



Fixed Income & FX Research

21 January 2026

Macro: Developments in Davos are the key focus today. Malaysia's trade surplus jumped to MYR19.3 billion in December, while inflation also accelerated slightly to 1.6% y/y.

Forex: DXY down sharply on escalating US-EU feud, with CHF, EUR, and gold remaining clear winners. MYR held steady amid USD weakness but risk-off market sentiment.

Fixed Income: JGBs selloff cascaded to UST, though Bunds benefited from US-EU risks. Net selling pressure remained on MGS/GII with heavier flows seen on shorter tenors.

Macro

Global: Treasury Secretary Bessent said Trump's Fed chair pick could come as soon as next week. Governor Stephen Miran's term will end just after the first 2026 FOMC meeting on 28 January, meaning Trump would still have time to select an external candidate to become the next Fed chair by the subsequent FOMC meeting (on 18 March). This comes as current Fed chair Powell plans to attend Governor Lisa Cook's Supreme Court hearing today over her potential dismissal by Trump. Meanwhile, USTR Greer floated more US-China trade talks focused on basic goods and services, noting progress on recent soybean and rare-earth magnet trade.

Malaysia: Headline inflation rose to 1.6% y/y in December (November: 1.4%), driven by higher education and household-related costs. However, FY2025 inflation averaged at 1.4% (2024: 1.8%), driven by moderating increases in housing, transport, and health costs. Malaysia's trade surplus also surged to MYR19.3 billion in December (consensus: MYR13.7 billion; November: MYR6.1 billion), as exports surged 10.4% y/y for the month (November: +7.0%) on broad-based growth in both domestic exports and re-exports – primarily to the US. Meanwhile, PM Anwar said the ART agreement with the US is not yet effective, as the country is discussing several clarifications and adjustments to it. Recent announcements, including the latest one, appear to indicate that the government is reviewing its position on ratifying the agreement.

Forex

Global: A sharp 0.8% fall for the DXY as risk sentiment continues to sour. Once again, winners were led by the CHF (+1.0%) and EUR (+0.7%) amid portfolio bond inflows, while the commodity-linked AUD (+0.3%) and CAD (+0.2%) mostly underperformed peers. GBP (+0.1%) lagged peers amid slowing annual ex-bonus wage growth in the UK, suggesting disinflationary pressure and potentially more BOE rate cuts ahead. JPY held unchanged amid significant volatility in JGBs.

Asia: MYR closed unchanged, once again underperforming perceived safer regional currencies, including THB, SGD, and CNH. Meanwhile, compared to the rally among G10 peers on USD weaknesses, Asian FX has only fared mixed against the USD.

Fixed Income

Global Bonds: US bonds fell, with yields rising to their highest since August, as the market reacted to the JGB slump and to USD aversion amid Trump's tariff threats against European countries. JGB yields soared after PM Takaichi confirmed snap elections after introducing more debt-increasing fiscal measures. The weak 20Y JGB auction added to negative sentiment yesterday.

MYR Bonds: Net selling pressure persisted in the MYR govies segment yesterday, with heavier flows on shorter tenors. Strong Malaysian economic data pressured the front end, as the market considered whether BNM may instead hike rates in the longer term. Meanwhile, risk aversion amid US-Europe geopolitical concerns and Japanese bond market risks further added to MGS+GII losses. Mostly, net selling activity was also seen in the corporate bond market. There was realignment on AAA PLUS maturing <10 years, with PLUS 01/33 leading flows at MYR90 million, ending at 3.70% (unch), and 01/35 at 3.74% (+1 bps).

Commodities

The fast-escalating US-EU standoff and sharp volatility in JGBs further drove safe-haven flows into precious metals. **Gold (+2.0%)** touched yet another record high, with all eyes set on events by US/EU officials in Davos today on whether gold's sharp rally has further momentum.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.64	(0.8)
EUR/USD	1.173	0.7
AUD/USD	0.674	0.3
GBP/USD	1.344	0.1
USD/JPY	158.15	0.0
USD/MYR	4.055	0.0
USD/IDR	16,950	0.0
USD/THB	31.08	(0.6)
USD/SGD	1.284	(0.1)
USD/CNY	6.956	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.098	4.144
Support	4.027	4.001

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.60	1
UST 10Y	4.29	7
Germany 10Y	2.86	2
UK 10Y	4.46	4
Japan 10Y	2.36	9
Australia 10Y	4.78	4
China 10Y	1.84	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.05	2
5-Year	3.31	2
7-Year	3.47	1
10-Year	3.57	2
15-Year	3.81	3
20-Year	3.92	2
30-Year	4.01	1

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.29	0
IRS 3-Year	3.41	1
IRS 5-Year	3.49	1
IRS 7-Year	3.58	1
IRS 10-Year	3.71	0
3M KLIBOR	3.24	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	64.92	1.5
WTI (USD/bbl)	60.34	1.5
Gold (USD/oz)	4,763	2.0
CPO (RM/tonne)	4,066	0.8

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	28-Jan
ECB Deposit Rate	2.00	05-Feb
BOE Base Rate	3.75	05-Feb
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.75	23-Jan
RBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	22-Jan

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		
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.64	99.39	99.13	98.60	109.35	(0.8)	(0.5)	0.0	(9.8)	0.3			
EUR/USD	1.173	1.165	1.164	1.171	1.042	0.7	0.7	0.1	12.6	(0.2)			
AUD/USD	0.674	0.671	0.668	0.661	0.628	0.3	0.8	1.9	7.4	1.0			
GBP/USD	1.344	1.343	1.342	1.338	1.233	0.1	0.1	0.4	9.0	(0.3)			
USD/JPY	158.15	158.11	159.14	157.75	155.62	0.0	(0.6)	0.3	1.6	0.9			
USD/MYR	4.055	4.055	4.058	4.076	4.493	0.0	(0.1)	(0.5)	(9.7)	(0.1)			
USD/IDR	16,950	16,942	16,865	16,745	16,360	0.0	0.5	1.2	3.6	1.6			
USD/THB	31.08	31.26	31.47	31.46	34.30	(0.6)	(1.3)	(1.2)	(9.4)	(1.4)			
USD/SGD	1.284	1.285	1.289	1.293	1.356	(0.1)	(0.4)	(0.7)	(5.3)	(0.1)			
USD/CNY	6.956	6.957	6.974	7.034	7.263	(0.0)	(0.3)	(1.1)	(4.2)	(0.3)			
USD/KRW	1,478	1,473	1,476	1,478	1,440	0.3	0.1	(0.0)	2.6	2.6			
USD/INR	90.98	90.92	90.19	89.65	86.57	0.1	0.9	1.5	5.1	1.2			
USD/PHP	59.46	59.45	59.35	58.73	58.52	0.0	0.2	1.2	1.6	1.1			
USD/TWD	31.60	31.59	31.65	31.54	32.80	0.0	(0.2)	0.2	(3.7)	0.6			
USD/HKD	7.799	7.797	7.801	7.781	7.780	0.0	(0.0)	0.2	0.2	0.2			
USD/VND	26,265	26,265	26,281	26,315	25,321	0.0	(0.1)	(0.2)	3.7	(0.1)			
NZD/USD	0.583	0.580	0.574	0.576	0.567	0.6	1.6	1.3	2.8	1.3			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.756	4.713	4.736	4.774	4.631	0.9	0.4	(0.4)	2.7	(0.2)			
GBP/MYR	5.465	5.436	5.470	5.455	5.472	0.5	(0.1)	0.2	(0.1)	0.2			
AUD/MYR	2.728	2.715	2.721	2.694	2.786	0.5	0.3	1.3	(2.1)	0.5			
JPY/MYR	2.564	2.564	2.549	2.584	2.887	0.0	0.6	(0.8)	(11.2)	(1.0)			
SGD/MYR	3.162	3.154	3.153	3.154	3.291	0.3	0.3	0.3	(3.9)	0.2			
10 CNY/MYR	5.828	5.823	5.817	5.789	6.180	0.1	0.2	0.7	(5.7)	0.3			
1 million IDR/MYR	2.392	2.392	2.404	2.434	2.746	0.0	(0.5)	(1.7)	(12.9)	(1.7)			
THB/MYR	13.057	12.969	12.897	12.956	13.156	0.7	1.2	0.8	(0.8)	1.7			
10 HKD/MYR	5.200	5.200	5.201	5.239	5.775	0.0	(0.0)	(0.7)	(10.0)	(0.3)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	64.92	63.94	65.47	60.47	80.15	1.5	(0.8)	7.4	(19.0)	6.7			
WTI (USD/barrel)	60.34	59.44	61.15	56.66	77.88	1.5	(1.3)	6.5	(22.5)	5.1			
Gold (USD/oz)	4,763	4,671	4,587	4,339	2,708	2.0	3.9	9.8	75.9	10.3			
Malaysia CPO (RM/tonne)	4,066	4,032	3,965	3,892	4,470	0.8	2.5	4.5	(9.0)	1.7			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.05	3.03	3.00	3.02	3.45	2	6	3	(40)	5			
5-Year	3.31	3.29	3.27	3.27	3.62	2	5	5	(31)	6			
7-Year	3.47	3.46	3.43	3.43	3.79	1	4	4	(32)	9			
10-Year	3.57	3.56	3.53	3.55	3.82	2	4	2	(25)	7			
15-Year	3.81	3.79	3.77	3.77	3.97	3	5	4	(16)	5			
20-Year	3.92	3.90	3.86	3.87	4.06	2	5	5	(14)	7			
30-Year	4.01	4.00	3.99	3.99	4.18	1	2	1	(17)	3			

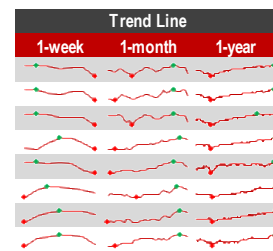
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.14	3.11	3.09	3.12	3.40	2	5	2	(26)	4			
5-Year	3.31	3.28	3.27	3.28	3.63	2	4	3	(32)	5			
7-Year	3.39	3.37	3.35	3.36	3.78	2	4	3	(39)	5			
10-Year	3.57	3.56	3.52	3.56	3.84	1	5	1	(27)	5			
15-Year	3.80	3.77	3.74	3.76	3.96	2	5	3	(17)	4			
20-Year	3.89	3.88	3.86	3.89	4.08	2	4	0	(19)	3			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25
S&P500 Index	6,797	6,940	6,964	6,835	5,997
Dow Jones	48,489	49,359	49,192	48,135	43,488
Nasdaq	22,954	23,515	23,710	23,308	19,630
London FTSE	10,127	10,195	10,137	9,897	8,521
German DAX	24,703	24,959	25,421	24,288	20,990
Nikkei 225	52,991	53,584	53,549	49,507	38,903
Japan TOPIX	3,626	3,656	3,599	3,384	2,711
FBM KLCI	1,699	1,712	1,708	1,666	1,572

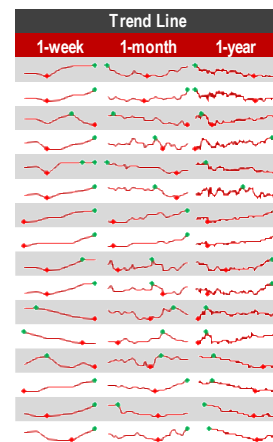
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(2.1)	(2.4)	(0.6)	13.3	77.0
(1.8)	(1.4)	0.7	11.5	46.3
(2.4)	(3.2)	(1.5)	16.9	119.3
(0.7)	(0.1)	2.3	18.9	35.9
(1.0)	(2.8)	1.7	17.7	77.4
(1.1)	(1.0)	7.0	36.2	103.1
(0.8)	0.7	7.2	33.7	91.7
(0.8)	(0.5)	2.0	8.1	13.6



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25
UST 2Y	3.60	3.59	3.53	3.48	4.28
UST 10Y	4.29	4.22	4.18	4.15	4.63
Germany 2Y	2.07	2.08	2.09	2.15	2.22
Germany 10Y	2.86	2.84	2.85	2.90	2.53
UK 2Y	3.68	3.68	3.66	3.75	4.38
UK 10Y	4.46	4.42	4.40	4.52	4.66
Japan 2Y	1.22	1.22	1.17	1.10	0.68
Japan 10Y	2.36	2.27	2.17	2.02	1.20
Australia 2Y	4.10	4.06	4.04	4.03	3.90
Australia 10Y	4.78	4.74	4.71	4.75	4.48
China 2Y	1.40	1.40	1.44	1.40	1.28
China 10Y	1.84	1.84	1.86	1.83	1.68
Indonesia 2Y	5.10	5.11	5.13	5.10	6.94
Indonesia 10Y	6.32	6.30	6.20	6.15	7.16
Thailand 2Y	1.19	1.18	1.16	1.18	2.06
Thailand 10Y	1.80	1.76	1.78	1.68	2.40

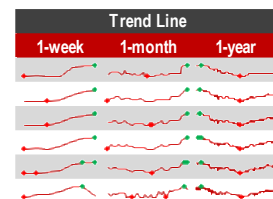
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	6	11	(69)	12
7	11	15	(33)	13
(1)	(2)	(9)	(15)	(5)
2	1	(4)	33	0
0	2	(8)	(70)	(6)
4	6	(7)	(20)	(2)
0	5	13	54	4
9	19	34	116	29
4	7	7	20	5
4	7	3	30	4
(1)	(5)	(1)	12	2
0	(1)	1	16	(1)
(2)	(4)	(0)	(185)	10
3	12	17	(84)	25
2	4	2	(86)	7
4	2	13	(59)	16



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25
IRS 1-Year	3.29	3.29	3.23	3.22	3.59
IRS 3-Year	3.41	3.39	3.33	3.30	3.53
IRS 5-Year	3.49	3.48	3.41	3.37	3.58
IRS 7-Year	3.58	3.57	3.49	3.46	3.66
IRS 10-Year	3.71	3.71	3.63	3.60	3.76
IRS 20-Year	3.95	4.02	3.96	3.86	3.97

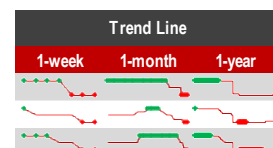
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	6	7	(30)	8
1	8	11	(12)	14
1	8	12	(9)	14
1	9	12	(8)	17
0	8	11	(5)	15
(6)	(1)	9	(2)	7



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25
1-Month Klibor	2.98	2.98	2.99	3.00	3.28
3-Month Klibor	3.24	3.24	3.25	3.26	3.68
6-Month Klibor	3.28	3.28	3.30	3.29	3.73

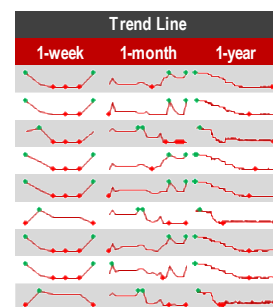
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	(2)	(30)	(2)
0	(1)	(2)	(44)	(4)
0	(2)	(1)	(45)	(2)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	20-Jan-26	19-Jan-26	13-Jan-26	21-Dec-25	20-Jan-25
3-Year AAA	3.53	3.52	3.53	3.52	3.84
3-Year AA	3.68	3.67	3.68	3.68	4.02
3-Year A	4.45	4.45	4.45	4.54	4.83
5-Year AAA	3.61	3.60	3.61	3.59	3.92
5-Year AA	3.76	3.75	3.76	3.76	4.10
5-Year A	4.59	4.59	4.59	4.69	5.04
10-Year AAA	3.79	3.78	3.79	3.77	4.07
10-Year AA	3.93	3.92	3.93	3.93	4.24
10-Year A	4.96	4.97	4.96	5.09	5.47

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	0	1	(31)	2
1	0	0	(34)	1
0	0	(9)	(38)	(9)
1	0	2	(31)	2
1	0	1	(33)	1
(0)	0	(10)	(45)	(11)
1	0	1	(28)	2
1	0	(0)	(31)	0
(1)	0	(13)	(50)	(15)



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

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only, and it is issued by AmBank (M) Berhad ("AmBank") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation, or expression of views to influence anyone to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment, or other products. AmBank recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal, or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmBank believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmBank has not independently verified the information and does not warrant or represent that it is accurate, adequate, complete, or up-to-date. Therefore, it should not be relied upon as such. All information included in this report constitutes AmBank's views as of this date and is subject to change without notice. Notwithstanding that, AmBank has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmBank's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group, and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmBank's prior written consent. AmBank, AmBank Group and its respective directors, officers, employees, and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect, or consequential losses, loss of profits and/or damages arising from the use or reliance on this report and/or further communications given about this report. Any such responsibility is hereby expressly disclaimed.

AmBank is not acting as your advisor and does not owe you any fiduciary duties related to this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and may trade or otherwise effect transactions for their own account or the accounts of their customers, which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should be aware of the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held invalid in whole or part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.