



Fixed Income & FX Research

19 June 2025

Macro: The Fed kept policy rates unchanged amid growing divergence in views. 13MP will be tabled on 28 July. Petronas sees ideal Brent breakeven price of USD50/bbl.

Forex: DXY up on hawkish-leaning Fed messaging. MYR pared intraday decline amid local news developments. PBOC pledged to expand the use of the digital yuan.

Fixed Income: UST held steady, while Bunds and Gilts saw better strength. MGS saw better gains on decent volume traded, while corporate bonds fared mixed.

Macro

Global: The Fed kept the Fed Funds Rate (FFR) unchanged at 4.25-4.50% for the fourth consecutive meeting as expected, as policymakers continued advocating for a cautious stance as it assessed economic and inflation impact from recent policies. Median dot plot projections continue to see two rate cuts this year, though FOMC members' opinion divide grew, with 7 out of 19 members now seeing no rate cuts this year (March estimate: 4 out of 19), with a hawkish bias also seen for the revised 2026 and 2027 projections. This comes as the Fed also revised its inflation forecasts for 2025-2026 while revising its growth estimates. Meanwhile, the CBO estimates that the House-passed version of the Republicans' fiscal bill will add USD2.8 trillion to the US deficit over the next decade (prior estimate: USD2.4 trillion).

Malaysia: Communications Minister Fahmi Fadzil announced that the 13th Malaysia Plan (13MP) will be tabled in Parliament on 28 July. Fahmi also said that FM2 Amir Hamzah will provide further clarification on the SST revision, even as Secretary General of Treasury Johan Mahmood said it expects an additional revenue of RM5 billion from the expanded measure in 2H25 – a number similar to projections announced in October 2024 during Budget 2025. Meanwhile, Petronas CEO Muhammad Taufik sees a Brent price of USD50/bbl as an ideal break-even to sustain energy investments while maintaining the firm's financial resilience, compared to the USD60-70/bbl breakeven price in the past five years.

Forex

Global: DXY closed 0.1% higher following the Fed's hawkish-leaning messaging, supported by the SEK's sharp 1.0% decline. The Riksbank leaned dovish in its messaging after a 25bps rate cut, citing recent data of weaker growth and persistently high unemployment. AUD (+0.5%) and JPY (+0.1%) rebounded from recent heavier losses, while the EUR closed unchanged.

MYR: MYR closed just 0.2% weaker, after paring intraday weaknesses in the opening session. PBOC Governor Pan Gongsheng said he envisions a new world currency order after decades of dollar dominance, while pledging to expand the international use of the digital yuan – comments similar to ECB Lagarde's earlier comments of a 'global euro' moment. China's regulators also said they will hike a quota for investors to buy overseas assets, suggesting that Beijing is willing to open access to its financial market while reducing bullish directionality on the yuan.

Fixed Income

Global Bonds: UST yields closed steady despite the hawkish-leaning Fed FOMC projections. Bonds remained aided by conflict in the Middle East, and initial jobless claims remained high at 245k. Gilts and bonds saw better gains, coming as UK and Eurozone inflation data were largely in line with expectations.

MYR Bonds: The Malaysian government bond market saw modest gains on decent volume yesterday, ahead of the FOMC meeting. The 10Y MGS closed unchanged on near MYR600 million in volume. In the corporate bond market, yields moved mixed amid relatively heavy volume traded. Notable trades include a shift downward on AA1 PKNS papers. PKNS 07/31 fell 4 bps to 3.86%, and PKNS 02/35 fell 1 bps to 3.97%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.91	0.1
EUR/USD	1.148	0.0
AUD/USD	0.651	0.5
GBP/USD	1.342	(0.1)
USD/JPY	145.13	(0.1)
USD/MYR	4.252	0.2
USD/IDR	16,300	0.1
USD/THB	32.61	0.1
USD/SGD	1.285	(0.1)
USD/CNY	7.190	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.300	4.310
Support	4.200	4.180

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.94	(1)
UST 10Y	4.39	0
Germany 10Y	2.50	(4)
UK 10Y	4.50	(5)
Japan 10Y	1.46	(1)
Australia 10Y	4.25	(1)
China 10Y	1.64	(5)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.21	(0)
5-Year	3.27	(1)
7-Year	3.49	(1)
10-Year	3.59	(0)
15-Year	3.73	0
20-Year	3.81	1
30-Year	4.01	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.27	(1)
IRS 3-Year	3.19	(2)
IRS 5-Year	3.27	(1)
IRS 7-Year	3.37	(1)
IRS 10-Year	3.50	(2)
3M KLIBOR	3.50	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	76.70	0.3
WTI (USD/bbl)	75.14	0.4
Gold (USD/oz)	3,369	(0.6)
CPO (RM/tonne)	4,063	0.0

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	30-Jul
ECB Deposit Rate	2.00	24-Jul
BOE Base Rate	4.25	19-Jun
RBA Cash Rate	3.85	28-Jul
BOJ Cash Rate	0.50	31-Jul
PBOC 1Y LPR	3.00	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	09-Jul

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		
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.91	98.82	98.63	100.43	105.26	0.1	0.3	(1.5)	(6.0)	(8.8)			
EUR/USD	1.148	1.148	1.149	1.124	1.074	0.0	(0.1)	2.1	6.9	10.9			
AUD/USD	0.651	0.648	0.650	0.646	0.666	0.5	0.1	0.8	(2.2)	5.2			
GBP/USD	1.342	1.343	1.355	1.336	1.271	(0.1)	(0.9)	0.5	5.6	7.2			
USD/JPY	145.13	145.29	144.56	144.86	157.86	(0.1)	0.4	0.2	(8.1)	(7.7)			
USD/MYR	4.252	4.244	4.237	4.291	4.713	0.2	0.3	(0.9)	(9.8)	(4.9)			
USD/IDR	16,300	16,280	16,260	16,430	16,400	0.1	0.2	(0.8)	(0.6)	1.2			
USD/THB	32.61	32.57	32.64	33.07	36.83	0.1	(0.1)	(1.4)	(11.5)	(4.3)			
USD/SGD	1.285	1.286	1.285	1.295	1.351	(0.1)	0.0	(0.7)	(4.9)	(5.9)			
USD/CNY	7.190	7.187	7.190	7.214	7.254	0.04	(0.0)	(0.3)	(0.9)	(1.5)			
USD/KRW	1,373	1,373	1,369	1,391	1,381	0.0	0.3	(1.3)	(0.6)	(6.7)			
USD/INR	86.47	86.24	85.52	85.40	83.41	0.3	1.1	1.3	3.7	1.0			
USD/PHP	56.95	56.69	55.88	55.68	58.63	0.5	1.9	2.3	(2.9)	(1.5)			
USD/TWD	29.53	29.52	29.91	30.19	32.40	0.0	(1.3)	(2.2)	(8.9)	(9.9)			
USD/HKD	7.850	7.850	7.849	7.821	7.807	0.0	0.0	0.4	0.5	1.0			
USD/VND	26,097	26,067	26,028	25,948	25,453	0.1	0.3	0.6	2.5	2.4			
NZD/USD	0.603	0.601	0.603	0.593	0.614	0.2	(0.0)	1.7	(1.9)	7.8			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.892	4.904	4.843	4.839	5.052	(0.2)	1.0	1.1	(3.2)	5.0			
GBP/MYR	5.725	5.748	5.719	5.748	5.979	(0.4)	0.1	(0.4)	(4.2)	2.0			
AUD/MYR	2.764	2.771	2.760	2.766	3.119	(0.3)	0.1	(0.1)	(11.4)	(0.6)			
JPY/MYR	2.930	2.921	2.929	2.961	2.986	0.3	0.0	(1.0)	(1.9)	3.0			
SGD/MYR	3.310	3.310	3.293	3.316	3.481	(0.0)	0.5	(0.2)	(4.9)	0.7			
10CNY/MYR	5.915	5.908	5.895	5.951	6.498	0.1	0.3	(0.6)	(9.0)	(3.4)			
100IDR/MYR	2.607	2.605	2.605	2.611	2.871	0.1	0.1	(0.2)	(9.2)	(6.0)			
THB/MYR	13.009	13.049	12.979	12.980	12.861	(0.3)	0.2	0.2	1.2	(0.1)			
10HKD/MYR	5.418	5.405	5.396	5.487	6.037	0.2	0.4	(1.3)	(10.3)	(5.9)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	76.7	76.45	69.77	65.54	85.33	0.3	9.9	17.0	(10.1)	2.8			
WTI (USD/barrel)	75.14	74.84	68.15	62.69	81.57	0.4	10.3	19.9	(7.9)	4.8			
Gold (USD/oz)	3,369	3,388	3,355	3,230	2,329	(0.6)	0.4	4.3	44.6	28.4			
Malaysia CPO (RM/tonne)	4,063	4,063	3,855	3,890	3,939	0.0	5.4	4.4	3.1	(17.4)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.21	3.21	3.19	3.19	3.55	(0)	2	2	(34)	(27)			
5-Year	3.27	3.27	3.25	3.29	3.65	(1)	2	(3)	(39)	(36)			
7-Year	3.49	3.50	3.47	3.47	3.80	(1)	2	2	(31)	(28)			
10-Year	3.59	3.59	3.55	3.60	3.87	(0)	4	(2)	(28)	(23)			
15-Year	3.73	3.73	3.71	3.72	4.00	0	1	1	(28)	(24)			
20-Year	3.81	3.80	3.79	3.83	4.13	1	2	(3)	(33)	(25)			
30-Year	4.01	4.01	4.02	4.06	4.22	0	(1)	(5)	(21)	(17)			

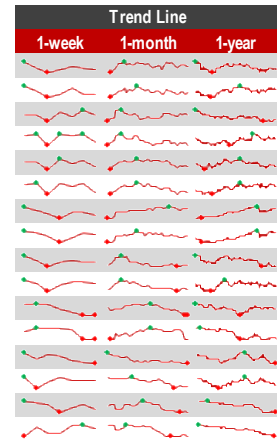
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.22	3.21	3.18	3.20	3.48	1	4	2	(27)	(20)			
5-Year	3.35	3.35	3.32	3.35	3.64	0	3	(1)	(29)	(28)			
7-Year	3.44	3.44	3.41	3.47	3.80	(0)	3	(3)	(36)	(30)			
10-Year	3.58	3.57	3.55	3.59	3.88	0	3	(2)	(30)	(26)			
15-Year	3.71	3.71	3.70	3.76	4.02	(0)	1	(5)	(30)	(27)			
20-Year	3.78	3.78	3.77	3.87	4.13	(0)	1	(9)	(35)	(31)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24
UST 2Y	3.94	3.95	3.95	3.98	4.71
UST 10Y	4.39	4.39	4.42	4.45	4.22
Germany 2Y	1.84	1.87	1.85	1.84	2.80
Germany 10Y	2.50	2.54	2.54	2.59	2.40
UK 2Y	3.89	3.92	3.91	4.01	4.15
UK 10Y	4.50	4.55	4.55	4.66	4.05
Japan 2Y	0.75	0.76	0.76	0.72	0.29
Japan 10Y	1.46	1.47	1.47	1.49	0.94
Australia 2Y	3.31	3.31	3.36	3.59	3.94
Australia 10Y	4.25	4.26	4.28	4.52	4.15
China 2Y	1.37	1.39	1.43	1.47	1.75
China 10Y	1.64	1.69	1.69	1.66	2.26
Indonesia 2Y	6.17	6.19	6.25	6.25	6.77
Indonesia 10Y	6.73	6.73	6.75	6.87	7.20
Thailand 2Y	1.49	1.50	1.50	1.55	2.37
Thailand 10Y	1.70	1.70	1.70	1.86	2.76

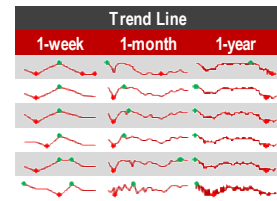
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(1)	(4)	(77)	(30)
0	(3)	(6)	17	(18)
(3)	(0)	(0)	(96)	(24)
(4)	(4)	(9)	10	13
(4)	(2)	(12)	(26)	(51)
(5)	(6)	(17)	45	(7)
(1)	(1)	3	46	15
(1)	(1)	(3)	51	35
(1)	(5)	(28)	(63)	(55)
(1)	(3)	(27)	10	(11)
(1)	(6)	(9)	(38)	27
(5)	(5)	(2)	(62)	(4)
(1)	(8)	(8)	(60)	(87)
(0)	(2)	(15)	(48)	(27)
(1)	(1)	(6)	(88)	(51)
(1)	(0)	(17)	(106)	(56)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24
IRS 1-Year	3.27	3.28	3.28	3.37	3.58
IRS 3-Year	3.19	3.20	3.19	3.23	3.58
IRS 5-Year	3.27	3.28	3.28	3.30	3.64
IRS 7-Year	3.37	3.38	3.38	3.39	3.75
IRS 10-Year	3.50	3.52	3.50	3.51	3.86
IRS 20-Year	3.78	3.80	3.80	3.71	4.20

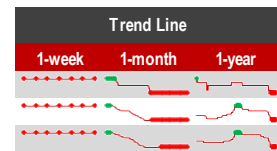
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(1)	(10)	(31)	(30)
(2)	(1)	(4)	(39)	(32)
(1)	(1)	(3)	(37)	(28)
(1)	(0)	(1)	(38)	(26)
(2)	0	(1)	(36)	(23)
(2)	(2)	6	(43)	(18)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24
1-Month Klibor	3.26	3.26	3.26	3.27	3.29
3-Month Klibor	3.50	3.50	3.50	3.57	3.59
6-Month Klibor	3.54	3.54	3.54	3.63	3.64

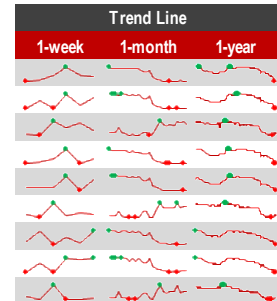
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(3)	(3)
0	0	(7)	(9)	(23)
0	0	(9)	(10)	(23)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	18-Jun-25	17-Jun-25	11-Jun-25	19-May-25	18-Jun-24
3-Year AAA	3.62	3.62	3.61	3.71	3.84
3-Year AA	3.77	3.77	3.77	3.86	3.97
3-Year A	4.55	4.57	4.54	4.48	4.93
5-Year AAA	3.69	3.69	3.69	3.78	3.93
5-Year AA	3.86	3.85	3.85	3.93	4.06
5-Year A	4.68	4.68	4.68	4.60	5.17
10-Year AAA	3.84	3.83	3.84	3.92	4.09
10-Year AA	4.01	4.01	4.00	4.07	4.27
10-Year A	5.02	5.01	5.03	4.94	5.67

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	0	(9)	(22)	(21)
0	1	(9)	(20)	(24)
(2)	1	7	(38)	(31)
0	0	(9)	(24)	(24)
0	0	(8)	(21)	(25)
(1)	0	8	(49)	(41)
1	1	(8)	(25)	(22)
0	1	(6)	(27)	(23)
0	(1)	8	(66)	(54)



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

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