	4.51	4.53
Japan 2Y	1.24	1.26	1.22	1.27	0.84
Japan 10Y	2.12	2.14	2.14	2.24	1.43
Australia 2Y	4.27	4.31	4.24	4.18	3.71
Australia 10Y	4.75	4.77	4.72	4.80	4.27
China 2Y	1.34	1.36	1.37	1.39	1.42
China 10Y	1.80	1.80	1.81	1.82	1.76
Indonesia 2Y	5.26	5.21	5.10	5.11	6.57
Indonesia 10Y	6.61	6.54	6.43	6.33	6.87
Thailand 2Y	1.11	1.03	1.15	1.20	1.91
Thailand 10Y	1.74	1.71	1.91	1.97	2.19

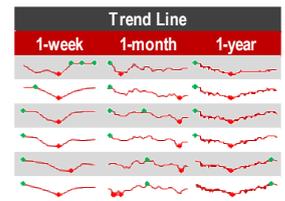
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
4	8	(2)	(44)	7
4	4	(18)	(15)	(7)
(2)	8	2	9	1
(0)	4	(12)	26	(11)
(3)	12	0	(48)	(3)
(3)	12	(7)	(9)	(4)
(2)	1	(3)	40	6
(2)	(2)	(12)	70	5
(4)	3	9	57	22
(2)	3	(5)	48	1
(2)	(3)	(4)	(8)	(3)
(1)	(2)	(2)	4	(6)
5	16	16	(131)	27
8	18	29	(26)	54
8	(4)	(9)	(80)	(1)
3	(17)	(23)	(45)	10



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
IRS 1-Year	3.27	3.27	3.26	3.27	3.59
IRS 3-Year	3.33	3.32	3.34	3.36	3.49
IRS 5-Year	3.42	3.42	3.43	3.46	3.52
IRS 7-Year	3.51	3.52	3.54	3.54	3.58
IRS 10-Year	3.68	3.69	3.70	3.72	3.70
IRS 20-Year	4.01	4.01	4.04	4.04	3.96

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(0)	(33)	6
1	(0)	(3)	(16)	6
0	(1)	(4)	(9)	7
(1)	(3)	(3)	(7)	10
(1)	(2)	(4)	(2)	12
1	(2)	(2)	6	13



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
1-Month Klibor	2.99	2.99	2.98	2.98	3.28
3-Month Klibor	3.24	3.24	3.23	3.23	3.66
6-Month Klibor	3.27	3.27	3.27	3.27	3.73

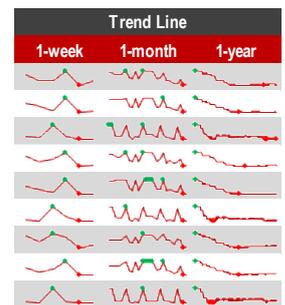
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	1	(29)	(1)
0	1	1	(42)	(4)
0	0	0	(46)	(3)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	4-Mar-26	3-Mar-26	25-Feb-26	2-Feb-26	4-Mar-25
3-Year AAA	3.52	3.52	3.53	3.54	3.83
3-Year AA	3.67	3.67	3.68	3.68	4.00
3-Year A	4.45	4.45	4.46	4.49	4.82
5-Year AAA	3.60	3.60	3.61	3.62	3.90
5-Year AA	3.75	3.75	3.76	3.77	4.08
5-Year A	4.60	4.59	4.60	4.65	5.01
10-Year AAA	3.78	3.78	3.79	3.78	4.04
10-Year AA	3.92	3.92	3.93	3.93	4.21
10-Year A	4.98	4.97	4.98	5.03	5.40

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(0)	(1)	(30)	2
0	(1)	(2)	(34)	0
0	(0)	(4)	(37)	(9)
0	(1)	(2)	(30)	2
0	(1)	(2)	(33)	0
0	(0)	(5)	(41)	(10)
0	(1)	(0)	(26)	1
0	(1)	(1)	(28)	(0)
0	(1)	(6)	(42)	(13)



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
Muhammad Hafizin Aiman Bin Halim	muhammad-hafizin-aiman.h@ambankgroup.com

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