



Fixed Income & FX Research

22 October 2024

Snapshot Summary...

Global FX: Dollar started the week on firmer footing**Global Rates:** UST yields surged amidst lack of data**MYR Bonds:** Lack of appetite in UST led to a sell-off in local bond space**USD/MYR:** Ringgit traded within a tight range despite the tabling of Budget 2025

Macro News

Malaysia: Advanced estimates from Malaysia's Department of Statistics showed 5.3% y/y growth in GDP in 3Q2024. As per a Bloomberg survey, the number exceeds the 5.1% consensus expectations. The 3Q2024 advance number was supported by firm expansions in the services and manufacturing sectors. In his 2025 budget speech last Friday, Prime Minister Anwar Ibrahim placed Malaysia's 2024 GDP growth at 4.8% to 5.3%.

Germany: Producer prices in Germany fell by 1.4% y/y in September against the 0.8% decline in August versus expectations of 0.8%. Within the index, energy prices fell by 6.6% y/y in September. However, disregarding the energy prices, producer prices in Germany rose by 1.2% y/y in September.

China: On Monday, China announced that it had cut the 1Y loan prime rate (LPR) by 25 bps to 3.10% from 3.35% and the 5Y LPR by the same quantum to 3.60% from 3.85% previously. Monday's cut in the benchmark lending rates follows last month's reductions to other policy rates, which are part of the current stimulus package to aid China's economy. Last month, the PBOC cut banks' RRR by 50 bps, and the benchmark 7D reverse repo rate by 20 bps.

Fixed Income

Global Bonds: Amidst a lack of data day, Treasury yields surged on Monday, continuing their upward trend from September lows. Mounting concerns over the direction of the U.S. deficit in the 5th November Presidential election partly fueled this movement. Some support for the yields was also apparent after the hawkish tone of Fed officials' speech. The 10Y yield rose 11 bps to close at 4.20%.

MYR Government Bonds: The lacklustre appetite in UST after recent robust incoming data from the U.S. coupled with the latest FY2025 budget announcement that was deemed to be inflationary has led to some further sell-off in local bond space, particularly on the long end. The 20Y MGS auction yesterday was well absorbed by the real-money players, with the final BTC derived at 2.039x. Still, the overall trading appetite for this stock did not seem to improve post-auction, given that market players were more inclined to reduce duration risks amidst the uncertainty stemming from factors such as U.S. election risk and risks of better incoming US economic data.

MYR Corporate Bonds: Flows in the PDS are lighter at MYR273 million, with most traders offloaded papers in tandem with the sell-off in the govies space. Among

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	104.01	0.5
EUR/USD	1.082	(0.5)
AUD/USD	0.666	(0.7)
GBP/USD	1.299	(0.5)
USD/JPY	150.84	0.9
USD/MYR	4.307	0.0
USD/IDR	15,495	0.2
USD/THB	33.42	0.8
USD/SGD	1.316	0.5
USD/CNY	7.121	0.3
USD/KRW	1,378	0.7
USD/INR	84.07	(0.0)
USD/PHP	57.57	0.1
USD/TWD	31.98	(0.3)
USD/HKD	7.773	0.0
USD/VND	25,290	0.5
NZD/USD	0.603	(0.7)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.672	0.1
GBP/MYR	5.608	(0.1)
AUD/MYR	2.878	(0.4)
JPY/MYR	2.856	(0.8)
SGD/MYR	3.280	(0.0)
10CNY/MYR	6.049	(0.2)
100IDR/MYR	2.778	(0.1)
THB/MYR	12.855	(1.0)
10HKD/MYR	5.541	(0.0)
100INR/MYR	5.120	0.0

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.42	1
5-Year	08/29	3.55	0
7-Year	04/31	3.76	1
10-Year	07/34	3.79	1
15-Year	04/39	3.95	1
20-Year	05/44	4.12	4
30-Year	03/53	4.20	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.54	0
IRS 3-Year	3.50	3
IRS 5-Year	3.54	2
IRS 7-Year	3.62	2
IRS 10-Year	3.72	1
3-M KLIBOR	3.57	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.03	8
UST 10Y	4.20	11
Germany 10Y	2.28	10
UK 10Y	4.14	8
Japan 10Y	0.96	(1)
Australia 10Y	4.27	(3)
China 10Y	2.12	(0)
Korea 10Y	3.06	(2)
Indonesia 10Y	6.64	(2)
Thailand 10Y	2.38	(2)
Malaysia 10Y	3.79	1

notable trades is the MYR80 million on 06/35 Sarawak Energy done at 3.979%. However, we also noted that some buying on LPPSA 08/27 was done at 3.478%.

Forex

US: The dollar started the week on firmer footing as it strengthened on Monday, supported by rising US bond yields and solid economic data suggesting the Fed can gradually approach rate cuts. Hawkish comments from Fed officials, including Lorie Logan and Neel Kashkari, reinforced this view, with both expecting modest rate cuts ahead.

Europe: The euro slipped by 0.5% on Monday after data showed that German producer prices fell more than expected in September, down 1.4% from a year ago, mainly due to lower energy costs. We noted some hawkish tinge from Slovak central bank chief Peter Kazimir. He mentioned that while eurozone inflation will likely hit its target next year, they need more proof before the ECB can declare victory. Meanwhile, the GBP also fell 0.5% on the day.

Asia Pacific: The USD/JPY trimmed some gains after reaching a more than 9-week high of 150.83, as investors remained cautious ahead of the general election on Sunday, 27th October. China's yuan slipped against the US dollar after it lowered its benchmark lending rates, specifically the one- and five-year loan prime rates (LPRs), by 25 bps each during the monthly fixing.

Malaysia: Ringgit traded within a tight range as investors reacted mutely on the Budget 2025 and 3Q2024 advance estimate GDP, which came in at 5.3%, higher than the market consensus of 5.1%.

Other Markets

Gold: Gold soared to a record high on Monday amid rising uncertainties surrounding the US presidential election and the conflict in the Middle East. These factors added to an ongoing rally, already bolstered by expectations of interest rate cuts.

Oil: WTI and Brent crude oil prices closed higher after a six-day losing streak, boosted by a technical rebound and speculative optimism that China's economy, as the world's largest oil importer, might recover. This hope was fuelled by the PBoC cutting interest rates to a record low to stimulate its slowing economy.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.77	(0)
3-Year AA	3.92	0
3-Year A	4.96	4
5-Year AAA	3.86	0
5-Year AA	4.02	2
5-Year A	5.22	3
10-Year AAA	4.02	2
10-Year AA	4.22	3
10-Year A	5.85	6

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	74.29	1.7
WTI (USD/bl)	70.56	1.9
Gold (USD/oz)	2,720	(0.1)
CPO (RM/tonne)	4,383	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,854	(0.2)
Dow Jones	42,932	(0.8)
Nasdaq	18,540	0.3
London FTSE	8,318	(0.5)
German DAX	19,461	(1.0)
Nikkei 225	38,955	(0.1)
Japan TOPIX	2,680	(0.3)
FBM KLCI	1,646	(0.0)
Strait Times	3,615	(0.7)
Jakarta	7,773	0.2
Shanghai	3,268	0.2
MSCI Asia Pac	190	(0.6)
MSCI World	3,740	(0.3)
Hang Seng	20,478	(1.6)
KOSPI	2,605	0.4
Thai Stock Exc	1,489	(0.1)
Taiwan	23,543	0.2
India	81,151	(0.1)
Australia	8,344	0.7

Policy Rates

Central Banks	Current	Next
US Fed Funds	5.00	08-Nov
ECB Main Refinancing	3.65	12-Dec
BoE Base Rate	5.00	07-Nov
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

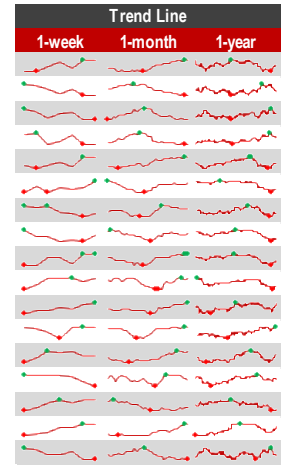
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
DXY Dollar Index	104.01	103.49	103.30	100.72	106.16
EUR/USD	1.082	1.087	1.091	1.116	1.059
AUD/USD	0.666	0.671	0.673	0.681	0.631
GBP/USD	1.299	1.305	1.306	1.332	1.216
USD/JPY	150.84	149.53	149.76	143.85	149.86
USD/MYR	4.307	4.306	4.297	4.204	4.768
USD/IDR	15,495	15,465	15,560	15,150	15,875
USD/THB	33.42	33.16	33.34	33.06	36.51
USD/SGD	1.316	1.310	1.309	1.291	1.373
USD/CNY	7.121	7.102	7.090	7.047	7.315
USD/KRW	1,378	1,369	1,358	1,335	1,353
USD/INR	84.07	84.07	84.06	83.58	83.12
USD/PHP	57.57	57.53	57.47	55.68	56.85
USD/TWD	31.98	32.08	32.17	31.98	32.33
USD/HKD	7.773	7.771	7.764	7.790	7.824
USD/VND	25,290	25,165	24,846	24,602	24,543
NZD/USD	0.603	0.607	0.610	0.624	0.583

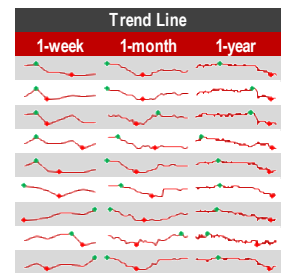
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.5	0.7	3.3	(2.0)	2.6
(0.5)	(0.9)	(3.1)	2.1	(2.0)
(0.7)	(1.0)	(2.2)	5.5	(2.2)
(0.5)	(0.6)	(2.5)	6.7	2.0
0.9	0.7	4.9	0.7	6.9
0.0	0.2	2.5	(9.7)	(6.2)
0.2	(0.4)	2.3	(2.4)	0.6
0.8	0.2	1.1	(8.5)	(2.1)
0.5	0.6	2.0	(4.1)	(0.3)
0.26	0.4	1.0	(2.7)	0.3
0.7	1.5	3.2	1.9	7.0
(0.0)	0.0	0.6	1.1	1.0
0.1	0.2	3.4	1.3	3.9
(0.3)	(0.6)	(0.0)	(1.1)	4.1
0.0	0.1	(0.2)	(0.6)	(0.5)
0.5	1.8	2.8	3.0	4.2
(0.7)	(1.1)	(3.3)	3.5	(4.6)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
EUR/MYR	4.672	4.669	4.696	4.692	5.049
GBP/MYR	5.608	5.613	5.609	5.588	5.781
AUD/MYR	2.878	2.890	2.889	2.861	3.010
JPY/MYR	2.856	2.880	2.869	2.921	3.182
SGD/MYR	3.280	3.281	3.289	3.253	3.475
10CNY/MYR	6.049	6.061	6.061	5.959	6.516
100IDR/MYR	2.778	2.781	2.761	2.775	3.004
THB/MYR	12.855	12.982	12.905	12.727	13.051
10HKD/MYR	5.541	5.542	5.534	5.394	6.094

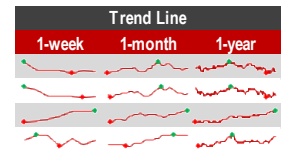
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.1	(0.5)	(0.4)	(7.5)	(8.0)
(0.1)	(0.0)	0.3	(3.0)	(3.9)
(0.4)	(0.4)	0.6	(4.4)	(7.9)
(0.8)	(0.5)	(2.2)	(10.2)	(12.3)
(0.0)	(0.3)	0.8	(5.6)	(5.7)
(0.2)	(0.2)	1.5	(7.2)	(6.4)
(0.1)	0.6	0.1	(7.5)	(6.9)
(1.0)	(0.4)	1.0	(1.5)	(4.1)
(0.0)	0.1	2.7	(9.1)	(5.8)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
Brent (USD/barrel)	74.29	73.06	77.46	74.49	92.16
WTI (USD/barrel)	70.56	69.22	73.83	71.92	88.75
Gold (USD/oz)	2,720	2,721	2,649	2,622	1,981
Malaysia CPO (RM/tonne)	4,383	4,383	4,402	4,028	3,691

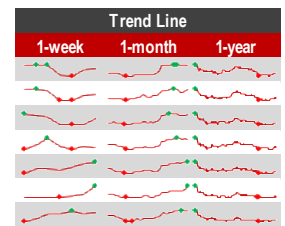
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.7	(4.1)	(0.3)	(19.4)	(3.6)
1.9	(4.4)	(1.9)	(20.5)	(1.5)
(0.1)	2.7	3.7	37.3	31.8
0.0	(0.4)	8.8	18.7	17.9



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
3-Year	3.42	3.42	3.42	3.32	3.68
5-Year	3.55	3.55	3.55	3.48	3.80
7-Year	3.76	3.75	3.75	3.68	4.08
10-Year	3.79	3.78	3.80	3.70	4.11
15-Year	3.95	3.94	3.93	3.87	4.27
20-Year	4.12	4.08	4.07	4.03	4.49
30-Year	4.20	4.20	4.20	4.17	4.53

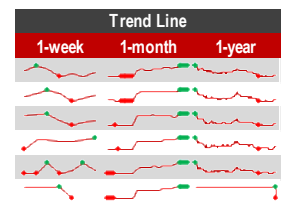
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	0	10	(25)	(4)
0	(0)	7	(25)	(2)
1	0	7	(32)	4
1	(1)	9	(33)	6
1	1	7	(32)	(4)
4	5	9	(37)	2
0	(0)	3	(33)	(4)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
3-Year	3.37	3.36	3.37	3.31	3.69
5-Year	3.55	3.55	3.55	3.49	3.85
7-Year	3.75	3.75	3.76	3.68	4.06
10-Year	3.84	3.83	3.83	3.74	4.12
15-Year	3.95	3.95	3.95	3.91	4.25
20-Year	4.09	4.09	4.08	4.05	4.49

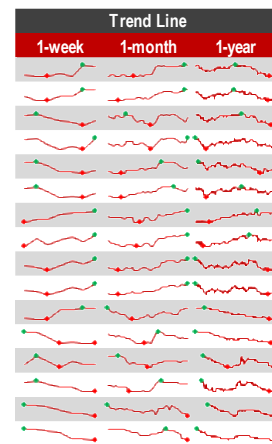
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(0)	5	(32)	(13)
0	(0)	6	(30)	(5)
0	(1)	7	(31)	(1)
1	1	10	(28)	6
(0)	0	4	(30)	(0)
1	1	5	(39)	(2)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
UST 2Y	4.03	3.95	3.96	3.59	5.07
UST 10Y	4.20	4.08	4.10	3.74	4.91
Germany 2Y	2.18	2.11	2.26	2.23	3.12
Germany 10Y	2.28	2.18	2.28	2.21	2.89
UK 2Y	4.05	4.00	4.18	3.93	4.89
UK 10Y	4.14	4.06	4.24	3.90	4.65
Japan 2Y	0.44	0.44	0.42	0.39	0.08
Japan 10Y	0.96	0.98	0.95	0.85	0.84
Australia 2Y	3.86	3.90	3.86	3.62	4.27
Australia 10Y	4.27	4.31	4.27	3.92	4.75
China 2Y	1.52	1.51	1.46	1.39	2.38
China 10Y	2.12	2.12	2.15	2.04	2.71
Indonesia 2Y	6.39	6.40	6.39	6.31	6.52
Indonesia 10Y	6.64	6.66	6.68	6.44	7.10
Thailand 2Y	2.08	2.11	2.18	2.12	2.61
Thailand 10Y	2.38	2.41	2.52	2.46	3.34

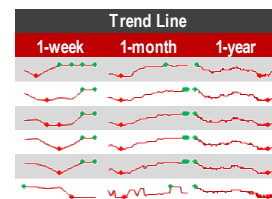
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
8	8	44	(104)	(22)
11	10	45	(72)	32
7	(8)	(5)	(94)	(22)
10	1	7	(61)	26
5	(13)	12	(84)	6
8	(10)	23	(51)	60
(0)	2	5	36	39
(1)	1	11	12	35
(3)	0	24	(41)	16
(3)	(0)	36	(47)	32
1	6	13	(86)	(68)
(0)	(3)	8	(59)	(44)
(1)	(0)	8	(13)	(13)
(2)	(4)	20	(46)	16
(4)	(10)	(4)	(54)	(26)
(2)	(14)	(8)	(96)	(30)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
IRS 1-Year	3.54	3.54	3.54	3.41	3.80
IRS 3-Year	3.50	3.47	3.49	3.31	3.89
IRS 5-Year	3.54	3.52	3.53	3.36	4.03
IRS 7-Year	3.62	3.61	3.62	3.45	4.15
IRS 10-Year	3.72	3.71	3.72	3.54	4.29
IRS 20-Year	3.84	3.82	4.07	3.91	4.64

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	13	(26)	(4)
3	1	19	(38)	1
2	2	19	(49)	(4)
2	0	18	(52)	(9)
1	1	18	(57)	(10)
2	(24)	(8)	(81)	(38)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
1-Month Klibor	3.28	3.28	3.28	3.28	3.30
3-Month Klibor	3.57	3.57	3.56	3.53	3.63
6-Month Klibor	3.63	3.62	3.62	3.61	3.68

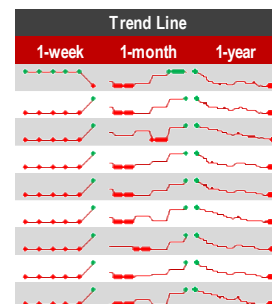
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(2)	(9)
0	1	4	(6)	(20)
1	1	2	(5)	(18)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	21-Oct-24	18-Oct-24	14-Oct-24	21-Sep-24	22-Oct-23
3-Year AAA	3.77	3.77	3.77	3.74	4.08
3-Year AA	3.92	3.92	3.92	3.87	4.24
3-Year A	4.96	4.92	4.92	4.83	5.34
5-Year AAA	3.86	3.86	3.86	3.82	4.18
5-Year AA	4.02	4.00	4.00	3.96	4.35
5-Year A	5.22	5.19	5.19	5.06	5.69
10-Year AAA	4.02	4.00	4.00	3.99	4.46
10-Year AA	4.22	4.19	4.19	4.14	4.64
10-Year A	5.85	5.79	5.79	5.61	6.18

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(0)	3	(31)	(8)
0	0	5	(32)	(12)
4	4	13	(38)	(28)
0	0	4	(32)	(11)
2	2	6	(33)	(16)
3	3	16	(47)	(33)
2	2	3	(43)	(16)
3	3	7	(43)	(20)
6	6	24	(33)	(21)



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

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