



## Fixed Income &amp; FX Research

27 November 2024

## Snapshot Summary...

**Global FX:** The dollar steadied after Trump's tariff pledge on Canada, Mexico and China

**Global Rates:** US Treasuries trading saw shorter tenor yields down slightly after release of the FOMC meeting minutes

**MYR Bonds:** The MGS market was in a narrow range awaiting more catalysts

**USD/MYR:** Ringgit erased early session losses to close at 4.458

## Macro News

**UK:** The CBI Distributive Trades Survey showed that retail sales volumes in the UK plunged by 18% in November, worsening from a 6% decline in October and exceeding the anticipated 14% drop.

**US:** Richmond Fed Manufacturing Index remained steady at -14 in November 2024, unchanged from October and below the expected -10. This indicates that manufacturing activity remained sluggish, although there was increased optimism among businesses about improvements in the next six months.

US new home sales dropped by 17.3% m/m in October, falling well below market expectations of 730k. This was the lowest sales figure since October 2022, with two hurricanes significantly impacting activity in the South and ongoing affordability challenges for buyers.

## Fixed Income

**Global Bonds:** US Treasuries trading saw shorter tenor yields down slightly after the FOMC meeting minutes showed policymakers discussing the trajectory of rate cuts. However, they mainly agreed that policy easing would continue, though at a gradual pace. Meanwhile, longer tenor yields rose slightly as traders reacted to Trump's comments on increased tariffs on goods from China and from Mexico and Canada. Bund yields remained near recent lows, as the EU's macro outlook remains murky amid slow economic activity and political risks in Germany as well threat of the Trump tariffs.

**MYR Government Bonds:** The Malaysian government bond market closed mixed in a narrow range despite noting that UST yields were lower during the Asian trading session yesterday. We think players were still nervous ahead of more market catalysts, including US data, especially the October employment numbers and the FOMC minutes. In our opinion, this led to hints of profit-taking activity, especially on longer tenors.

**MYR Corporate Bonds:** More trading flows were reported in the ringgit corporate bond yesterday, but the action was dominated by net selling activity. Notable trades include short-dated Danum 06/25 (AAA), which rose 2 bps to close at 3.53% on MYR55 million volume, and AA+ rated UMW 11/26, which closed 2 bps higher at 3.78% on MYR40

## FX Daily Rates

Vs. USD	Last Close	Per cent
DX/USD	107.01	0.2
EUR/USD	1.049	(0.1)
AUD/USD	0.648	(0.4)
GBP/USD	1.257	0.0
USD/JPY	153.08	(0.7)
USD/MYR	4.458	0.1
USD/IDR	15,930	0.4
USD/THB	34.70	0.2
USD/SGD	1.347	0.1
USD/CNY	7.250	0.1
USD/KRW	1,397	(0.2)
USD/INR	84.34	0.1
USD/PHP	59.00	0.0
USD/TWD	32.52	0.1
USD/HKD	7.783	0.0
USD/VND	25,413	(0.0)
NZD/USD	0.583	(0.2)

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.684	0.3
GBP/MYR	5.604	0.1
AUD/MYR	2.891	(0.3)
JPY/MYR	2.912	0.8
SGD/MYR	3.308	0.1
10CNY/MYR	6.148	0.0
100IDR/MYR	2.798	(0.2)
THB/MYR	12.838	(0.2)
10HKD/MYR	5.727	0.1
100INR/MYR	5.290	0.0

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.46	(0)
5-Year	08/29	3.60	(1)
7-Year	04/31	3.77	(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	4.18	0

## MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.57	(0)
IRS 3-Year	3.48	0
IRS 5-Year	3.52	0
IRS 7-Year	3.61	0
IRS 10-Year	3.73	0
3-M KLIBOR	3.62	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.26	(1)
UST 10Y	4.31	3
Germany 10Y	2.19	(2)
UK 10Y	4.35	1
Japan 10Y	1.07	(0)
Australia 10Y	4.45	(4)
China 10Y	2.06	0
Korea 10Y	2.90	(2)
Indonesia 10Y	6.93	2
Thailand 10Y	2.40	(1)
Malaysia 10Y	3.81	0

million volume. Along the GG segment, we saw Prasarana, 11/28, traded 10 bps higher to close at 3.70%.

## Forex

**United States:** The ICE DXY Index swung from as high as 107.5 to as low as 106.5 before closing at 107.01, nearing the more than one-year low it reached a few sessions ago. This is after President-elect Donald Trump pledges to impose tariffs on products from Canada, Mexico, and China, which caused their currencies to weaken against the US dollar and ahead of the US Thanksgiving Holiday. On the monetary policy front, the FOMC meeting minutes aligned with Fed Chair Powell's comments, indicating another rate cut is likely in December, similar to November, if the economy and inflation stay on track.

**Europe:** The EUR closed in the red with marginal losses amidst heightened volatility, while the GBP/USD closed near its opening price. According to the Confederation of British Industry (CBI), UK retail sales volumes fell 18% in November, exceeding expectations, alongside declining confidence, reduced investment plans, further job cuts, and easing selling price inflation.

**Asia Pacific:** The Japanese yen firmed on safe-haven demand amidst volatility from tariff fear by Trump's policy. The Chinese yuan took a hit from Trump's new announcement on potential further tariffs on Chinese imports. Nonetheless, the PBoC continue to fix the daily yuan fixing below 7.20-level per dollar, signifying the central bank's effort in preventing yuan from free falling.

**Malaysia:** The trading range for ringgit was subdued, erasing early session's losses to close at 4.458. This is amidst weaker-performing Asia currencies as well.

## Other Markets

**Gold:** Gold steadily steadied at around USD 2,633/oz after declining in an earlier session driven by Trump's tariff threat on Canada, Mexico and China.

**Oil:** Crude oil fell as geopolitical tension in the Middle East subsided after news of the cease-fire agreement between Israel and Hezbollah.

## 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/bbl)	72.81	(0.3)
WTI (USD/bbl)	68.77	(0.7)
Gold (USD/oz)	2,633	0.3
CPO (RM/tonne)	4,886	0.0

## Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,022	0.6
Dow Jones	44,860	0.3
Nasdaq	19,176	0.6
London FTSE	8,259	(0.4)
German DAX	19,296	(0.6)
Nikkei 225	38,442	(0.9)
Japan TOPIX	2,690	(1.0)
FBM KLCI	1,603	0.4
Strait Times	3,712	(0.5)
Jakarta	7,246	(0.9)
Shanghai	3,260	(0.1)
MSCI Asia Pac	182	(0.6)
MSCI World	3,790	0.2
Hang Seng	19,159	0.0
KOSPI	2,520	(0.6)
Thai Stock Exc	1,438	(0.4)
Taiwan	22,679	(1.2)
India	80,004	(0.1)
Australia	8,359	(0.7)

## 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

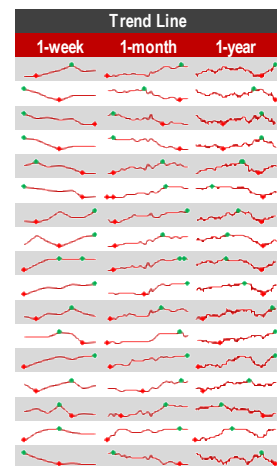
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
DXY Dollar Index	107.01	106.82	106.21	104.26	103.20
EUR/USD	1.049	1.050	1.060	1.080	1.095
AUD/USD	0.648	0.650	0.653	0.661	0.661
GBP/USD	1.257	1.257	1.268	1.296	1.263
USD/JPY	153.08	154.23	154.66	152.31	148.69
USD/MYR	4.458	4.452	4.473	4.343	4.681
USD/IDR	15,930	15,870	15,830	15,640	15,495
USD/THB	34.70	34.64	34.60	33.79	35.11
USD/SGD	1.347	1.346	1.338	1.321	1.337
USD/CNY	7.250	7.246	7.239	7.122	7.153
USD/KRW	1,397	1,400	1,393	1,390	1,304
USD/INR	84.34	84.29	84.41	84.08	83.38
USD/PHP	59.00	58.99	58.82	58.33	55.40
USD/TWD	32.52	32.48	32.41	32.08	31.56
USD/HKD	7.783	7.782	7.783	7.770	7.791
USD/VND	25,413	25,416	25,401	25,376	24,244
NZD/USD	0.583	0.585	0.591	0.598	0.610

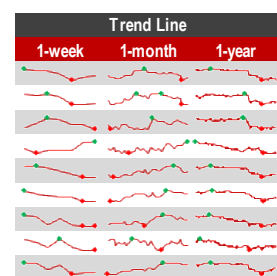
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	0.8	2.6	3.7	5.6
(0.1)	(1.0)	(2.8)	(4.2)	(5.0)
(0.4)	(0.9)	(2.0)	(2.0)	(4.9)
0.0	(0.9)	(3.0)	(0.5)	(1.3)
(0.7)	(1.0)	0.5	3.0	8.5
0.1	(0.3)	2.7	(4.8)	(3.0)
0.4	0.6	1.9	2.8	3.5
0.2	0.3	2.7	(1.2)	1.6
0.1	0.7	1.9	0.7	2.0
0.06	0.1	1.8	1.4	2.1
(0.2)	0.3	0.5	7.1	8.4
0.1	(0.1)	0.3	1.1	1.4
0.0	0.3	1.1	6.5	6.5
0.1	0.3	1.4	3.1	5.9
0.0	(0.0)	0.2	(0.1)	(0.4)
(0.0)	0.0	0.1	4.8	4.7
(0.2)	(1.3)	(2.4)	(4.3)	(7.7)



### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
EUR/MYR	4.684	4.671	4.719	4.700	5.125
GBP/MYR	5.604	5.597	5.648	5.637	5.902
AUD/MYR	2.891	2.900	2.903	2.879	3.088
JPY/MYR	2.912	2.888	2.892	2.852	3.148
SGD/MYR	3.308	3.305	3.337	3.289	3.498
10CNY/MYR	6.148	6.147	6.179	6.099	6.544
100IDR/MYR	2.798	2.804	2.823	2.775	3.021
THB/MYR	12.838	12.868	12.952	12.857	13.340
10HKD/MYR	5.727	5.723	5.746	5.589	6.007

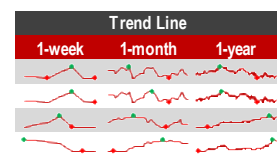
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.3	(0.7)	(0.3)	(8.6)	(7.7)
0.1	(0.8)	(0.6)	(5.0)	(4.0)
(0.3)	(0.4)	0.4	(6.4)	(7.5)
0.8	0.7	2.1	(7.5)	(10.5)
0.1	(0.9)	0.6	(5.4)	(4.9)
0.0	(0.5)	0.8	(6.1)	(4.8)
(0.2)	(0.9)	0.8	(7.4)	(6.2)
(0.2)	(0.9)	(0.1)	(3.8)	(4.2)
0.1	(0.3)	2.5	(4.7)	(2.6)



### Commodities

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
Brent (USD/barrel)	72.81	73.01	73.31	76.05	79.98
WTI (USD/barrel)	68.77	69.27	69.39	71.99	74.86
Gold (USD/oz)	2,633	2,625	2,632	2,748	2,014
Malaysia CPO (RM/tonne)	4,886	4,886	5,054	4,689	3,739

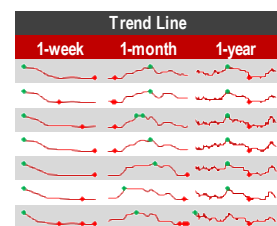
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.3)	(0.7)	(4.3)	(9.0)	(5.5)
(0.7)	(0.9)	(4.5)	(8.1)	(4.0)
0.3	0.0	(4.2)	30.7	27.6
0.0	(3.3)	4.2	30.7	31.5



### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
3-Year	3.46	3.47	3.50	3.49	3.52
5-Year	3.60	3.60	3.64	3.62	3.65
7-Year	3.77	3.78	3.80	3.84	3.90
10-Year	3.81	3.81	3.85	3.87	3.86
15-Year	3.93	3.93	3.97	4.00	4.06
20-Year	4.06	4.06	4.07	4.14	4.21
30-Year	4.18	4.18	4.18	4.23	4.33

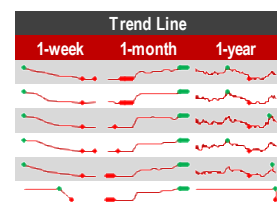
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(3)	(3)	(6)	(0)
(1)	(4)	(2)	(6)	2
(1)	(3)	(7)	(13)	5
0	(5)	(6)	(5)	8
0	(4)	(7)	(13)	(5)
(0)	(2)	(8)	(16)	(4)
0	(0)	(5)	(15)	(6)



### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
3-Year	3.41	3.41	3.43	3.42	3.61
5-Year	3.61	3.61	3.65	3.64	3.73
7-Year	3.77	3.77	3.81	3.85	3.94
10-Year	3.82	3.82	3.87	3.91	3.97
15-Year	3.96	3.95	3.99	4.01	4.06
20-Year	4.09	4.09	4.10	4.15	4.26

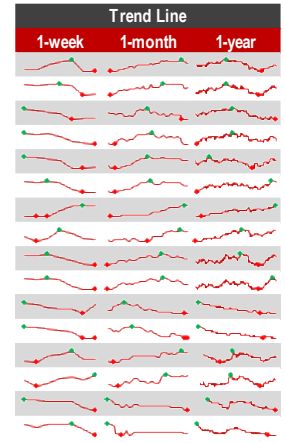
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(2)	(2)	(20)	(9)
1	(3)	(2)	(11)	1
0	(4)	(8)	(17)	1
0	(5)	(9)	(15)	4
0	(3)	(5)	(10)	0
1	(1)	(6)	(16)	(3)



### Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
UST 2Y	4.26	4.27	4.28	4.10	4.89
UST 10Y	4.31	4.27	4.40	4.24	4.39
Germany 2Y	2.02	2.02	2.14	2.12	3.00
Germany 10Y	2.19	2.21	2.34	2.29	2.55
UK 2Y	4.33	4.32	4.41	4.17	4.64
UK 10Y	4.35	4.34	4.44	4.23	4.21
Japan 2Y	0.59	0.60	0.56	0.45	0.07
Japan 10Y	1.07	1.08	1.07	0.96	0.78
Australia 2Y	4.02	4.05	4.09	3.94	4.28
Australia 10Y	4.45	4.48	4.56	4.41	4.57
China 2Y	1.40	1.38	1.40	1.51	2.47
China 10Y	2.06	2.06	2.10	2.16	2.71
Indonesia 2Y	6.58	6.59	6.56	6.45	6.72
Indonesia 10Y	6.93	6.91	6.89	6.75	6.74
Thailand 2Y	2.02	2.04	2.07	2.08	2.49
Thailand 10Y	2.40	2.41	2.42	2.39	3.09

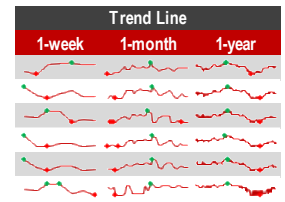
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(2)	15	(63)	1
3	(9)	7	(8)	43
(0)	(12)	(10)	(98)	(39)
(2)	(15)	(10)	(36)	16
1	(8)	17	(31)	35
1	(9)	12	14	82
(0)	3	14	53	54
(0)	0	12	29	46
(3)	(7)	8	(26)	31
(4)	(12)	3	(12)	49
2	0	(11)	(107)	(80)
0	(4)	(10)	(66)	(51)
(0)	2	13	(14)	7
2	4	18	20	45
(1)	(5)	(6)	(47)	(31)
(1)	(1)	1	(69)	(27)



### Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-Nov-23
IRS 1-Year	3.57	3.57	3.56	3.56	3.71
IRS 3-Year	3.48	3.48	3.49	3.51	3.70
IRS 5-Year	3.52	3.52	3.53	3.54	3.80
IRS 7-Year	3.61	3.61	3.61	3.63	3.92
IRS 10-Year	3.73	3.72	3.73	3.75	4.06
IRS 20-Year	4.08	4.07	4.08	4.09	4.43

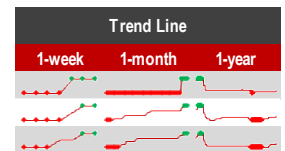
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	1	0	(14)	(1)
0	(0)	(2)	(22)	(1)
0	(0)	(2)	(28)	(6)
0	0	(2)	(31)	(9)
0	(0)	(2)	(34)	(9)
0	(0)	(1)	(36)	(14)



### Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-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

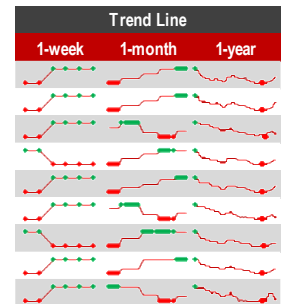
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	1	(6)	(8)
0	2	4	(8)	(15)
0	2	3	(6)	(14)



### Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	26-Nov-24	25-Nov-24	19-Nov-24	27-Oct-24	27-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

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>
Lee Si Xin	<a href="mailto:lee.si-xin@ambankgroup.com">lee.si-xin@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>
Aman Nazmi Abd Karim	<a href="mailto:aman-nazmi.abd-karim@ambankgroup.com">aman-nazmi.abd-karim@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>

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