



Fixed Income & FX Research

02 July 2026

Macro: US ADP unexpectedly bucked trends of resilient labour readings. Warsh pledged Fed's commitment to 2% inflation target. Malaysia fuel subsidy spending estimated at MYR40 billion.

Forex: DXY rose 0.2%, after EUR weakened 0.4% on broad Eurozone disinflation in June. MYR weakened 0.2% alongside broad-based Asian FX weaknesses.

Fixed Income: UST yields little changed amid hawkish Fed comments, as well as weak ADP and PMI data. Local bonds underperformed amid upward pressure in IRS segment.

Macro

Global: US ADP employment change rose 98k in June (consensus: 113k; May: 122k), with the slowing and below-consensus numbers throwing a spanner into an otherwise resilient labour market readings thus far, ahead of tonight's NFP data. This comes as the ISM manufacturing PMI slipped to 53.3 in June (May: 54.0), as the tailwind from an earlier frontloading of businesses' orders (to avoid conflict-driven higher prices and supply shortages) end. Meanwhile, comments from several central bankers in the ECB's Sintra Forum was the key focus overnight. Fed chairman Kevin Warsh noted that while inflation risks have eased, it remains committed to restoring inflation back to its 2% target, while dismissing suggestions that political pressure will influence the Fed. Warsh also reiterated its new approach of not providing forward guidance, with the upcoming meeting depending on incoming data, he added.

Malaysia: PM Anwar said spending on fuel subsidies is expected to surge to about MYR40 billion for 2026, assuming current market prices persist (earlier budgeted: MYR15 billion). Separately, the S&P manufacturing PMI for Malaysia rebounded to growth territory of 50.7 in June (May: 49.9), supported by fresh expansions in new orders and output. S&P Global indicated that based on historical relationships (between the PMI and official data), this suggests growth rates for both GDP and manufacturing production should trend higher in official 2Q2026 data later.

Forex

Global: DXY rebounded 0.2%, with USD gains seen vs. all G10 currencies except for the pound, supported by BOE Governor Bailey flagging that rate cuts are still off the table despite flagging a weakening economy, though market expectations of BOE hikes have also slightly trimmed. In contrast, the EUR (-0.4%) underperformed all peers, after Eurozone headline inflation eased to 2.8% y/y in June (consensus: 3.0%; May: 3.2%) – back to pre-war levels; while core CPI also closed lower to 2.4% y/y (May: 2.6%). Subsequently, ECB President Lagarde noted risks to inflation and growth has subsided, after earlier becoming the first G7 central bank to raise rates in response to energy-driven inflation risks. AUD (-0.4%) remained volatile on USD-driven sentiment, while JPY held unchanged.

Malaysia: MYR weakened 0.2%, tracking a broad-based Asian FX slump vs. the USD. Sentiment is expected to err cautious ahead of tonight's NFP data.

Fixed Income

Global Bonds: UST yields remain elevated as Warsh said the Fed will stick to its 2% inflation and talked down an immediate rate cut. Below consensus numbers for ADP private job numbers and ISM manufacturing data pared the yield rise.

MYR Bonds: The local government bond market underperformed, to follow an upward pressure in the IRS segment. Most bond tenors were seen up 1-2 bps though some bargain hunting was also present. The corporate bond market was mixed, and we noted various AA names being traded. KLK 03/32 (AA1) closed unchanged at 3.89% while KLK 09/34 closed at 3.95% (+2 bps).

Commodities

Oil resumed their plunge by another 1-2%, as US-Iran technical talks proceed indirectly but constructively, with tanker flows shown improving. This comes as sources indicate that OPEC+ is likely to further raise oil output targets from August, though Iran's insistence on maritime administrative control may prove to be a hurdle.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	101.39	0.2
EUR/USD	1.138	(0.4)
AUD/USD	0.689	(0.4)
GBP/USD	1.328	0.1
USD/JPY	162.58	0.0
USD/MYR	4.094	0.2
USD/IDR	17,948	0.4
USD/THB	33.39	0.5
USD/SGD	1.296	0.1
USD/CNY	6.795	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.181	4.273
Support	3.964	3.839

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.17	0
UST 10Y	4.48	1
Germany 10Y	2.88	2
UK 10Y	4.76	(0)
Japan 10Y	2.71	3
Australia 10Y	4.79	6
China 10Y	1.74	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.25	1
5-Year	3.39	1
7-Year	3.53	1
10-Year	3.61	0
15-Year	3.83	0
20-Year	3.95	0
30-Year	4.09	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.46	1
IRS 3-Year	3.49	2
IRS 5-Year	3.53	2
IRS 7-Year	3.60	2
IRS 10-Year	3.74	4
3M KLIBOR	3.46	1

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	71.57	(1.9)
WTI (USD/bl)	68.58	(1.3)
Gold (USD/oz)	4,031	0.6
CPO (RM/tonne)	4,485	0.2

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	30-Jul
ECB Deposit Rate	2.25	23-Jul
BOE Base Rate	3.75	30-Jul
RBA Cash Rate	4.35	11-Aug
BOJ Cash Rate	1.00	31-Jul
RBNZ Cash Rate	2.25	08-Jul
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.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	101.39	101.19	101.61	99.20	96.82	0.2	(0.2)	2.2	4.7	3.1			
EUR/USD	1.138	1.142	1.136	1.163	1.181	(0.4)	0.2	(2.2)	(3.6)	(3.1)			
AUD/USD	0.689	0.692	0.690	0.716	0.658	(0.4)	(0.1)	(3.7)	4.7	3.3			
GBP/USD	1.328	1.326	1.317	1.345	1.375	0.1	0.8	(1.3)	(3.4)	(1.5)			
USD/JPY	162.58	162.55	161.78	159.66	143.42	0.0	0.5	1.8	13.4	3.7			
USD/MYR	4.094	4.084	4.136	3.965	4.197	0.2	(1.0)	3.3	(2.4)	0.8			
USD/IDR	17,948	17,882	17,943	17,874	16,198	0.4	0.0	0.4	10.8	7.5			
USD/THB	33.39	33.22	33.43	32.54	32.43	0.5	(0.1)	2.6	3.0	6.0			
USD/SGD	1.296	1.294	1.297	1.279	1.273	0.1	(0.1)	1.3	1.8	0.8			
USD/CNY	6.795	6.792	6.813	6.765	7.161	0.0	(0.3)	0.4	(5.1)	(2.6)			
USD/KRW	1,551	1,549	1,542	1,513	1,358	0.1	0.6	2.5	14.2	7.7			
USD/INR	95.25	94.67	94.66	95.00	85.54	0.6	0.6	0.3	11.3	6.0			
USD/PHP	61.62	61.36	61.55	61.74	56.34	0.4	0.1	(0.2)	9.4	4.8			
USD/TWD	31.89	31.85	31.77	31.37	29.17	0.1	0.4	1.6	9.3	1.5			
USD/HKD	7.844	7.843	7.840	7.838	7.850	0.0	0.0	0.1	(0.1)	0.8			
USD/VND	26,302	26,310	26,332	26,319	26,130	(0.0)	(0.1)	(0.1)	0.7	0.0			
NZD/USD	0.567	0.568	0.565	0.593	0.610	(0.1)	0.4	(4.4)	(7.0)	(1.5)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.663	4.656	4.695	4.620	4.959	0.1	(0.7)	0.9	(6.0)	(2.1)			
GBP/MYR	5.423	5.406	5.450	5.337	5.781	0.3	(0.5)	1.6	(6.2)	(0.6)			
AUD/MYR	2.820	2.811	2.850	2.846	2.763	0.3	(1.0)	(0.9)	2.1	3.9			
JPY/MYR	2.518	2.513	2.557	2.483	2.927	0.2	(1.5)	1.4	(14.0)	(2.8)			
SGD/MYR	3.157	3.155	3.187	3.104	3.304	0.1	(0.9)	1.7	(4.4)	0.0			
10 CNY/MYR	6.026	6.019	6.075	5.861	5.861	0.1	(0.8)	2.8	2.8	3.7			
1 million IDR/MYR	2.281	2.281	2.305	2.226	2.592	0.0	(1.0)	2.5	(12.0)	(6.3)			
THB/MYR	12.272	12.296	12.376	12.189	12.952	(0.2)	(0.8)	0.7	(5.3)	(4.4)			
10 HKD/MYR	5.220	5.209	5.277	5.059	5.348	0.2	(1.1)	3.2	(2.4)	0.1			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	71.57	72.92	73.74	94.98	67.11	(1.9)	(2.9)	(24.6)	6.6	17.6			
WTI (USD/barrel)	68.58	69.5	70.34	92.16	65.45	(1.3)	(2.5)	(25.6)	4.8	19.4			
Gold (USD/oz)	4,031	4,008	3,999	4,485	3,339	0.6	0.8	(10.1)	20.7	(6.7)			
Malaysia CPO (RM/tonne)	4,485	4,474	4,575	4,470	3,942	0.2	(2.0)	0.3	13.8	12.2			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.25	3.25	3.26	3.22	3.14	1	(0)	3	12	26			
5-Year	3.39	3.37	3.41	3.40	3.18	1	(2)	(1)	21	13			
7-Year	3.53	3.53	3.56	3.53	3.39	1	(3)	1	14	15			
10-Year	3.61	3.61	3.62	3.56	3.51	0	(1)	5	10	11			
15-Year	3.83	3.83	3.85	3.82	3.68	0	(2)	1	15	6			
20-Year	3.95	3.95	3.97	3.96	3.78	0	(2)	(1)	18	10			
30-Year	4.09	4.09	4.11	4.08	4.00	0	(2)	1	9	11			

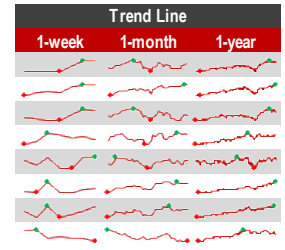
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.25	3.25	3.26	3.22	3.16	0	(1)	3	9	15			
5-Year	3.39	3.39	3.39	3.37	3.28	(0)	(0)	2	11	13			
7-Year	3.55	3.54	3.56	3.56	3.38	0	(1)	(1)	16	20			
10-Year	3.62	3.61	3.62	3.61	3.51	0	(0)	1	11	9			
15-Year	3.89	3.89	3.92	3.88	3.71	(0)	(3)	1	18	14			
20-Year	3.98	3.98	4.01	3.97	3.77	(1)	(3)	0	21	11			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25
S&P500 Index	7,483	7,499	7,358	7,600	6,198
Dow Jones	52,305	52,319	51,849	51,079	44,495
Nasdaq	26,040	26,214	25,477	27,087	20,203
London FTSE	10,478	10,497	10,462	10,339	8,785
German DAX	25,040	24,996	24,740	25,003	23,673
Nikkei 225	70,475	70,062	69,175	66,934	39,986
Japan TOPIX	4,012	3,995	3,964	3,941	2,832
FBM KLCI	1,657	1,664	1,682	1,683	1,542

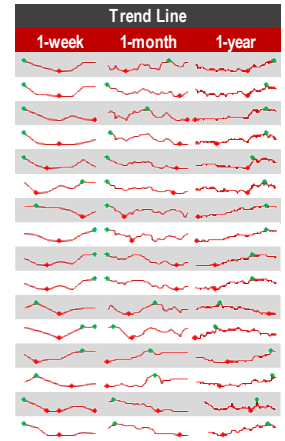
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.2)	1.7	(1.5)	20.7	94.9
(0.0)	0.9	2.4	17.6	57.8
(0.7)	2.2	(3.9)	28.9	148.8
(0.2)	0.2	1.3	19.3	40.6
0.2	1.2	0.1	5.8	79.8
0.6	1.9	5.3	76.2	170.1
0.4	1.2	1.8	41.6	112.1
(0.4)	(1.5)	(1.6)	7.5	10.8



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25
UST 2Y	4.17	4.17	4.15	4.03	3.77
UST 10Y	4.48	4.47	4.39	4.45	4.24
Germany 2Y	2.51	2.53	2.55	2.63	1.85
Germany 10Y	2.88	2.86	2.87	3.00	2.57
UK 2Y	4.13	4.15	4.13	4.33	3.83
UK 10Y	4.76	4.76	4.68	4.90	4.45
Japan 2Y	1.40	1.37	1.43	1.40	0.74
Japan 10Y	2.71	2.68	2.68	2.69	1.39
Australia 2Y	4.47	4.42	4.45	4.56	3.20
Australia 10Y	4.79	4.72	4.76	4.88	4.12
China 2Y	1.25	1.25	1.25	1.23	1.37
China 10Y	1.74	1.73	1.74	1.71	1.65
Indonesia 2Y	7.23	7.21	7.20	6.70	6.02
Indonesia 10Y	7.17	7.16	7.22	6.72	6.60
Thailand 2Y	1.13	1.14	1.14	1.24	1.39
Thailand 10Y	2.03	2.04	2.07	2.31	1.58

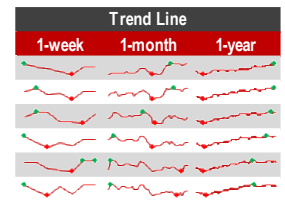
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	3	14	40	70
1	9	3	24	31
(2)	(3)	(12)	66	39
2	1	(13)	30	2
(3)	(0)	(20)	30	39
(0)	7	(14)	30	28
3	(3)	(0)	66	22
3	3	2	132	65
4	2	(9)	127	41
6	2	(10)	67	5
0	0	3	(12)	(12)
1	0	3	10	(11)
2	2	53	121	223
1	(5)	45	57	110
(1)	(1)	(11)	(26)	1
(0)	(3)	(28)	46	39



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25
IRS 1-Year	3.46	3.45	3.47	3.40	3.24
IRS 3-Year	3.49	3.48	3.50	3.47	3.12
IRS 5-Year	3.53	3.51	3.54	3.53	3.20
IRS 7-Year	3.60	3.58	3.61	3.62	3.29
IRS 10-Year	3.74	3.69	3.73	3.75	3.42
IRS 20-Year	4.05	4.02	4.05	4.08	3.71

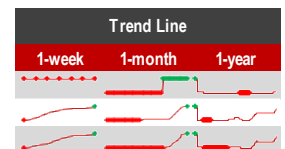
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	(0)	6	23	26
2	(0)	3	37	23
2	(1)	0	33	18
2	(1)	(2)	32	19
4	1	(1)	32	18
3	(0)	(3)	34	17



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25
1-Month Klibor	3.01	3.01	3.01	3.00	3.26
3-Month Klibor	3.46	3.45	3.40	3.35	3.50
6-Month Klibor	3.49	3.48	3.43	3.39	3.54

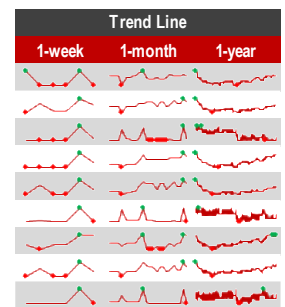
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	1	(25)	1
1	6	11	(4)	18
1	6	10	(5)	19



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	1-Jul-26	30-Jun-26	24-Jun-26	1-Jun-26	1-Jul-25
3-Year AAA	3.58	3.58	3.58	3.57	3.61
3-Year AA	3.71	3.72	3.71	3.71	3.77
3-Year A	4.46	4.48	4.45	4.45	4.54
5-Year AAA	3.66	3.67	3.66	3.65	3.68
5-Year AA	3.80	3.80	3.79	3.79	3.85
5-Year A	4.62	4.66	4.62	4.62	4.67
10-Year AAA	3.84	3.84	3.83	3.83	3.84
10-Year AA	3.97	3.98	3.96	3.96	4.00
10-Year A	5.02	5.07	5.02	5.02	5.02

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(0)	0	(4)	7
(0)	0	1	(5)	5
(2)	0	0	(9)	(9)
(0)	0	1	(2)	8
(0)	0	1	(5)	4
(4)	(0)	(0)	(6)	(8)
(0)	1	1	(0)	7
(1)	1	1	(3)	4
(5)	(0)	(1)	0	(9)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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