



Fixed Income & FX Research

15 October 2026

Macro: US inflation accelerated to 3.7% y/y. FM2 Amir Hamzah reiterated the government's commitment to reduce its fiscal deficit to below 3% within two years. Fitch has said Malaysia's sovereign rating could be under upward pressure amid fiscal consolidation.

Forex: DXY strong as US inflation data beats expectations.

Fixed Income: Treasuries came under pressure on US CPI data, but the market rallied as participants also considered policymakers' comments that rates may not be raised in a rush.

Macro

Global: US headline inflation accelerated to 3.7% y/y in September (consensus: 3.6%; July/August: 3.4%), driven by sharp increases in gasoline and fuel oil prices. Core inflation also quickened to 2.6% y/y (consensus: 2.5%; August: 2.4%) amid a broad-based acceleration in price increases across several categories, suggesting that energy price pressures are cascading towards the wider economy.

Malaysia: FM2 Amir Hamzah reiterated the government's commitment to reducing its fiscal deficit-to-GDP ratio to below 3% within two years, to be achieved through fiscal consolidation, targeted subsidy reforms, and stronger private-sector participation in investment. Economy Minister Nasrullah indicated the country is targeting 2.5-3.5k additional active startup companies and MYR700 million in VC investments by 2030 through its KL20 initiative. Mida Chairman Tengku Zafrul also called on local semiconductor firms to translate Budget 2027 allocations into higher-value activities, such as integrated circuit (IC) design. Meanwhile, the US Embassy indicated that several US companies are exploring opportunities in Malaysia's rare earths sector, including mining projects and processing facilities.

Forex

Global: DXY rose as high as 102.88 before paring intraday gains to 102.55 – a 0.4% gain despite relatively elevated levels, as overnight inflation data strengthened the case for further Fed tightening, with markets now seeing a 32% chance of another Fed hike this month (prior: 22%). Several G10 majors closed 0.1-0.5% weaker vs the USD, while GBP losses (-0.3%) were magnified after BOE Chief Economist Huw Pill argued against market expectations for four more BOE rate hikes ahead.

Asia: The ringgit closed trading yesterday firmer as global market sentiment was healthier ahead of the US CPI release and after last week's Malaysia Budget announcement. CNH overnight showed weakness amid a firm USD after the strong US CPI print.

Fixed Income

Global Bonds: UST market felt pressured upon the release of a hotter-than-expected US inflation reading. However, the market ended with a rally as participants also considered recent comments by policymakers (such as the NY Fed's Williams and Governor Bowman) that rates may not be raised in a hurry. UK bonds were supported after BOE's Pill said he is sceptical that multiple rate hikes going forward are needed to tame inflation. Still, the IMF warning about the UK's higher defence spending plans worried the bond market and ensured yields remained near recent highs. ECB's Lagarde saying inflation has yet to widen across the wider Euro area also aided bonds.

MYR Bonds: Malaysian government bonds continued to be supported amid better sentiment in global markets. The 5Y to 7Y segments were pushed the hardest. Fitch's statement that the country's ratings have potential for upgrades, amid fiscal improvements, also aided MGS. Corporate bonds also traded better, but overall flows remained light, with trading led by higher-grade papers, including banking papers.

Commodities

Oil prices closed higher amid a symbolic attack on Saudi Aramco's headquarters (not energy facilities), while Iran also indicated they were deploying new tactics to target ships, suggesting that mediation talks are unlikely to succeed until at least the US midterm elections. The IEA also indicated that tight diesel supplies could persist well into 2027, driven by stock drawdowns ahead of peak winter demand and output disruptions in the Middle East and Russia.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	102.55	0.4
EUR/USD	1.116	(0.4)
AUD/USD	0.697	(0.2)
GBP/USD	1.319	(0.5)
USD/JPY	158.33	0.0
USD/MYR	4.082	(0.1)
USD/IDR	17,900	0.0
USD/THB	33.58	(0.1)
USD/SGD	1.285	0.4
USD/CNY	6.696	0.1

Ringgit Outlook for The Week

	1	2
Resistance	4.107	4.130
Support	4.054	4.023

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.80	1
UST 10Y	5.19	(2)
Germany 10Y	3.47	(0)
UK 10Y	5.42	(2)
Japan 10Y	3.00	(1)
Australia 10Y	5.32	3
China 10Y	1.67	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.43	0
5-Year	3.64	(2)
7-Year	3.80	0
10-Year	3.84	1
15-Year	4.13	(2)
20-Year	4.23	(2)
30-Year	4.35	(2)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.70	0
IRS 3-Year	3.75	1
IRS 5-Year	3.79	(0)
IRS 7-Year	3.86	(0)
IRS 10-Year	3.99	(3)
3M KLIBOR	3.55	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	106.06	0.4
WTI (USD/bbl)	95.09	1.0
Gold (USD/oz)	4,105	(1.3)
CPO (RM/tonne)	4,427	0.7

Policy Rates (%)

Central Banks	Current	Next
US Fed Funds	4.00	28-Oct
ECB Deposit Rate	2.50	29-Oct
BOE Base Rate	3.75	05-Nov
RBA Cash Rate	4.60	03-Nov
BOJ Cash Rate	1.25	30-Oct
RBNZ Cash Rate	2.75	28-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-Nov

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	Percentage Change					Trend Line		
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	102.55	102.18	102.24	99.39	99.05	0.4	0.3	3.2	3.5	4.3			
EUR/USD	1.116	1.120	1.120	1.155	1.161	(0.4)	(0.4)	(3.4)	(3.9)	(5.0)			
AUD/USD	0.697	0.698	0.696	0.714	0.649	(0.2)	0.1	(2.4)	7.5	4.5			
GBP/USD	1.319	1.326	1.321	1.350	1.332	(0.5)	(0.2)	(2.3)	(1.0)	(2.1)			
USD/JPY	158.33	158.33	158.08	154.35	151.84	0.0	0.2	2.6	4.3	1.0			
USD/MYR	4.082	4.085	4.086	4.076	4.231	(0.1)	(0.1)	0.1	(3.5)	0.5			
USD/IDR	17,900	17,896	17,882	17,648	16,575	0.0	0.1	1.4	8.0	7.2			
USD/THB	33.58	33.61	33.70	33.26	32.79	(0.1)	(0.4)	1.0	2.4	6.6			
USD/SGD	1.285	1.280	1.280	1.270	1.298	0.4	0.4	1.2	(1.0)	0.0			
USD/CNY	6.696	6.693	6.703	6.710	7.140	0.1	(0.1)	(0.2)	(6.2)	(4.0)			
USD/KRW	1,340	1,342	1,339	1,347	1,429	(0.2)	0.0	(0.6)	(6.2)	(7.0)			
USD/INR	95.16	95.28	96.77	95.56	88.80	(0.1)	(1.7)	(0.4)	7.2	5.9			
USD/PHP	62.87	62.81	62.76	62.87	58.24	0.1	0.2	0.0	8.0	6.9			
USD/TWD	32.09	32.16	31.81	31.72	30.76	(0.2)	0.9	1.2	4.3	2.1			
USD/HKD	7.848	7.848	7.848	7.844	7.774	0.0	0.0	0.1	1.0	0.8			
USD/VND	25,894	25,916	25,981	25,975	26,355	(0.1)	(0.3)	(0.3)	(1.7)	(1.5)			
NZD/USD	0.559	0.561	0.560	0.578	0.572	(0.4)	(0.1)	(3.2)	(2.2)	(2.9)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.570	4.568	4.577	4.704	4.891	0.1	(0.1)	(2.8)	(6.6)	(4.1)			
GBP/MYR	5.415	5.408	5.407	5.498	5.614	0.1	0.2	(1.5)	(3.5)	(0.7)			
AUD/MYR	2.862	2.848	2.848	2.905	2.728	0.5	0.5	(1.5)	4.9	5.5			
JPY/MYR	2.579	2.581	2.586	2.641	2.788	(0.1)	(0.3)	(2.3)	(7.5)	(0.5)			
SGD/MYR	3.185	3.192	3.194	3.207	3.253	(0.2)	(0.3)	(0.7)	(2.1)	0.9			
10 CNY/MYR	6.099	6.104	6.094	6.075	5.932	(0.1)	0.1	0.4	2.8	5.0			
1 million IDR/MYR	2.280	2.283	2.285	2.307	2.550	(0.1)	(0.2)	(1.2)	(10.6)	(6.3)			
THB/MYR	12.154	12.169	12.125	12.260	12.897	(0.1)	0.2	(0.9)	(5.8)	(5.3)			
10 HKD/MYR	5.202	5.206	5.208	5.196	5.444	(0.1)	(0.1)	0.1	(4.4)	(0.3)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	106.06	105.69	100.2	105.68	62.39	0.4	5.8	0.4	70.0	74.3			
WTI (USD/barrel)	95.09	94.14	88.28	101.39	58.70	1.0	7.7	(6.2)	62.0	65.6			
Gold (USD/oz)	4,105	4,161	4,111	4,300	4,143	(1.3)	(0.1)	(4.5)	(0.9)	(5.0)			
Malaysia CPO (RM/tonne)	4,427	4,398	4,310	4,597	4,350	0.7	2.7	(3.7)	1.8	10.7			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.43	3.43	3.47	3.58	3.08	0	(4)	(15)	36	43			
5-Year	3.64	3.66	3.76	3.88	3.19	(2)	(12)	(24)	46	39			
7-Year	3.80	3.80	3.97	4.15	3.41	0	(17)	(35)	40	42			
10-Year	3.84	3.83	3.99	4.17	3.46	1	(15)	(33)	39	34			
15-Year	4.13	4.15	4.20	4.39	3.69	(2)	(7)	(26)	44	37			
20-Year	4.23	4.24	4.32	4.48	3.86	(2)	(10)	(26)	37	38			
30-Year	4.35	4.37	4.42	4.52	3.99	(2)	(7)	(17)	36	37			

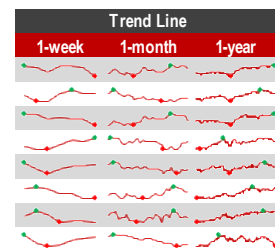
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.46	3.46	3.53	3.56	3.10	(0)	(7)	(10)	36	36			
5-Year	3.70	3.72	3.79	3.82	3.22	(1)	(9)	(12)	49	45			
7-Year	3.80	3.82	3.95	4.11	3.33	(1)	(15)	(30)	47	46			
10-Year	3.90	3.91	4.02	4.17	3.47	(1)	(12)	(27)	43	38			
15-Year	4.14	4.15	4.21	4.35	3.69	(1)	(6)	(20)	45	39			
20-Year	4.28	4.29	4.35	4.45	3.89	(1)	(7)	(17)	39	42			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25
S&P500 Index	7,719	7,805	7,802	7,620	6,644
Dow Jones	51,621	51,670	51,180	52,421	46,270
Nasdaq	26,693	27,204	27,539	26,186	22,522
London FTSE	10,725	10,650	10,459	10,698	9,453
German DAX	25,299	25,260	25,104	25,441	24,237
Nikkei 225	67,744	67,778	70,036	63,493	46,847
Japan TOPIX	4,097	4,111	4,154	4,058	3,134
FBM KLCI	1,628	1,623	1,612	1,698	1,611

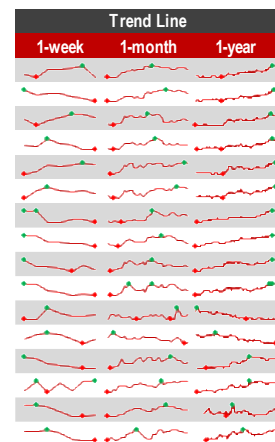
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(1.1)	(1.1)	1.3	16.2	101.0
(0.1)	0.9	(1.5)	11.6	55.7
(1.9)	(3.1)	1.9	18.5	155.0
0.7	2.5	0.3	13.5	43.9
0.2	0.8	(0.6)	4.4	81.7
(0.0)	(3.3)	6.7	44.6	159.6
(0.3)	(1.4)	1.0	30.7	116.6
0.3	1.0	(4.1)	1.0	8.8



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25
UST 2Y	4.80	4.79	4.77	4.66	3.48
UST 10Y	5.19	5.21	5.28	4.99	4.03
Germany 2Y	3.13	3.15	3.07	3.26	1.94
Germany 10Y	3.47	3.47	3.48	3.52	2.61
UK 2Y	4.90	4.93	4.85	4.89	3.90
UK 10Y	5.42	5.45	5.44	5.37	4.59
Japan 2Y	1.93	1.93	1.95	1.85	0.89
Japan 10Y	3.00	3.01	3.10	3.01	1.65
Australia 2Y	4.92	4.88	4.94	4.96	3.42
Australia 10Y	5.32	5.29	5.41	5.34	4.23
China 2Y	1.26	1.25	1.24	1.26	1.43
China 10Y	1.67	1.66	1.68	1.69	1.84
Indonesia 2Y	6.76	6.78	6.78	6.78	4.92
Indonesia 10Y	7.21	7.19	7.18	7.16	6.07
Thailand 2Y	1.25	1.24	1.28	1.25	1.18
Thailand 10Y	2.31	2.31	2.36	2.31	1.50

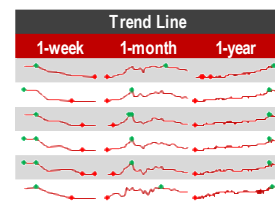
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	3	14	132	132
(2)	(10)	20	115	102
(2)	6	(13)	119	101
(0)	(1)	(5)	86	61
(2)	5	1	100	117
(2)	(2)	6	83	95
0	(2)	8	104	75
(1)	(10)	(1)	135	94
3	(2)	(5)	149	86
3	(9)	(2)	108	57
1	1	0	(18)	(12)
1	(1)	(2)	(17)	(19)
(2)	(2)	(2)	184	176
2	3	5	114	114
1	(3)	(0)	6	13
(0)	(5)	(0)	81	67



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25
IRS 1-Year	3.70	3.70	3.73	3.72	3.19
IRS 3-Year	3.75	3.75	3.80	3.82	3.10
IRS 5-Year	3.79	3.79	3.85	3.89	3.19
IRS 7-Year	3.86	3.86	3.93	3.97	3.25
IRS 10-Year	3.99	4.02	4.05	4.08	3.37
IRS 20-Year	4.22	4.21	4.26	4.24	3.64

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(2)	(2)	52	50
1	(5)	(7)	65	49
(0)	(6)	(10)	60	44
(0)	(7)	(11)	61	45
(3)	(6)	(9)	62	43
1	(4)	(2)	59	34



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25
1-Month Klibor	3.02	3.02	3.03	3.01	3.00
3-Month Klibor	3.55	3.55	3.55	3.47	3.22
6-Month Klibor	3.58	3.58	3.58	3.51	3.26

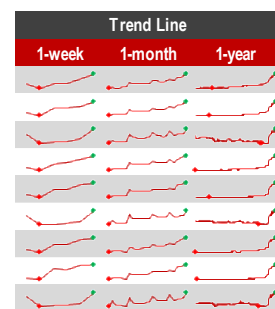
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	1	2	2
0	0	8	33	27
0	0	7	32	28



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	14-Oct-26	13-Oct-26	7-Oct-26	14-Sep-26	14-Oct-25
3-Year AAA	3.88	3.86	3.84	3.77	3.52
3-Year AA	4.04	4.02	3.99	3.92	3.69
3-Year A	4.71	4.67	4.69	4.61	4.56
5-Year AAA	4.08	4.07	4.04	3.97	3.60
5-Year AA	4.28	4.27	4.23	4.14	3.76
5-Year A	4.98	4.93	4.95	4.87	4.70
10-Year AAA	4.36	4.35	4.31	4.25	3.76
10-Year AA	4.55	4.54	4.49	4.42	3.93
10-Year A	5.41	5.35	5.39	5.33	5.08

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	4	11	35	37
2	5	12	35	37
4	2	10	16	17
1	4	12	49	50
1	5	14	52	53
5	2	10	28	28
1	5	11	59	59
0	6	13	62	62
6	2	8	33	30



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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