



Fixed Income & FX Research

18 September 2025

Macro: Fed voted 11-1 to cut FFR by 25 bps only, though revised dot plot projections see further rate cuts ahead for Oct and Dec 2025 meetings. BOE and BOJ not expected to adjust monetary policy settings.

Forex: DXY strengthened 0.2% after a brief flash-crash post-Fed FOMC decision. GBP outperformed amid sticky UK inflation, while EUR fell amid dovish remarks by key policymaker.

Fixed Income: Rebound in UST yields led by 3-7Y tenors, amid lack of overly dovish posture by the Fed. MGS sentiment supported by ringgit rally and unexpected BI-rate cut.

Macro

Global: The Fed cut the Fed Funds Rate (FFR) by 25 bps to the 4.00%-4.25% range as expected, its first cut since December 2024. Newly appointed Governor Stephen Miran was the only dissenter favouring a larger 50 bps cut, suggesting consensus-building within the Fed against pressure from the US administration for more aggressive rate cuts, with Fed chair Powell also indicating further quick rate cuts are not guaranteed. Nevertheless, median dot plot projections by FOMC members see another 50 bps rate cut by end-2025, but only one 25 bps cut in 2026, indicating near-term monetary policy support amid recent labour market weaknesses, but continued caution against upside risks to inflation, with core PCE inflation estimates left unchanged for 2025 (at 3.1% y/y) but revised higher for 2026 to 2.6% (prior: 2.4%). Meanwhile, the BOE and BOJ will hold their respective monetary policy meetings over the next 24 hours, though no rate changes are expected from either central banks.

Malaysia: The MITI announced that it will commence its first round of free-trade agreement (FTA) negotiations with the Gulf Cooperation Council (GCC) countries in December, coming after concluding negotiations with the UAE on a Comprehensive Economic Partnership Agreement (CEPA). Meanwhile, a survey by the Federation of Malaysian Manufacturing (FMM) saw a general dimming of overall business outlook, with demand and profit pressure expected.

Forex

Global: DXY briefly tested a low of 96.2 in knee-jerk reaction trading post-Fed FOMC decision, though ultimately strengthened 0.2% as markets digested the overall outlook – that the Fed remains relatively more despondent on upside inflation concerns than market expectations. G10 FX pared month-to-date gains. GBP outperformed peers (-0.2%), after UK's inflation remained sticky at 3.8% y/y despite the disinflation of leisure-related categories. Despite the BOC also cutting rates by 25 bps, the CAD (-0.3%) outperformed most peers, given earlier underperformance. EUR fell 0.5% with the high-beta SEK (-0.7%) tracking close behind, after ECB Vice-President Guindos said the central bank remain ready to adjust policy rates if the economic situation changes.

Asia: MYR rose 0.4% after markets reopened from the long weekend, holding slightly below the 4.19 handle. The IDR (+0.1%) held relatively steady despite Bank Indonesia (BI)'s surprise rate cut.

Fixed Income

Global Bonds: US government bond yields closed higher as markets took profit post-Fed FOMC, given the convincing 11-1 voting decision and lack of further dissents by Governors Waller and Bowman. Yields rebounded from five-month lows as led by the 3-7Y tenors, while US stocks fared mixed on the rate decision – tech stocks were pressured while consumer staples outperformed.

MYR Bonds: A ringgit rally yesterday and BI's unexpected interest rate cut supported the local government bond market. Overall, MGS yields fell 1-2 bps across the curve though net buying action was slanted on the front end. The local corporate bond market was more mixed amid some cautious risk appetite ahead of global policy rate meetings and we noted AAA and AA1 names leading the trading flows. AA1 rated GENM Capital tranches were seen shifting lower in yields with 5Y GENM 05/30 down 7 bps to 4.11%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	96.87	0.2
EUR/USD	1.181	(0.5)
AUD/USD	0.665	(0.5)
GBP/USD	1.363	(0.2)
USD/JPY	146.99	0.3
USD/MYR	4.188	(0.4)
USD/IDR	16,430	(0.1)
USD/THB	31.73	0.2
USD/SGD	1.278	0.1
USD/CNY	7.104	(0.1)

Ringgit Outlook for The Week

	1	2
Resistance	4.257	4.304
Support	4.185	4.160

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.55	5
UST 10Y	4.09	6
Germany 10Y	2.68	(2)
UK 10Y	4.63	(1)
Japan 10Y	1.60	(0)
Australia 10Y	4.22	0
China 10Y	1.77	(2)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.03	(2)
5-Year	3.12	(1)
7-Year	3.32	(2)
10-Year	3.40	(1)
15-Year	3.60	(0)
20-Year	3.75	0
30-Year	3.88	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.14	(1)
IRS 3-Year	3.08	(1)
IRS 5-Year	3.14	(2)
IRS 7-Year	3.22	(1)
IRS 10-Year	3.34	(2)
3M KLIBOR	3.22	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	67.95	(0.8)
WTI (USD/bbl)	64.05	(0.7)
Gold (USD/oz)	3,660	(0.8)
CPO (RM/tonne)	4,414	0.7

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	29-Oct
ECB Deposit Rate	2.00	30-Oct
BOE Base Rate	4.00	18-Sep
RBA Cash Rate	3.60	30-Sep
BOJ Cash Rate	0.50	19-Sep
RBNZ Cash Rate	3.00	08-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	06-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 vs USD

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	96.87	96.63	97.78	98.17	100.89	0.2	(0.9)	(1.3)	(4.0)	(10.7)			
EUR/USD	1.181	1.187	1.170	1.166	1.111	(0.5)	1.0	1.3	6.3	14.1			
AUD/USD	0.665	0.669	0.661	0.649	0.676	(0.5)	0.6	2.5	(1.5)	7.5			
GBP/USD	1.363	1.365	1.353	1.350	1.316	(0.2)	0.7	0.9	3.5	8.9			
USD/JPY	146.99	146.48	147.46	147.89	142.41	0.3	(0.3)	(0.6)	3.2	(6.5)			
USD/MYR	4.188	4.203	4.220	4.223	4.259	(0.4)	(0.8)	(0.8)	(1.7)	(6.4)			
USD/IDR	16,430	16,440	16,461	16,160	15,335	(0.1)	(0.2)	1.7	7.1	2.0			
USD/THB	31.73	31.68	31.79	32.46	33.29	0.2	(0.2)	(2.3)	(4.7)	(6.9)			
USD/SGD	1.278	1.276	1.283	1.284	1.297	0.1	(0.4)	(0.5)	(1.5)	(6.4)			
USD/CNY	7.104	7.114	7.121	7.185	7.097	(0.1)	(0.2)	(1.1)	0.1	(2.7)			
USD/KRW	1,378	1,380	1,389	1,388	1,334	(0.1)	(0.7)	(0.7)	3.4	(6.4)			
USD/INR	87.81	88.06	88.10	87.35	83.76	(0.3)	(0.3)	0.5	4.8	2.6			
USD/PHP	56.89	56.93	57.13	57.04	55.70	(0.1)	(0.4)	(0.3)	2.1	(1.6)			
USD/TWD	30.05	30.08	30.29	30.05	31.90	(0.1)	(0.8)	0.0	(5.8)	(8.4)			
USD/HKD	7.778	7.781	7.789	7.820	7.794	(0.0)	(0.1)	(0.5)	(0.2)	0.1			
USD/VND	26,372	26,382	26,392	26,293	24,635	(0.0)	(0.1)	0.3	7.1	3.5			
NZD/USD	0.597	0.599	0.594	0.592	0.618	(0.4)	0.4	0.7	(3.5)	6.6			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.961	4.965	4.943	4.932	4.744	(0.1)	0.4	0.6	4.6	6.5			
GBP/MYR	5.717	5.734	5.715	5.717	5.631	(0.3)	0.0	(0.0)	1.5	1.8			
AUD/MYR	2.795	2.802	2.789	2.750	2.880	(0.3)	0.2	1.6	(3.0)	0.5			
JPY/MYR	2.849	2.870	2.862	2.855	2.991	(0.7)	(0.5)	(0.2)	(4.7)	0.1			
SGD/MYR	3.281	3.290	3.290	3.292	3.293	(0.3)	(0.3)	(0.3)	(0.4)	(0.1)			
10 CNY/MYR	5.895	5.906	5.926	5.879	6.001	(0.2)	(0.5)	0.3	(1.8)	(3.8)			
1 million IDR/MYR	2.548	2.557	2.562	2.606	2.778	(0.4)	(0.5)	(2.2)	(8.3)	(8.1)			
THB/MYR	13.192	13.259	13.280	12.989	12.787	(0.5)	(0.7)	1.6	3.2	1.3			
10 HKD/MYR	5.386	5.401	5.417	5.400	5.465	(0.3)	(0.6)	(0.3)	(1.4)	(6.5)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	67.95	68.47	67.49	66.6	73.7	(0.8)	0.7	2.0	(7.8)	(9.0)			
WTI (USD/barrel)	64.05	64.52	63.67	63.42	71.19	(0.7)	0.6	1.0	(10.0)	(10.7)			
Gold (USD/oz)	3,660	3,690	3,641	3,333	2,570	(0.8)	0.5	9.8	42.4	39.5			
Malaysia CPO (RM/tonne)	4,414	4,383	4,340	4,476	3,847	0.7	1.7	(1.4)	14.7	(9.2)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.03	3.05	3.05	2.96	3.31	(2)	(1)	7	(28)	(45)			
5-Year	3.12	3.13	3.12	3.05	3.46	(1)	(1)	7	(34)	(51)			
7-Year	3.32	3.34	3.33	3.26	3.65	(2)	(1)	6	(33)	(45)			
10-Year	3.40	3.41	3.40	3.37	3.69	(1)	0	3	(29)	(41)			
15-Year	3.60	3.60	3.61	3.58	3.86	(0)	(1)	2	(26)	(37)			
20-Year	3.75	3.75	3.75	3.73	4.02	0	0	2	(27)	(31)			
30-Year	3.88	3.87	3.87	3.89	4.17	0	1	(1)	(29)	(30)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.06	3.07	3.07	3.02	3.31	(1)	(0)	4	(25)	(36)			
5-Year	3.15	3.16	3.15	3.13	3.49	(0)	1	2	(34)	(47)			
7-Year	3.28	3.28	3.27	3.24	3.67	(0)	0	4	(40)	(47)			
10-Year	3.42	3.43	3.42	3.39	3.75	(1)	0	4	(33)	(41)			
15-Year	3.62	3.62	3.62	3.59	3.92	(0)	0	4	(30)	(36)			
20-Year	3.77	3.77	3.77	3.73	4.06	(0)	0	4	(29)	(32)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,600	6,607	6,532	6,449	5,635	(0.1)	1.0	2.3	17.1	71.9			
Dow Jones	46,018	45,758	45,491	44,912	41,606	0.6	1.2	2.5	10.6	38.8			
Nasdaq	22,261	22,334	21,886	21,630	17,628	(0.3)	1.7	2.9	26.3	112.7			
London FTSE	9,208	9,196	9,225	9,158	8,310	0.1	(0.2)	0.6	10.8	23.6			
German DAX	23,359	23,329	23,633	24,315	18,726	0.1	(1.2)	(3.9)	24.7	67.8			
Nikkei 225	44,790	44,902	43,838	43,714	36,203	(0.2)	2.2	2.5	23.7	71.6			
Japan TOPIX	3,146	3,168	3,141	3,121	2,556	(0.7)	0.2	0.8	23.1	66.3			
FBM KLCI	1,612	1,600	1,591	1,585	1,664	0.7	1.3	1.7	(3.2)	7.8			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.55	3.50	3.54	3.76	3.60	5	1	(21)	(5)	(69)			
UST 10Y	4.09	4.03	4.05	4.33	3.65	6	4	(25)	44	(48)			
Germany 2Y	2.00	2.00	1.95	1.96	2.23	0	5	4	(22)	(8)			
Germany 10Y	2.68	2.69	2.65	2.76	2.14	(2)	2	(9)	53	31			
UK 2Y	3.96	3.96	3.94	3.97	3.82	(0)	2	(1)	14	(44)			
UK 10Y	4.63	4.64	4.63	4.74	3.77	(1)	(1)	(11)	86	6			
Japan 2Y	0.88	0.88	0.86	0.83	0.39	0	3	5	49	28			
Japan 10Y	1.60	1.60	1.57	1.57	0.83	(0)	3	3	77	50			
Australia 2Y	3.36	3.37	3.38	3.32	3.55	(1)	(2)	4	(19)	(50)			
Australia 10Y	4.22	4.22	4.27	4.27	3.83	0	(5)	(5)	39	(14)			
China 2Y	1.43	1.43	1.45	1.44	1.37	(1)	(2)	(1)	5	33			
China 10Y	1.77	1.79	1.82	1.78	2.07	(2)	(5)	(1)	(30)	10			
Indonesia 2Y	5.06	5.20	5.41	5.61	6.53	(14)	(36)	(56)	(147)	(198)			
Indonesia 10Y	6.29	6.34	6.42	6.39	6.57	(5)	(14)	(11)	(28)	(71)			
Thailand 2Y	1.15	1.16	1.08	1.14	2.13	(1)	6	1	(99)	(85)			
Thailand 10Y	1.44	1.51	1.23	1.34	2.50	(6)	22	11	(106)	(81)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.14	3.15	3.14	3.08	3.40	(1)	0	6	(26)	(43)			
IRS 3-Year	3.08	3.08	3.08	2.99	3.29	(1)	0	9	(21)	(42)			
IRS 5-Year	3.14	3.16	3.15	3.06	3.32	(2)	(0)	9	(18)	(41)			
IRS 7-Year	3.22	3.23	3.21	3.14	3.42	(1)	1	8	(20)	(41)			
IRS 10-Year	3.34	3.35	3.34	3.25	3.52	(2)	(0)	9	(19)	(39)			
IRS 20-Year	3.60	3.60	3.59	3.56	3.65	0	1	4	(4)	(35)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.00	3.00	3.00	3.00	3.28	0	0	0	(28)	(29)			
3-Month Klibor	3.22	3.22	3.21	3.21	3.53	0	1	1	(31)	(51)			
6-Month Klibor	3.26	3.26	3.26	3.26	3.61	0	0	0	(35)	(51)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Sep-25	16-Sep-25	10-Sep-25	18-Aug-25	17-Sep-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.51	3.51	3.51	3.52	3.75	(0)	(0)	(1)	(24)	(32)			
3-Year AA	3.67	3.67	3.67	3.68	3.89	(0)	(0)	(2)	(23)	(35)			
3-Year A	4.50	4.53	4.51	4.52	4.87	(3)	(1)	(1)	(36)	(35)			
5-Year AAA	3.59	3.59	3.60	3.61	3.84	(0)	(0)	(2)	(25)	(34)			
5-Year AA	3.76	3.76	3.76	3.77	3.98	(0)	(1)	(2)	(23)	(35)			
5-Year A	4.65	4.69	4.65	4.66	5.11	(4)	(1)	(1)	(46)	(44)			
10-Year AAA	3.74	3.74	3.74	3.76	3.99	0	0	(1)	(25)	(32)			
10-Year AA	3.90	3.91	3.91	3.92	4.17	(0)	(1)	(1)	(26)	(34)			
10-Year A	5.01	5.06	5.02	5.02	5.62	(6)	(1)	(1)	(62)	(55)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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