



Fixed Income & FX Research

08 October 2026

Macro: Fed minutes revealed unity in the decision to raise rates earlier, with inflation and labour risks assessed as high and neutral, respectively. Budget 2027 to be presented tomorrow from 3.30 pm.

Forex: DXY rebounded 0.4% amid US-Iran tensions and hawkish FOMC minutes. EUR remains under pressure amid a French debt sell-off, while the JPY remains a G10 outperformer.

Fixed Income: UST yields slipped slightly, supported by firm demand for the 10Y UST auction. Onshore support for domestic bonds continued amid elevated yields.

Macro

Global: Fed meeting minutes indicated that policymakers were united in their decision to raise rates in its September meeting, while a majority also assessed another hike as appropriate by year-end. Several participants also noted that underlying economic momentum has increased, with financial conditions remaining supportive of economic growth. Risks are assessed to be tilted to the upside for inflation and broadly balanced for labour markets. As such, swap markets continue to fully price in a rate hike in the 9 December meeting, with only a 30% probability prescribed that the rate hike will be pushed forward to this month (on 28 October).

Malaysia: The highly anticipated Budget 2027 is expected to be presented by PM Anwar Ibrahim tomorrow (9 October) at 3.30 pm, with the PM indicating yesterday that it will be based on a 'clear resolve' to strengthen the economy and translate growth into a better life for the people.

Forex

Global: DXY strengthened 0.4%, supported by signs that US-Iran tensions will reignite, as well as hawkish Fed FOMC minutes. Only the JPY held steady vs the USD after data showed Japanese real wages increased 1.5% y/y in August, backing the case for more BOJ rate hikes ahead. AUD (-0.3%) remains supported amid EUR (-0.6%) woes, as French bonds continue to be under significant pressure, with political uncertainties indicating an inability to repair its finances ahead. Spain will also hold its snap election on 29 November, with Italy (and France) to follow next year. Ahead today is the release of the ECB meeting minutes from its September policy meeting.

Asia: USD/MYR continue to trade within a tight range, with sentiment remaining guarded ahead of Malaysia's Budget this Friday.

Fixed Income

Global Bonds: UST yields slipped lower from multi-year highs overnight amid recent news that Gulf shipments are running well and pressure on oil prices. A firm auction for the 10Y UST also aided the market. However, FOMC minutes showing a mostly preferred stance toward higher rates prevented UST yields from slipping further. Meanwhile, Bank of France head Moulin said France does not need the ECB's help at present, despite 'serious' concerns regarding its economic situation and debt selloffs.

MYR Bonds: We think there's currently firm local support for bonds at elevated yield levels, which helped the 10Y MGS slip slightly below the 4% level yesterday. Focus locally now is on tomorrow's Malaysia Budget announcement, especially on the trajectory of its fiscal consolidation plans. However, the PDS market remains lagging, and flows are still light.

Commodities

Oil prices are seen stabilising around current levels, amid reports that Trump has ordered the Pentagon to develop strike options against Iran that could be carried out before the midterm elections. A 0.5 mbpd shutdown in Mexican production due to Tropical Storm Isaias, along with the rising frequency of attacks in the Strait of Hormuz, continued to threaten the supply outlook. Houthis militants have also retaliated against Saudi Arabia via attacks on two Saudi airports, even as Iranian officials also said 'illegal Hormuz routes' (referring to the southern pathway near Oman's coast) will soon be closed.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	102.24	0.4
EUR/USD	1.120	(0.6)
AUD/USD	0.696	(0.3)
GBP/USD	1.321	(0.5)
USD/JPY	158.08	(0.0)
USD/MYR	4.086	0.0
USD/IDR	17,882	(0.1)
USD/THB	33.70	0.2
USD/SGD	1.280	0.2
USD/CNY	6.703	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.110	4.135
Support	4.050	4.015

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.77	(3)
UST 10Y	5.28	0
Germany 10Y	3.48	(0)
UK 10Y	5.44	7
Japan 10Y	3.10	(1)
Australia 10Y	5.41	1
China 10Y	1.68	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.47	0
5-Year	3.76	0
7-Year	3.97	(0)
10-Year	3.99	0
15-Year	4.20	0
20-Year	4.32	0
30-Year	4.42	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.73	0
IRS 3-Year	3.80	0
IRS 5-Year	3.85	1
IRS 7-Year	3.93	1
IRS 10-Year	4.05	1
3M KLIBOR	3.55	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	100.20	(0.4)
WTI (USD/bbl)	88.28	(1.3)
Gold (USD/oz)	4,111	(1.3)
CPO (RM/tonne)	4,310	(0.7)

Policy Rates (%)

Central Banks	Current	Next
US Fed Funds	4.00	28-Oct
ECB Deposit Rate	2.50	29-Oct
BOE Base Rate	3.75	05-Nov
RBA Cash Rate	4.60	03-Nov
BOJ Cash Rate	1.25	30-Oct
RBNZ Cash Rate	2.75	28-Oct
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	05-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

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	102.24	101.83	101.45	99.18	98.58	0.4	0.8	3.1	3.7	4.0			
EUR/USD	1.120	1.126	1.133	1.162	1.166	(0.6)	(1.2)	(3.7)	(3.9)	(4.7)			
AUD/USD	0.696	0.698	0.695	0.722	0.658	(0.3)	0.2	(3.5)	5.8	4.3			
GBP/USD	1.321	1.328	1.327	1.354	1.343	(0.5)	(0.4)	(2.4)	(1.6)	(1.9)			
USD/JPY	158.08	158.1	157.41	154.36	151.9	(0.0)	0.4	2.4	4.1	0.9			
USD/MYR	4.086	4.085	4.080	4.046	4.214	0.0	0.2	1.0	(3.0)	0.6			
USD/IDR	17,882	17,900	17,870	17,640	16,540	(0.1)	0.1	1.4	8.1	7.1			
USD/THB	33.70	33.62	33.56	32.86	32.51	0.2	0.4	2.6	3.6	7.0			
USD/SGD	1.280	1.278	1.277	1.266	1.293	0.2	0.2	1.1	(1.0)	(0.4)			
USD/CNY	6.703	6.702	6.709	6.709	7.146	0.0	(0.1)	(0.1)	(6.2)	(3.9)			
USD/KRW	1,339	1,339	1,357	1,347	1,406	0.0	(1.3)	(0.6)	(4.8)	(7.0)			
USD/INR	96.77	96.43	95.83	94.49	88.78	0.4	1.0	2.4	9.0	7.7			
USD/PHP	62.76	62.78	62.65	62.60	58.12	(0.0)	0.2	0.2	8.0	6.7			
USD/TWD	31.81	31.80	31.84	31.55	30.51	0.1	(0.1)	0.8	4.3	1.2			
USD/HKD	7.848	7.848	7.847	7.840	7.783	0.0	0.0	0.1	0.8	0.8			
USD/VND	25,981	25,994	25,964	26,044	26,365	(0.1)	0.1	(0.2)	(1.5)	(1.2)			
NZD/USD	0.560	0.562	0.563	0.588	0.580	(0.4)	(0.6)	(4.8)	(3.4)	(2.8)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.577	4.593	4.634	4.702	4.916	(0.4)	(1.2)	(2.7)	(6.9)	(3.9)			
GBP/MYR	5.407	5.409	5.418	5.477	5.665	(0.0)	(0.2)	(1.3)	(4.6)	(0.9)			
AUD/MYR	2.848	2.847	2.844	2.920	2.779	0.0	0.1	(2.5)	2.5	4.9			
JPY/MYR	2.586	2.584	2.592	2.622	2.774	0.1	(0.3)	(1.4)	(6.8)	(0.2)			
SGD/MYR	3.194	3.195	3.196	3.196	3.260	(0.1)	(0.1)	(0.1)	(2.0)	1.2			
10 CNY/MYR	6.094	6.095	6.085	6.029	5.917	(0.0)	0.2	1.1	3.0	4.9			
1 million IDR/MYR	2.285	2.283	2.280	2.294	2.544	0.1	0.2	(0.4)	(10.2)	(6.1)			
THB/MYR	12.125	12.159	12.153	12.303	12.956	(0.3)	(0.2)	(1.4)	(6.4)	(5.5)			
10 HKD/MYR	5.208	5.206	5.200	5.161	5.415	0.0	0.2	0.9	(3.8)	(0.2)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	100.2	100.58	103.53	97	65.45	(0.4)	(3.2)	3.3	53.1	64.7			
WTI (USD/barrel)	88.28	89.44	90.42	91.48	61.73	(1.3)	(2.4)	(3.5)	43.0	53.7			
Gold (USD/oz)	4,111	4,164	4,157	4,404	3,985	(1.3)	(1.1)	(6.7)	3.2	(4.8)			
Malaysia CPO (RM/tonne)	4,310	4,340	4,424	4,698	4,406	(0.7)	(2.6)	(8.3)	(2.2)	7.8			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.47	3.47	3.47	3.44	3.12	0	0	3	35	48			
5-Year	3.76	3.76	3.77	3.71	3.23	0	(1)	6	53	51			
7-Year	3.97	3.97	3.99	3.95	3.45	(0)	(2)	1	52	59			
10-Year	3.99	3.99	4.02	4.02	3.48	0	(3)	(3)	51	48			
15-Year	4.20	4.20	4.20	4.18	3.71	0	0	2	49	44			
20-Year	4.32	4.32	4.31	4.31	3.86	0	1	2	47	48			
30-Year	4.42	4.42	4.44	4.36	4.05	(1)	(2)	6	37	44			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.53	3.52	3.49	3.44	3.14	1	3	8	38	43			
5-Year	3.79	3.80	3.78	3.71	3.24	(0)	2	9	56	54			
7-Year	3.95	3.98	4.00	3.92	3.36	(3)	(4)	3	59	61			
10-Year	4.02	4.05	4.05	4.01	3.51	(3)	(3)	1	51	49			
15-Year	4.21	4.20	4.19	4.16	3.71	0	2	5	50	45			
20-Year	4.35	4.35	4.34	4.28	3.90	(0)	1	7	45	49			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	7,802	7,819	7,652	7,719	6,715	(0.2)	2.0	1.1	16.2	103.2			
Dow Jones	51,180	51,521	50,906	53,414	46,603	(0.7)	0.5	(4.2)	9.8	54.4			
Nasdaq	27,539	27,600	26,861	26,507	22,788	(0.2)	2.5	3.9	20.8	163.1			
London FTSE	10,459	10,542	10,606	10,822	9,484	(0.8)	(1.4)	(3.4)	10.3	40.3			
German DAX	25,104	25,449	25,199	26,007	24,386	(1.4)	(0.4)	(3.5)	2.9	80.3			
Nikkei 225	70,036	70,684	66,754	66,400	47,951	(0.9)	4.9	5.5	46.1	168.4			
Japan TOPIX	4,154	4,184	4,109	4,126	3,228	(0.7)	1.1	0.7	28.7	119.6			
FBM KLCI	1,612	1,633	1,651	1,715	1,630	(1.3)	(2.4)	(6.0)	(1.1)	7.8			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	4.77	4.80	4.89	4.37	3.56	(3)	(12)	40	120	130			
UST 10Y	5.28	5.28	5.28	4.78	4.12	0	(0)	50	116	112			
Germany 2Y	3.07	3.11	3.21	3.01	2.00	(4)	(14)	6	107	95			
Germany 10Y	3.48	3.48	3.59	3.39	2.71	(0)	(11)	9	77	62			
UK 2Y	4.85	4.82	4.89	4.57	3.98	4	(3)	28	87	112			
UK 10Y	5.44	5.38	5.42	5.18	4.72	7	2	27	72	96			
Japan 2Y	1.95	1.93	1.95	1.85	0.91	2	0	10	104	77			
Japan 10Y	3.10	3.11	3.07	2.93	1.69	(1)	4	18	142	104			
Australia 2Y	4.94	4.93	4.95	4.80	3.52	1	(1)	14	142	88			
Australia 10Y	5.41	5.40	5.35	5.20	4.39	1	6	21	102	67			
China 2Y	1.24	1.24	1.24	1.24	1.46	0	0	0	(22)	(13)			
China 10Y	1.68	1.68	1.68	1.68	1.87	0	0	(0)	(19)	(18)			
Indonesia 2Y	6.78	6.78	6.86	6.76	4.95	0	(7)	3	184	179			
Indonesia 10Y	7.18	7.21	7.14	7.11	6.25	(3)	4	7	94	111			
Thailand 2Y	1.28	1.28	1.28	1.18	1.13	(1)	(1)	10	14	16			
Thailand 10Y	2.36	2.35	2.31	2.20	1.40	1	4	16	96	72			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.73	3.73	3.72	3.65	3.23	0	0	8	50	52			
IRS 3-Year	3.80	3.80	3.80	3.71	3.18	0	0	9	62	54			
IRS 5-Year	3.85	3.84	3.87	3.76	3.27	1	(2)	9	58	50			
IRS 7-Year	3.93	3.92	3.94	3.83	3.33	1	(2)	10	60	52			
IRS 10-Year	4.05	4.04	4.06	3.94	3.45	1	(1)	11	60	50			
IRS 20-Year	4.26	4.27	4.30	4.20	3.72	(1)	(3)	7	55	38			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.03	3.03	3.02	3.01	3.00	0	1	2	3	3			
3-Month Klibor	3.55	3.55	3.53	3.47	3.22	0	2	8	33	27			
6-Month Klibor	3.58	3.58	3.57	3.50	3.26	0	1	8	32	28			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	7-Oct-26	6-Oct-26	30-Sep-26	7-Sep-26	7-Oct-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.84	3.82	3.83	3.66	3.51	2	1	17	33	33			
3-Year AA	3.99	3.97	3.98	3.80	3.67	2	1	19	32	33			
3-Year A	4.69	4.65	4.68	4.46	4.55	4	1	23	13	14			
5-Year AAA	4.04	4.02	4.03	3.81	3.58	2	1	23	46	45			
5-Year AA	4.23	4.21	4.21	3.94	3.74	1	1	28	48	47			
5-Year A	4.95	4.90	4.94	4.66	4.70	5	1	29	25	25			
10-Year AAA	4.31	4.29	4.29	4.05	3.74	2	2	26	57	54			
10-Year AA	4.49	4.48	4.47	4.17	3.90	1	2	32	59	57			
10-Year A	5.39	5.33	5.37	5.10	5.10	6	2	29	29	28			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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