



Fixed Income & FX Research

28 November 2024

Snapshot Summary...

Global FX: The dollar index fell to a two-week low in tandem with lower UST yields**Global Rates:** US Treasuries were supported overnight by mixed US economic data**MYR Bonds:** Local govies continued to show sideways trading**USD/MYR:** Ringgit strengthened at a slower pace, reaching a one-week high

Macro News

Malaysia: Malaysia's PPI declined by 2.4% y/y in October, following a 2.1% decrease in the previous month. This marked the second consecutive month of producer deflation and the steepest decline since June 2023.**NZ:** The Reserve Bank of New Zealand reduced the official cash rate (OCR) by 50 bps to 4.25% in November, marking the third rate cut this year and meeting market expectations.**Germany:** The GfK Consumer Climate Indicator for Germany fell to -23.3 points heading into December 2024, the lowest since May and below expectations of -18.6, aligning with December 2023 levels.**US:** US PCE price index increased by 0.2% m/m in October, aligning with expectations. Service prices grew by 0.4% m/m, while goods prices fell by 0.1% m/m. The core PCE index also increased by 0.3% m/m, the same as the previous month. Meanwhile, US personal income increased by 0.6% m/m from the previous month, marking the largest rise in seven months.

US initial jobless claims remained steady at 213k for the week ending 23 November 2024, below market expectations of 216k.

US GDP was up at 2.8% y/y annualised pace in the 3Q2024, per the second estimate figures from the Bureau of Economic Analysis. In focus was consumer spending, which advanced by 3.5%, the strongest this year.

Fixed Income

Global Bonds: US Treasuries were supported overnight by decent to weaker US economic data and declines in consumer sentiment numbers out of Europe. The US numbers include in-line GDP, rise in unemployment benefit claims and PCE inflation matching expectations.**MYR Government Bonds:** The Malaysian government bond market continued to show sideways trading. Weak sentiment persisted, but there were hints of bargain-hunting interest to lower yields on select papers, mainly on longer-tenor MGS benchmark and non-benchmark papers.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	106.08	(0.9)
EUR/USD	1.057	0.7
AUD/USD	0.650	0.3
GBP/USD	1.268	0.9
USD/JPY	151.09	(1.3)
USD/MYR	4.444	(0.3)
USD/IDR	15,930	0.0
USD/THB	34.59	(0.3)
USD/SGD	1.340	(0.5)
USD/CNY	7.245	(0.1)
USD/KRW	1,392	(0.4)
USD/INR	84.45	0.1
USD/PHP	58.72	(0.5)
USD/TWD	32.54	0.1
USD/HKD	7.782	(0.0)
USD/VND	25,387	(0.1)
NZD/USD	0.589	1.0

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.673	(0.2)
GBP/MYR	5.601	(0.1)
AUD/MYR	2.883	(0.3)
JPY/MYR	2.940	1.0
SGD/MYR	3.309	0.0
10CNY/MYR	6.133	(0.2)
100IDR/MYR	2.788	(0.4)
THB/MYR	12.867	0.2
10HKD/MYR	5.710	(0.3)
100INR/MYR	5.270	(0.4)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.47	1
5-Year	08/29	3.61	1
7-Year	04/31	3.78	1
10-Year	07/34	3.81	0
15-Year	04/39	3.93	0
20-Year	05/44	4.06	0
30-Year	03/53	4.17	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.56	(1)
IRS 3-Year	3.46	(2)
IRS 5-Year	3.50	(2)
IRS 7-Year	3.59	(3)
IRS 10-Year	3.71	(2)
3-M KLIBOR	3.62	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.23	(3)
UST 10Y	4.26	(4)
Germany 10Y	2.16	(3)
UK 10Y	4.30	(6)
Japan 10Y	1.07	(0)
Australia 10Y	4.42	(3)
China 10Y	2.05	(0)
Korea 10Y	2.88	(2)
Indonesia 10Y	6.93	0
Thailand 10Y	2.37	(3)
Malaysia 10Y	3.81	0

MYR Corporate Bonds: The PDS segment recorded weaker trading as we noted losses outnumbered gainers. However, demand was reported for AA1-rated YTL Power. For instance, YTLP 08/38 fell 2 bps to 4.17%, and its 03/29 fell 2 bps to 3.85%. AAA rated PLUS 01/37 was in demand at 4.00% as it shed 2 bps on the day.

Forex

United States: The dollar index (DXY) fell to a two-week low on Wednesday, in tandem with lower UST yields and mixed US economic data, which include in-line 3Q2024 GDP, disappointing capital goods order, lower initial jobless claims, and as expected PCE inflation growth. The dollar was also supported by suspected profit-taking before the US went into a long weekend Thanksgiving holiday.

Europe: The EUR reached its highest in a week, closing at 1.057 amidst a weaker dollar. It is possible some support for the EUR also came in from cautious sentiment from ECB executive board member Isabel Schnabel, who cautioned against excessive interest rate cuts, emphasising a gradual approach to avoid surpassing the neutral rate—estimated at 2-3%—as overly accommodative policy could backfire and squander policy space, prompting markets to reduce bets on further easing. The British pound strengthened 0.9% in the meantime.

Asia Pacific: The Japanese yen marked its strongest level since late October, as the BoJ rate hike path remained uncertain, and a hike during the December meeting is still on the table amidst the Fed rate cut cycle. The USD/CNY slipped as the PBoC set the yuan's midpoint rate at 7.1982 per dollar, 553 pips stronger than Reuters' estimate. The AUD/USD remained within rangebound after its CPI monthly indicator for October was unchanged at 2.1% y/y but below the market forecast of 2.3% y/y.

Malaysia: The ringgit strengthened further, albeit at a subdued pace, reaching a week high amidst softness in the dollar and some gains in the Asian market. Malaysia's producer prices fell 2.4% y/y in October, the steepest decline since June 2023.

Other Markets

Gold: Gold was supported by being a safe-haven destination amid mixed global economic data and as the dollar and US bond yields fell.

Oil: Global oil prices were pressured. A drop in US oil inventories by 1.8 million barrels last week exceeded expectations of a 0.6 million barrel decline. However, the sentiment in the market was cautious ahead of the OPEC+ meeting this weekend as the group will decide whether to continue with the 2.2 million barrel output cuts.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.85	0
3-Year AA	4.03	1
3-Year A	4.94	3
5-Year AAA	3.93	(1)
5-Year AA	4.13	2
5-Year A	5.19	4
10-Year AAA	4.09	(0)
10-Year AA	4.27	0
10-Year A	5.72	5

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	72.83	0.0
WTI (USD/bl)	68.72	(0.1)
Gold (USD/oz)	2,636	0.1
CPO (RM/tonne)	4,900	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,999	(0.4)
Dow Jones	44,722	(0.3)
Nasdaq	19,060	(0.6)
London FTSE	8,275	0.2
German DAX	19,262	(0.2)
Nikkei 225	38,135	(0.8)
Japan TOPIX	2,665	(0.9)
FBM KLCI	1,604	0.1
Strait Times	3,708	(0.1)
Jakarta	7,246	0.0
Shanghai	3,310	1.5
MSCI Asia Pac	183	0.6
MSCI World	3,786	(0.1)
Hang Seng	19,603	2.3
KOSPI	2,503	(0.7)
Thai Stock Exc	1,430	(0.5)
Taiwan	22,335	(1.5)
India	80,234	0.3
Australia	8,407	0.6

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.75	18-Dec
ECB Main Refinancing	3.40	12-Dec
BoE Base Rate	4.75	19-Dec
RBA Cash Rate	4.35	10-Dec
BoJ Cash Rate	0.25	18-Dec
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.25	-
BNM OPR	3.00	22-Jan

Ringgit Outlook for The Week

	1	2
Resistance	4.500	4.534
Support	4.400	4.420

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		
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	106.08	107.01	106.68	104.32	102.75	(0.9)	(0.6)	1.7	3.2	4.7			
EUR/USD	1.057	1.049	1.054	1.081	1.099	0.7	0.2	(2.3)	(3.9)	(4.3)			
AUD/USD	0.650	0.648	0.651	0.658	0.665	0.3	(0.1)	(1.3)	(2.3)	(4.6)			
GBP/USD	1.268	1.257	1.265	1.297	1.269	0.9	0.2	(2.3)	(0.1)	(0.4)			
USD/JPY	151.09	153.08	155.44	153.29	147.48	(1.3)	(2.8)	(1.4)	2.4	7.1			
USD/MYR	4.444	4.458	4.471	4.362	4.671	(0.3)	(0.6)	1.9	(4.9)	(3.3)			
USD/IDR	15,930	15,930	15,865	15,725	15,435	0.0	0.4	1.3	3.2	3.5			
USD/THB	34.59	34.70	34.72	33.86	34.94	(0.3)	(0.4)	2.2	(1.0)	1.3			
USD/SGD	1.340	1.347	1.343	1.323	1.331	(0.5)	(0.2)	1.3	0.7	1.5			
USD/CNY	7.245	7.250	7.246	7.129	7.136	(0.07)	(0.0)	1.6	1.5	2.0			
USD/KRW	1,392	1,397	1,400	1,384	1,294	(0.4)	(0.6)	0.5	7.6	8.0			
USD/INR	84.45	84.34	84.41	84.08	83.34	0.1	0.0	0.4	1.3	1.5			
USD/PHP	58.72	59.00	58.92	58.24	55.42	(0.5)	(0.3)	0.8	6.0	6.0			
USD/TWD	32.54	32.52	32.50	32.10	31.46	0.1	0.1	1.4	3.4	6.0			
USD/HKD	7.782	7.783	7.784	7.772	7.797	(0.0)	(0.0)	0.1	(0.2)	(0.4)			
USD/VND	25,387	25,413	25,416	25,357	24,240	(0.1)	(0.1)	0.1	4.7	4.6			
NZD/USD	0.589	0.583	0.588	0.598	0.614	1.0	0.3	(1.5)	(3.9)	(6.7)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.673	4.684	4.720	4.717	5.116	(0.2)	(1.0)	(0.9)	(8.7)	(7.9)			
GBP/MYR	5.601	5.604	5.665	5.659	5.899	(0.1)	(1.1)	(1.0)	(5.1)	(4.0)			
AUD/MYR	2.883	2.891	2.911	2.880	3.090	(0.3)	(1.0)	0.1	(6.7)	(7.8)			
JPY/MYR	2.940	2.912	2.877	2.846	3.167	1.0	2.2	3.3	(7.2)	(9.7)			
SGD/MYR	3.309	3.308	3.330	3.299	3.496	0.0	(0.7)	0.3	(5.4)	(4.9)			
10CNY/MYR	6.133	6.148	6.172	6.122	6.545	(0.2)	(0.6)	0.2	(6.3)	(5.1)			
100IDR/MYR	2.788	2.798	2.818	2.774	3.026	(0.4)	(1.1)	0.5	(7.9)	(6.6)			
THB/MYR	12.867	12.838	12.916	12.916	13.441	0.2	(0.4)	(0.4)	(4.3)	(4.0)			
10HKD/MYR	5.710	5.727	5.745	5.613	5.991	(0.3)	(0.6)	1.7	(4.7)	(2.9)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	72.83	72.81	72.81	71.42	81.68	0.0	0.0	2.0	(10.8)	(5.5)			
WTI (USD/barrel)	68.72	68.77	68.87	67.38	76.41	(0.1)	(0.2)	2.0	(10.1)	(4.1)			
Gold (USD/oz)	2,636	2,633	2,651	2,742	2,041	0.1	(0.6)	(3.9)	29.2	27.8			
Malaysia CPO (RM/tonne)	4,900	4,900	5,025	4,693	3,750	0.0	(2.5)	4.4	30.7	31.8			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.47	3.46	3.47	3.51	3.52	1	(1)	(4)	(5)	0			
5-Year	3.61	3.60	3.61	3.64	3.65	1	0	(3)	(4)	4			
7-Year	3.78	3.77	3.78	3.87	3.89	1	(1)	(9)	(11)	6			
10-Year	3.81	3.81	3.82	3.89	3.85	0	(2)	(8)	(4)	8			
15-Year	3.93	3.93	3.95	4.01	4.04	0	(1)	(8)	(11)	(5)			
20-Year	4.06	4.06	4.07	4.14	4.20	0	(1)	(8)	(15)	(4)			
30-Year	4.17	4.18	4.18	4.23	4.32	(0)	(1)	(6)	(15)	(7)			

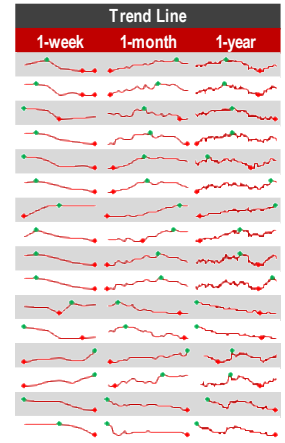
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.40	3.41	3.43	3.44	3.60	(1)	(3)	(4)	(20)	(10)			
5-Year	3.61	3.61	3.62	3.65	3.72	0	(1)	(3)	(11)	1			
7-Year	3.78	3.77	3.79	3.86	3.94	0	(2)	(8)	(16)	1			
10-Year	3.82	3.82	3.86	3.92	3.94	(0)	(4)	(10)	(13)	3			
15-Year	3.95	3.96	3.97	4.01	4.05	(0)	(2)	(5)	(10)	0			
20-Year	4.08	4.09	4.10	4.16	4.25	(1)	(1)	(8)	(17)	(4)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23
UST 2Y	4.23	4.26	4.31	4.14	4.73
UST 10Y	4.26	4.31	4.41	4.28	4.32
Germany 2Y	2.04	2.02	2.13	2.10	2.92
Germany 10Y	2.16	2.19	2.35	2.29	2.50
UK 2Y	4.31	4.33	4.41	4.21	4.63
UK 10Y	4.30	4.35	4.47	4.25	4.17
Japan 2Y	0.59	0.59	0.56	0.46	0.06
Japan 10Y	1.07	1.07	1.08	0.98	0.76
Australia 2Y	4.00	4.02	4.09	4.00	4.23
Australia 10Y	4.42	4.45	4.56	4.48	4.50
China 2Y	1.40	1.40	1.40	1.50	2.42
China 10Y	2.05	2.06	2.09	2.16	2.69
Indonesia 2Y	6.58	6.58	6.60	6.52	6.76
Indonesia 10Y	6.93	6.93	6.90	6.82	6.70
Thailand 2Y	2.01	2.02	2.07	2.09	2.46
Thailand 10Y	2.37	2.40	2.42	2.40	3.07

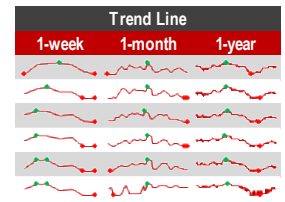
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(3)	(9)	9	(51)	(2)
(4)	(15)	(2)	(6)	38
2	(10)	(6)	(88)	(37)
(3)	(19)	(13)	(34)	14
(3)	(10)	10	(32)	32
(6)	(17)	4	12	76
0	3	13	53	54
1	(1)	9	31	46
(2)	(9)	(0)	(23)	29
(3)	(14)	(7)	(8)	46
(1)	(0)	(11)	(103)	(80)
(0)	(4)	(11)	(64)	(51)
0	(2)	6	(17)	7
0	3	11	23	45
(1)	(5)	(8)	(45)	(32)
(3)	(5)	(3)	(70)	(30)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23
IRS 1-Year	3.56	3.57	3.55	3.58	3.69
IRS 3-Year	3.46	3.48	3.48	3.53	3.68
IRS 5-Year	3.50	3.52	3.52	3.58	3.75
IRS 7-Year	3.59	3.61	3.61	3.66	3.89
IRS 10-Year	3.71	3.73	3.72	3.76	4.03
IRS 20-Year	4.06	4.08	4.08	3.86	4.34

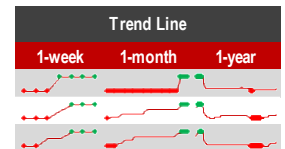
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	1	(3)	(13)	(2)
(2)	(2)	(7)	(22)	(3)
(2)	(2)	(8)	(25)	(8)
(3)	(2)	(7)	(31)	(12)
(2)	(1)	(5)	(33)	(12)
(2)	(2)	20	(29)	(16)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23
1-Month Klibor	3.29	3.29	3.28	3.28	3.35
3-Month Klibor	3.62	3.62	3.60	3.58	3.70
6-Month Klibor	3.67	3.67	3.65	3.64	3.73

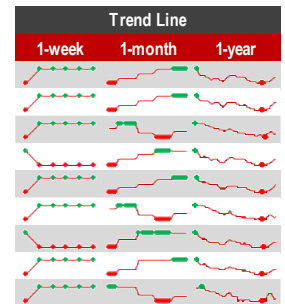
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	1	(6)	(8)
0	2	4	(8)	(15)
0	2	3	(6)	(14)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	27-Nov-24	26-Nov-24	20-Nov-24	28-Oct-24	28-Nov-23
3-Year AAA	3.85	3.85	3.84	3.77	3.99
3-Year AA	4.03	4.03	4.02	3.92	4.16
3-Year A	4.94	4.94	4.91	4.96	5.29
5-Year AAA	3.93	3.93	3.94	3.86	4.13
5-Year AA	4.13	4.13	4.11	4.02	4.31
5-Year A	5.19	5.19	5.15	5.22	5.62
10-Year AAA	4.09	4.09	4.09	4.02	4.37
10-Year AA	4.27	4.27	4.27	4.22	4.55
10-Year A	5.72	5.72	5.67	5.85	6.09

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	8	(14)	(0)
0	1	11	(14)	(1)
0	3	(2)	(35)	(30)
0	(1)	7	(19)	(4)
0	2	11	(18)	(5)
0	4	(3)	(43)	(36)
0	(0)	7	(28)	(9)
0	0	5	(28)	(14)
0	5	(13)	(37)	(34)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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