



## Fixed Income &amp; FX Research

18 September 2024

## Snapshot Summary...

**Global FX:** The dollar rose as US data exceed expectations**Global Rates:** Treasuries weakened upon release of the latest US data ahead of FOMC**MYR Bonds:** Malaysia's government bonds continue to rally, this time was suspected on the back of the ringgit rally**USD/MYR:** The ringgit strengthened further to reach around 4.25 level

## Macro News

**Germany:** The ZEW Indicator of Economic Sentiment for Germany plummeted to 3.6 in September, which is the lowest level since October last year. This is a drop from 19.2 in August and is below the expected 17 reading. The latest number marks the third consecutive month of declining economic sentiment, dissipating optimism that has been present since November 2023.**United States:** US retail sales rose by 0.1% m/m in August, following a revised increase of 1.1% in July, and surpassing expectations of a 0.2% decline.

IPI rose by 0.8% m/m in August, the largest gain in six months and above expectations of a +0.2%. Manufacturing, which accounts for 78% of total production, rose by 0.9% m/m, outpacing 0.3% forecast increase.

## Fixed Income

**Global Bonds:** Treasuries partly reversed past week's gains with the 2Y UST up 5 bps and the 10Y up by 3 bps to 3.60% and 3.65% respectively, upon US retail sales data pointing to a stable US economy. CME FedWatch now is pointing to 63% probability of a 50 bps Fed cut, compared to 34% last week. Treasuries remained firmer compared with a week ago, when the 10Y UST was found above 3.75%, as traders were wary that the Fed may cut by a larger than expected 50 bps at this week's FOMC.**MYR Government Bonds:** Malaysia's government bonds continue to rally yesterday, and this time was suspected on the back of the ringgit rally which sustained below the 4.300 level. The market awaits details for reopening of the 7Y MGS 04/31, which we foresee at issuance size of MYR4.5 billion.**MYR Corporate Bonds:** Very small trading was recorded in the corporate bond space yesterday as most of the market were away due to the replacement holiday. Amongst the traded, anyway, included MYR40 million flows on AA1 rated YTL Power 03/37 at 4.13% (unch), and just MYR20 million done on AAA PLUS 01/38 at 4.06% (+3 bps).

## FX Daily Rates

Vs. USD	Last Close	Per cent
DX	100.89	0.1
EUR/USD	1.111	(0.2)
AUD/USD	0.676	0.1
GBP/USD	1.316	(0.4)
USD/JPY	142.41	1.3
USD/MYR	4.259	(1.0)
USD/IDR	15,335	(0.4)
USD/THB	33.29	0.2
USD/SGD	1.297	0.1
USD/CNY	7.097	0.0
USD/KRW	1,334	0.0
USD/INR	83.76	(0.1)
USD/PHP	55.70	(0.3)
USD/TWD	31.90	0.0
USD/HKD	7.794	0.0
USD/VND	24,635	0.4
NZD/USD	0.618	(0.3)

## MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.744	(0.6)
GBP/MYR	5.631	(0.5)
AUD/MYR	2.880	(0.6)
JPY/MYR	2.991	(2.2)
SGD/MYR	3.293	(0.8)
10CNY/MYR	6.001	(1.0)
100IDR/MYR	2.778	(0.5)
THB/MYR	12.787	(0.8)
10HKD/MYR	5.465	(0.9)
100INR/MYR	5.090	(0.6)

## MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.31	(1)
5-Year	08/29	3.46	(2)
7-Year	04/31	3.65	(2)
10-Year	07/34	3.69	(3)
15-Year	04/39	3.86	(0)
20-Year	05/44	4.02	(1)
30-Year	03/53	4.17	(0)

## MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	(2)
IRS 3-Year	3.29	(1)
IRS 5-Year	3.32	(2)
IRS 7-Year	3.42	(1)
IRS 10-Year	3.52	(2)
3-M KLIBOR	3.53	0

## Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.60	5
UST 10Y	3.65	3
Germany 10Y	2.14	2
UK 10Y	3.77	1
Japan 10Y	0.83	(2)
Australia 10Y	3.83	2
China 10Y	2.07	0
Korea 10Y	2.93	0
Indonesia 10Y	6.57	(1)
Thailand 10Y	2.50	(3)
Malaysia 10Y	3.69	(3)

## Forex

**US:** The dollar index bounced off from recent lows and erased early session losses after headline retail sales data unexpectedly rose in August 2024 and industrial and manufacturing production grew faster than market consensus, suggesting the US economy is still healthy. In tandem with the rebound dollar, the UST yields also rose on the day. However, the index remained near the bottom part of the past weeks range, which could be broken once the Fed presented its decision tomorrow night.

**Europe:** Both the EUR and the GBP pulled back from recent three weeks high as the dollar went up on Tuesday. While there was no data flow came out from the UK, what probably pressured the EUR as well was the downside surprise on ZEW Economic Sentiment Index for both Germany and the Eurozone.

**Asia Pacific:** The Chinese yuan was relatively stable amidst Mid-Autumn Festival holiday. But sentiments on the yuan remained amidst weak economic fundamentals still. In Japan, the yen broke the five straight days of bull run after US data came in better than expected.

**Malaysia:** The ringgit strengthened further to reach around 4.25 level post-holiday. But there is a possibility that the ringgit could retrace some of the gains today as a reaction towards the better US data overnight.

## Other Markets

**Gold:** Non-interest yielding gold strengthened by a firm 2% rise overnight ahead of continued speculation the Fed may cut by 50 bps.

**Oil:** Oil was supported amid continued Middle East tensions, ahead of anticipated Fed rate cutting cycle.

## Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.75	0
3-Year AA	3.89	1
3-Year A	4.87	(0)
5-Year AAA	3.84	0
5-Year AA	3.98	1
5-Year A	5.11	(1)
10-Year AAA	3.99	0
10-Year AA	4.17	0
10-Year A	5.62	0

## Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	73.70	1.3
WTI (USD/bl)	71.19	1.6
Gold (USD/oz)	2,570	(0.5)
CPO (RM/tonne)	3,996	0.0

## Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,635	0.0
Dow Jones	41,606	(0.0)
Nasdaq	17,628	0.2
London FTSE	8,310	0.4
German DAX	18,726	0.5
Nikkei 225	36,203	(1.0)
Japan TOPIX	2,556	(0.6)
FBM KLCI	1,664	0.7
Strait Times	3,593	0.6
Jakarta	7,832	0.3
Shanghai	2,704	0.0
MSCI Asia Pac	183	(0.3)
MSCI World	3,641	(0.0)
Hang Seng	17,660	1.4
KOSPI	2,575	0.0
Thai Stock Exc	1,437	0.1
Taiwan	21,850	0.0
India	83,080	0.1
Australia	8,141	0.2

## Policy Rates

Central Banks	Current	Next
US Fed Funds	5.50	18-Sept
ECB Main Refinancing	3.65	17-Oct
BoE Base Rate	5.00	19-Sept
RBA Cash Rate	4.35	24-Sept
BoJ Cash Rate	0.25	20-Sept
PBoC 1Y LPR	3.35	n.a.
BoK Base Rate	3.50	-
BNM OPR	3.00	06-Nov

## Ringgit Outlook for The Week

	1	2
Resistance	4.362	4.383
Support	4.225	4.295

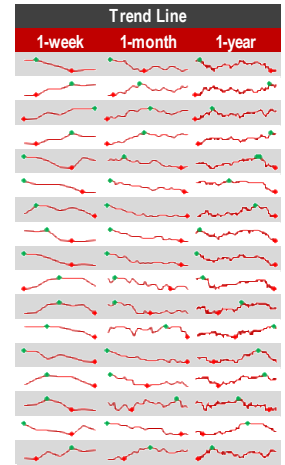
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
DXY Dollar Index	100.89	100.76	101.63	102.46	105.20
EUR/USD	1.111	1.113	1.102	1.103	1.069
AUD/USD	0.676	0.675	0.665	0.667	0.644
GBP/USD	1.316	1.322	1.308	1.294	1.238
USD/JPY	142.41	140.62	142.44	147.63	147.61
USD/MYR	4.259	4.301	4.342	4.432	4.690
USD/IDR	15,335	15,400	15,450	15,690	15,370
USD/THB	33.29	33.23	33.75	35.03	35.73
USD/SGD	1.297	1.295	1.305	1.316	1.363
USD/CNY	7.097	7.097	7.121	7.159	7.291
USD/KRW	1,334	1,334	1,344	1,352	1,324
USD/INR	83.76	83.89	83.98	83.95	83.27
USD/PHP	55.70	55.88	56.39	57.24	56.87
USD/TWD	31.90	31.90	32.19	32.28	31.98
USD/HKD	7.794	7.793	7.798	7.794	7.818
USD/VND	24,635	24,543	24,662	25,063	24,376
NZD/USD	0.618	0.620	0.615	0.605	0.592

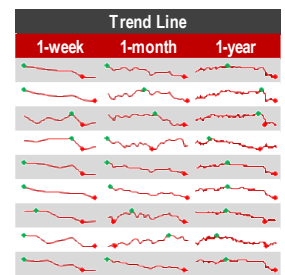
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.1	(0.7)	(1.5)	(4.1)	(0.4)
(0.2)	0.9	0.8	3.9	0.7
0.1	1.6	1.3	5.0	(0.8)
(0.4)	0.6	1.7	6.3	3.4
1.3	(0.0)	(3.5)	(3.5)	1.0
(1.0)	(1.9)	(3.9)	(9.2)	(7.3)
(0.4)	(0.7)	(2.3)	(0.2)	(0.4)
0.2	(1.4)	(5.0)	(6.8)	(2.5)
0.1	(0.6)	(1.4)	(4.9)	(1.8)
0.00	(0.3)	(0.9)	(2.7)	(0.0)
0.0	(0.8)	(1.3)	0.7	3.5
(0.1)	(0.3)	(0.2)	0.6	0.7
(0.3)	(1.2)	(2.7)	(2.1)	0.6
0.0	(0.9)	(1.2)	(0.3)	3.9
0.0	(0.0)	0.0	(0.3)	(0.2)
0.4	(0.1)	(1.7)	1.1	1.5
(0.3)	0.6	2.1	4.5	(2.1)



### Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
EUR/MYR	4.744	4.774	4.793	4.871	5.005
GBP/MYR	5.631	5.659	5.687	5.720	5.817
AUD/MYR	2.880	2.898	2.895	2.942	3.020
JPY/MYR	2.991	3.059	3.048	3.003	3.177
SGD/MYR	3.293	3.320	3.328	3.361	3.437
10CNY/MYR	6.001	6.060	6.098	6.187	6.431
100IDR/MYR	2.778	2.792	2.809	2.825	3.050
THB/MYR	12.787	12.888	12.900	12.682	13.136
10HKD/MYR	5.465	5.517	5.569	5.685	5.997

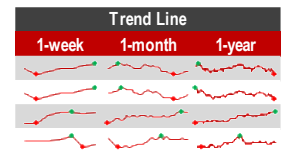
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.6)	(1.0)	(2.6)	(5.2)	(6.5)
(0.5)	(1.0)	(1.6)	(3.2)	(3.5)
(0.8)	(0.5)	(2.1)	(4.6)	(7.9)
(2.2)	(1.9)	(0.4)	(5.9)	(8.1)
(0.8)	(1.0)	(2.0)	(4.2)	(5.3)
(1.0)	(1.6)	(3.0)	(6.7)	(7.1)
(0.5)	(1.1)	(1.7)	(8.9)	(6.9)
(0.8)	(0.9)	0.8	(2.7)	(4.6)
(0.9)	(1.9)	(3.9)	(8.9)	(7.1)



### Commodities

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
Brent (USD/barrel)	73.7	72.75	69.19	79.68	94.43
WTI (USD/barrel)	71.19	70.09	65.75	76.65	91.48
Gold (USD/oz)	2,570	2,582	2,517	2,508	1,934
Malaysia CPO (RM/tonne)	3,996	3,996	4,009	3,889	3,694

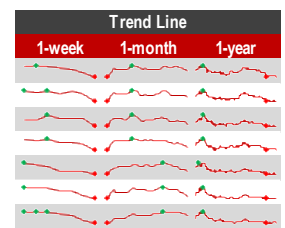
Percentage Change				
1-day	1-week	1-month	1-year	YTD
1.3	6.5	(7.5)	(22.0)	(4.3)
1.6	8.3	(7.1)	(22.2)	(0.6)
(0.5)	2.1	2.5	32.9	24.6
0.0	(0.3)	2.7	8.2	7.5



### Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
3-Year	3.31	3.32	3.35	3.35	3.51
5-Year	3.46	3.48	3.49	3.53	3.66
7-Year	3.65	3.68	3.70	3.73	3.79
10-Year	3.69	3.72	3.74	3.78	3.90
15-Year	3.86	3.87	3.89	3.91	4.10
20-Year	4.02	4.03	4.05	4.05	4.20
30-Year	4.17	4.17	4.19	4.18	4.30

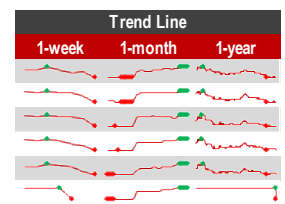
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(4)	(4)	(20)	(15)
(2)	(3)	(7)	(20)	(12)
(2)	(5)	(8)	(14)	(7)
(3)	(5)	(9)	(21)	(4)
(0)	(2)	(4)	(24)	(12)
(1)	(2)	(3)	(17)	(8)
(0)	(2)	(1)	(14)	(7)



### Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
3-Year	3.31	3.32	3.33	3.33	3.55
5-Year	3.49	3.51	3.52	3.49	3.69
7-Year	3.67	3.69	3.70	3.72	3.82
10-Year	3.75	3.77	3.78	3.80	3.92
15-Year	3.92	3.92	3.94	3.94	4.04
20-Year	4.06	4.07	4.09	4.07	4.27

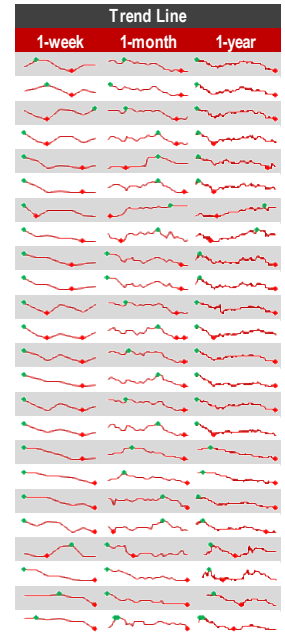
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(2)	(2)	(24)	(18)
(1)	(3)	(0)	(20)	(11)
(2)	(3)	(5)	(14)	(9)
(1)	(3)	(4)	(17)	(3)
(0)	(2)	(2)	(12)	(3)
(1)	(3)	(1)	(21)	(6)



### Major Sovereign Yield (%)

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
UST 2Y	3.60	3.55	3.59	4.05	5.05
UST 10Y	3.65	3.62	3.64	3.88	4.30
Germany 2Y	2.23	2.18	2.18	2.43	3.26
Germany 10Y	2.14	2.12	2.13	2.25	2.71
UK 2Y	3.82	3.79	3.86	3.68	5.03
UK 10Y	3.77	3.76	3.82	3.93	4.39
Japan 2Y	0.39	0.39	0.40	0.36	0.03
Japan 10Y	0.83	0.85	0.90	0.88	0.72
Australia 2Y	3.55	3.53	3.65	3.69	3.93
Australia 10Y	3.83	3.81	3.91	3.93	4.21
France 2Y	2.44	2.39	2.40	2.67	3.52
France 10Y	2.86	2.83	2.85	2.98	3.25
Italy 2Y	2.65	2.61	2.68	2.94	3.93
Italy 10Y	3.50	3.48	3.58	3.63	4.51
Spain 2Y	2.52	2.48	2.51	2.75	3.62
Spain 10Y	2.94	2.92	2.96	3.09	3.78
China 2Y	1.37	1.37	1.40	1.67	2.26
China 10Y	2.07	2.07	2.12	2.19	2.67
Korea 2Y	2.85	2.85	2.96	3.03	3.91
Korea 10Y	2.93	2.93	3.01	2.98	3.98
Indonesia 2Y	6.53	6.57	6.53	6.53	6.36
Indonesia 10Y	6.57	6.58	6.62	6.72	6.72
Thailand 2Y	2.13	2.15	2.16	2.20	2.49
Thailand 10Y	2.50	2.53	2.55	2.55	3.01

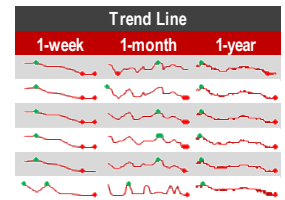
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
5	1	(44)	(145)	(65)
3	0	(24)	(66)	(23)
4	5	(21)	(103)	(18)
2	1	(10)	(57)	12
4	(4)	14	(121)	(16)
1	(5)	(16)	(62)	23
(0)	(1)	3	36	34
(2)	(7)	(5)	11	22
2	(10)	(14)	(37)	(15)
2	(8)	(10)	(38)	(12)
4	3	(24)	(109)	(51)
3	1	(12)	(39)	30
4	(2)	(29)	(128)	(33)
2	(9)	(14)	(101)	(20)
3	0	(23)	(111)	(45)
2	(2)	(15)	(84)	(5)
0	(3)	(30)	(89)	(82)
0	(5)	(12)	(60)	(49)
0	(10)	(18)	(105)	(39)
0	(8)	(5)	(105)	(25)
(4)	(0)	0	17	2
(1)	(5)	(15)	(16)	9
(2)	(3)	(7)	(36)	(20)
(3)	(5)	(5)	(51)	(18)



### Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
IRS 1-Year	3.40	3.41	3.44	3.41	3.69
IRS 3-Year	3.29	3.30	3.35	3.37	3.74
IRS 5-Year	3.32	3.34	3.40	3.44	3.84
IRS 7-Year	3.42	3.43	3.50	3.52	3.96
IRS 10-Year	3.52	3.54	3.60	3.62	4.08
IRS 20-Year	3.65	3.68	3.71	4.00	4.44

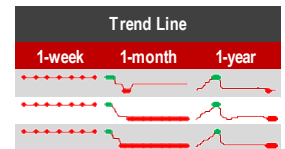
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(4)	(1)	(29)	(18)
(1)	(6)	(9)	(46)	(21)
(2)	(8)	(12)	(52)	(26)
(1)	(8)	(11)	(54)	(29)
(2)	(8)	(10)	(56)	(30)
(3)	(6)	(35)	(79)	(57)



### Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
1-Month Klibor	3.28	3.28	3.28	3.28	3.28
3-Month Klibor	3.53	3.53	3.53	3.53	3.54
6-Month Klibor	3.61	3.61	3.61	3.61	3.62

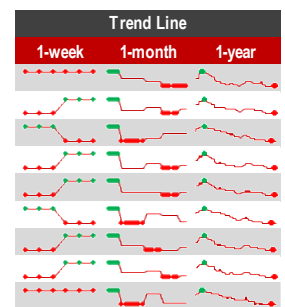
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	0	(9)
0	0	0	(1)	(24)
0	0	0	(1)	(20)



### Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	17-Sep-24	16-Sep-24	10-Sep-24	18-Aug-24	18-Sep-23
3-Year AAA	3.75	3.75	3.75	3.77	3.92
3-Year AA	3.89	3.89	3.89	3.91	4.12
3-Year A	4.87	4.87	4.87	4.88	5.19
5-Year AAA	3.84	3.84	3.83	3.85	4.04
5-Year AA	3.98	3.98	3.98	4.00	4.25
5-Year A	5.11	5.11	5.12	5.13	5.49
10-Year AAA	3.99	3.99	3.99	4.00	4.26
10-Year AA	4.17	4.17	4.16	4.19	4.50
10-Year A	5.62	5.62	5.62	5.63	5.98

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(2)	(17)	(10)
0	1	(1)	(22)	(15)
0	(0)	(2)	(33)	(37)
0	0	(1)	(21)	(14)
0	1	(2)	(27)	(20)
0	(1)	(2)	(38)	(45)
0	0	(1)	(27)	(19)
0	0	(2)	(34)	(25)
0	0	(1)	(36)	(44)



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

AmBank Group Economic Research	
Firdaos Rosli	<a href="mailto:firdaos.rosli@ambankgroup.com">firdaos.rosli@ambankgroup.com</a>
Nik Ahmad Mukharriz Nik Muhammad	<a href="mailto:nik-ahmad-mukharriz.n@ambankgroup.com">nik-ahmad-mukharriz.n@ambankgroup.com</a>
Raja Adibah Raja Hasnan	<a href="mailto:raja-adibah.r@ambankgroup.com">raja-adibah.r@ambankgroup.com</a>
Muhamad Farid Anas Johari	<a href="mailto:muhamad-farid-anas.j@ambankgroup.com">muhamad-farid-anas.j@ambankgroup.com</a>
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	<a href="mailto:azli-abd-jamil@ambankgroup.com">azli-abd-jamil@ambankgroup.com</a>
Jacqueline E. Rodrigues	<a href="mailto:jacqueline-r@ambankgroup.com">jacqueline-r@ambankgroup.com</a>
Ho Su Farn	<a href="mailto:ho-su-farn@ambankgroup.com">ho-su-farn@ambankgroup.com</a>
Melisa Lim Giok Ling	<a href="mailto:melisa-lim@ambankgroup.com">melisa-lim@ambankgroup.com</a>
Roger Yee Chan Chung	<a href="mailto:roger-yee@ambankgroup.com">roger-yee@ambankgroup.com</a>
Nadia Binti Hazmi	<a href="mailto:nadia.hazmi@ambankgroup.com">nadia.hazmi@ambankgroup.com</a>

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