



Fixed Income & FX Research

20 May 2026

Macro: OECD warns of a deteriorating global outlook, while the G7 pledges fiscal prudence amid bond market volatility. Malaysia inflation inched up to 1.9% y/y in April as expected.

Forex: DXY rebounded 0.1%. GBP fell 0.3% amid an uptick in unemployment and a prolonged political fight ahead. JPY fared better on MOF remarks and solid 1Q2026 GDP data.

Fixed Income: Global bonds continued to bleed on unabating inflation fears. MGS yields closed overall flat except for the 7Y, amid reopening auction details for 7Y MGS 04/33.

Macro

Global: The OECD warned that the global economic outlook is at risk of further deterioration as the Middle East conflict drags on, with a formal (downside) reassessment of its outlook due by 3 June, compared to its preliminary outlook in March. Meanwhile, the G7 finance chiefs' communique stated that measured fiscal approaches that won't overstretch public finances will be adopted. This comes amid global growth and inflation risks from the Iran war, which has driven significant volatility in DM bond markets recently.

Malaysia: Malaysia's headline CPI rose by 1.9% y/y in April (consensus: 1.9%; March: 1.7%), its quickest pace since October 2024, driven by accelerations in fuel and transport costs. However, core inflation edged down to 2.0% for the month (March: 2.1%), as other categories broadly held little changed. This comes as the government pledged to continue targeted interventions on essential goods, while also approving changes to the diesel subsidy system to reduce leakages (though the exact details have not yet been shared).

Forex

Global: DXY rebounded 0.1% as the USD strengthened vs. all G10 currencies, as rising UST yields more than offsetting the minor dip in oil prices. AUD led losses (-0.9%), as though RBA Assistant Governor Sarah Hunter delivered hawkish remarks as expected (on arresting inflation expectations), meeting minutes indicate that the policy board believes it now has room to pause further rate hikes, leading swap markets to reduce bets of two more rate hikes remaining this year. GBP slipped 0.3% after UK payrolls fell sharply by 100k in April (consensus: -10k) – its largest decline since May 2020, bringing the unemployment rate up to 5% (in 1Q2026), while wage growth slowed to its weakest pace since late-2020 (at 3.4% y/y). JPY (-0.2%) outperformed most peers, after FM Katayama reiterated 'bold action as needed' to defend the yen, while indicating she has 'understanding' from her G7 peers, despite the group's long-held commitment not to target exchange rates. Katayama also earlier acknowledged risks to JGB markets while compiling PM Takaichi's supplementary budget directive, suggesting a measured response ahead, including on debt issuance plans. This comes as Japan's GDP rose by an annualised, seasonally-adjusted 2.1% q/q in 1Q2026 (consensus: 1.7%; 4Q2025: 0.8%), driven by stronger-than-expected private consumption and trade, reinforcing market bets of a BOJ rate hike in June.

Malaysia: MYR (-0.1%) closed little changed alongside most of Asian FX. Intraday volatility remained flat throughout the day, with Malaysia's April inflation uptick coming in as expected.

Fixed Income

Global Bonds: Global bond yields continued to trend higher amid unabating investors' concerns on inflation risks and a higher-for-longer policy rate environment. UST yields closed 6-9 bps up across the curve, with the ultra-long 30Y yield reaching its highest since 2007 at 5.18%. Gilt yields also closed 3-4 bps up, as though PM challenger frontrunner Andy Burnham earlier signalled no changes in borrowing limits if he becomes PM. Meanwhile, the current UK PM Keir Starmer also vowed to stay on even if Burnham wins the necessary by-election, indicating a prolonged leadership clash ahead.

MYR Bonds: BNM announced the reopening auction for the 7Y MGS 04/33 (size: MYR5.0 billion), paring early session dip-buying sentiment. Yields closed overall flat for the day (save for a further repricing for the 7Y tenor), as investors also remain cautious that the mild inflation reading will not last – especially amid global markets' jitteriness on inflation risks.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.33	0.1
EUR/USD	1.161	(0.4)
AUD/USD	0.711	(0.9)
GBP/USD	1.340	(0.3)
USD/JPY	159.07	0.2
USD/MYR	3.977	0.1
USD/IDR	17,705	0.3
USD/THB	32.65	0.0
USD/SGD	1.282	0.3
USD/CNY	6.817	0.3

Ringgit Outlook for The Week

	1	2
Resistance	4.035	4.094
Support	3.914	3.850

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.12	7
UST 10Y	4.67	8
Germany 10Y	3.19	4
UK 10Y	5.13	3
Japan 10Y	2.79	6
Australia 10Y	5.06	(5)
China 10Y	1.75	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.23	(0)
5-Year	3.40	0
7-Year	3.53	1
10-Year	3.60	(0)
15-Year	3.84	(0)
20-Year	3.97	0
30-Year	4.09	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.39	(0)
IRS 3-Year	3.45	1
IRS 5-Year	3.53	1
IRS 7-Year	3.62	2
IRS 10-Year	3.70	(3)
3M KLIBOR	3.35	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	111.28	(0.7)
WTI (USD/bbl)	107.77	(0.8)
Gold (USD/oz)	4,483	(1.8)
CPO (RM/tonne)	4,540	1.1

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.00	11-Jun
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	27-May
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	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.

Commodities

Oil prices eased 1%. Despite Trump’s rhetoric to resume ‘big hit’ strikes on Iran if no deal is struck in the coming days, the Republican-led US Senate has signalled growing opposition to continuing the war. Aiding the easing of prices was a report that NATO has now begun discussing the possibility of helping vessels pass through the Strait of Hormuz if it isn’t reopened by early July, with the idea already supported by several members (but not yet unanimously as necessary).

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.33	99.19	98.30	98.10	100.43	0.1	1.0	1.3	(1.1)	1.0			
EUR/USD	1.161	1.166	1.174	1.177	1.124	(0.4)	(1.1)	(1.4)	3.2	(1.2)			
AUD/USD	0.711	0.717	0.724	0.717	0.646	(0.9)	(1.8)	(0.9)	10.1	6.5			
GBP/USD	1.340	1.343	1.354	1.352	1.336	(0.3)	(1.1)	(0.9)	0.3	(0.6)			
USD/JPY	159.07	158.82	157.63	158.64	144.86	0.2	0.9	0.3	9.8	1.5			
USD/MYR	3.977	3.975	3.935	3.951	4.291	0.1	1.1	0.7	(7.3)	(2.1)			
USD/IDR	17,705	17,656	17,500	17,190	16,430	0.3	1.2	3.0	7.8	6.1			
USD/THB	32.65	32.64	32.42	32.08	33.07	0.0	0.7	1.8	(1.3)	3.6			
USD/SGD	1.282	1.279	1.272	1.269	1.295	0.3	0.8	1.0	(1.0)	(0.2)			
USD/CNY	6.817	6.799	6.791	6.816	7.215	0.3	0.4	0.0	(5.5)	(2.3)			
USD/KRW	1,511	1,494	1,493	1,460	1,391	1.2	1.2	3.5	8.7	5.0			
USD/INR	96.54	96.36	95.63	92.93	85.40	0.2	0.9	3.9	13.0	7.4			
USD/PHP	61.75	61.74	61.47	60.08	55.68	0.0	0.4	2.8	10.9	5.0			
USD/TWD	31.66	31.56	31.50	31.58	30.19	0.3	0.5	0.3	4.9	0.8			
USD/HKD	7.833	7.830	7.829	7.832	7.821	0.0	0.1	0.0	0.2	0.6			
USD/VND	26,357	26,357	26,334	26,337	25,948	0.0	0.1	0.1	1.6	0.2			
NZD/USD	0.584	0.588	0.595	0.588	0.593	(0.7)	(1.9)	(0.8)	(1.6)	1.4			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.621	4.625	4.622	4.661	4.839	(0.1)	(0.0)	(0.9)	(4.5)	(3.0)			
GBP/MYR	5.332	5.311	5.328	5.346	5.748	0.4	0.1	(0.3)	(7.2)	(2.3)			
AUD/MYR	2.829	2.844	2.843	2.834	2.766	(0.5)	(0.5)	(0.2)	2.3	4.3			
JPY/MYR	2.500	2.502	2.496	2.492	2.961	(0.1)	0.2	0.3	(15.6)	(3.5)			
SGD/MYR	3.104	3.106	3.091	3.107	3.316	(0.1)	0.4	(0.1)	(6.4)	(1.7)			
10 CNY/MYR	5.835	5.846	5.791	5.797	5.951	(0.2)	0.7	0.7	(1.9)	0.4			
1 million IDR/MYR	2.246	2.249	2.244	2.300	2.611	(0.1)	0.1	(2.3)	(14.0)	(7.7)			
THB/MYR	12.185	12.159	12.129	12.427	12.980	0.2	0.5	(1.9)	(6.1)	(5.1)			
10 HKD/MYR	5.077	5.076	5.026	5.049	5.487	0.0	1.0	0.6	(7.5)	(2.7)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	111.28	112.1	107.77	90.38	65.54	(0.7)	3.3	23.1	69.8	82.9			
WTI (USD/barrel)	107.77	108.66	102.18	83.85	62.69	(0.8)	5.5	28.5	71.9	87.7			
Gold (USD/oz)	4,483	4,567	4,715	4,830	3,230	(1.8)	(4.9)	(7.2)	38.8	3.8			
Malaysia CPO (RM/tonne)	4,540	4,491	4,451	4,386	3,891	1.1	2.0	3.5	16.7	13.6			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.23	3.23	3.21	3.19	3.19	(0)	2	4	4	23			
5-Year	3.40	3.40	3.36	3.35	3.29	0	5	6	11	15			
7-Year	3.53	3.52	3.45	3.46	3.47	1	8	6	6	15			
10-Year	3.60	3.60	3.58	3.57	3.60	(0)	2	2	(1)	9			
15-Year	3.84	3.85	3.82	3.85	3.72	(0)	2	(0)	12	8			
20-Year	3.97	3.97	3.95	3.98	3.83	0	2	(1)	14	12			
30-Year	4.09	4.09	4.06	4.13	4.06	0	3	(4)	3	11			

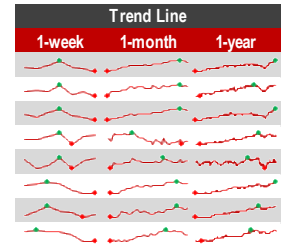
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.23	3.21	3.20	3.21	3.20	2	3	2	2	13			
5-Year	3.37	3.35	3.33	3.32	3.35	2	4	4	1	11			
7-Year	3.57	3.53	3.52	3.50	3.47	4	5	7	9	23			
10-Year	3.62	3.60	3.60	3.58	3.59	2	2	4	3	10			
15-Year	3.89	3.86	3.85	3.88	3.76	3	4	1	14	14			
20-Year	3.98	3.97	3.96	4.00	3.87	1	2	(2)	11	12			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25
S&P500 Index	7,354	7,403	7,401	7,126	5,964
Dow Jones	49,364	49,686	49,761	49,447	42,792
Nasdaq	25,871	26,091	26,088	24,468	19,215
London FTSE	10,331	10,324	10,265	10,668	8,699
German DAX	24,401	24,308	23,955	24,702	23,935
Nikkei 225	60,551	60,816	62,743	58,476	37,499
Japan TOPIX	3,851	3,827	3,873	3,761	2,738
FBM KLCI	1,727	1,728	1,751	1,695	1,556

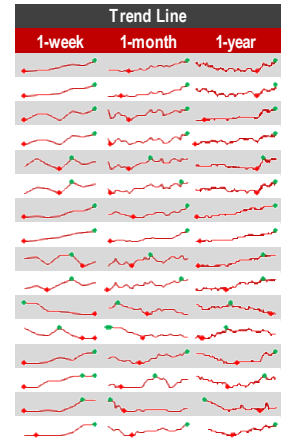
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	(0.6)	3.2	23.3	91.5
(0.6)	(0.8)	(0.2)	15.4	48.9
(0.8)	(0.8)	5.7	34.6	147.2
0.1	0.6	(3.2)	18.8	38.6
0.4	1.9	(1.2)	1.9	75.2
(0.4)	(3.5)	3.5	61.5	132.0
0.6	(0.6)	2.4	40.6	103.6
(0.0)	(1.3)	1.9	11.0	15.5



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25
UST 2Y	4.12	4.04	3.99	3.71	3.98
UST 10Y	4.67	4.59	4.46	4.25	4.45
Germany 2Y	2.76	2.71	2.71	2.41	1.84
Germany 10Y	3.19	3.15	3.10	2.96	2.59
UK 2Y	4.51	4.48	4.54	4.12	4.01
UK 10Y	5.13	5.10	5.10	4.76	4.66
Japan 2Y	1.44	1.42	1.40	1.37	0.72
Japan 10Y	2.79	2.74	2.56	2.42	1.49
Australia 2Y	4.70	4.75	4.74	4.67	3.59
Australia 10Y	5.06	5.11	5.03	4.99	4.52
China 2Y	1.26	1.26	1.29	1.29	1.47
China 10Y	1.75	1.75	1.76	1.77	1.66
Indonesia 2Y	6.53	6.48	6.40	5.98	6.25
Indonesia 10Y	6.78	6.77	6.71	6.58	6.87
Thailand 2Y	1.26	1.26	1.17	1.19	1.55
Thailand 10Y	2.34	2.32	2.15	2.02	1.86

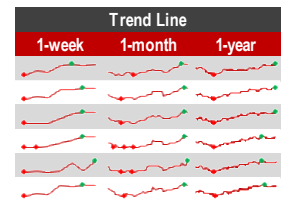
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
7	13	41	14	65
8	20	42	22	50
5	4	35	92	64
4	9	23	61	34
3	(3)	39	50	77
3	3	37	47	65
2	4	7	72	26
6	23	37	130	73
(6)	(4)	3	110	64
(5)	3	7	54	32
(0)	(3)	(3)	(21)	(12)
(1)	(2)	(3)	9	(11)
5	13	54	27	153
0	7	19	(9)	71
(1)	9	6	(29)	14
2	19	32	48	70



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25
IRS 1-Year	3.39	3.40	3.36	3.34	3.37
IRS 3-Year	3.45	3.44	3.41	3.38	3.23
IRS 5-Year	3.53	3.52	3.48	3.42	3.30
IRS 7-Year	3.62	3.60	3.56	3.52	3.39
IRS 10-Year	3.70	3.73	3.69	3.66	3.51
IRS 20-Year	4.07	4.06	4.02	3.98	3.71

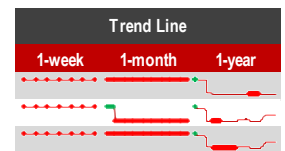
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	3	5	2	19
1	5	8	22	19
1	5	11	23	18
2	6	10	23	21
(3)	1	5	19	15
1	4	9	35	19



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.27
3-Month Klibor	3.35	3.35	3.35	3.35	3.57
6-Month Klibor	3.39	3.39	3.39	3.39	3.63

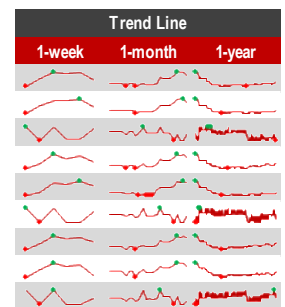
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(27)	0
0	0	0	(22)	7
0	0	0	(24)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	19-May-26	18-May-26	12-May-26	19-Apr-26	19-May-25
3-Year AAA	3.56	3.57	3.56	3.55	3.71
3-Year AA	3.70	3.70	3.69	3.69	3.86
3-Year A	4.47	4.45	4.48	4.48	4.48
5-Year AAA	3.64	3.65	3.64	3.63	3.78
5-Year AA	3.78	3.78	3.78	3.77	3.93
5-Year A	4.65	4.62	4.66	4.66	4.60
10-Year AAA	3.82	3.82	3.81	3.79	3.92
10-Year AA	3.95	3.96	3.95	3.94	4.07
10-Year A	5.05	5.02	5.07	5.06	4.94

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	1	2	(15)	6
(1)	0	1	(16)	3
2	(1)	(1)	(1)	(7)
(1)	1	2	(14)	5
(0)	0	1	(15)	3
3	(1)	(1)	5	(5)
(1)	1	3	(10)	5
(1)	0	1	(12)	2
3	(2)	(1)	11	(6)



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
Muhammad Hafizin Aiman Bin Halim	muhammad-hafizin-aiman.h@ambankgroup.com

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