



Fixed Income & FX Research

04 February 2025

Snapshot Summary...

Global FX: Dollar retreated from early strong gains as US tariffs on Mexico and Canada are delayed for 30 days

Global Rates: UST pared losses upon news of deferral of imposed tariffs

MYR Bonds: Local govies weakened as risk aversion took hold in global markets

USD/MYR: The ringgit pared losses but still closed weaker on the day

Macro News

Malaysia: The S&P Global Malaysia Manufacturing PMI stood at 48.7 in January 2025, almost unchanged from December's 48.6. This marked the eighth consecutive month of declining factory activity, with output falling consistently and experiencing the sharpest drop in over a year. New orders contracted for a seventh month, with the rate of decline similar to December's.

Eurozone: Eurozone's annual inflation rate increase to 2.5% in January 2025, up from 2.4% in December and slightly exceeding market expectations of 2.4%, according to preliminary estimates. This marked the highest inflation rate since July 2024, mainly due to a significant acceleration in energy costs (1.8% compared to 0.1% in December).

US: ISM Manufacturing PMI rose to 50.9 in January 2025, from a revised 49.2 in December 2024, surpassing the forecast of 49.8. This indicated the first expansion in the factory sector after 26 months of contraction.

China: China's Caixin manufacturing PMI fell to reading of 50.1 in January, down from 50.5 in December and against consensus expectation of a small rise to 50.6.

Fixed Income

Global Bonds: UST pared losses as announcement came that the US imposed tariffs on Canada is to be on hold for 30 days. News had also come out that the tariffs on Mexico is also to be on hold for 30 days. Meanwhile, news reports suggest that the US authorities will talk to China about the tariffs. Meanwhile, Fed-speak comprised comments from Atlanta Fed's Bostic and Chicago Fed's Goolsbee that there should be caution before the next rate cut. Aside, German Bunds closed firmer as traders were pricing in more rate cuts by the ECB. UK bond yields also fell ahead of possible BoE rate cut this week.

MYR Government Bonds: The local government bond market weakened yesterday, due to the risk aversion on the heels of prospective onset of a global trade war. However, we also noted some dip buying in the local market seeing the relatively attractive yield levels currently.

MYR Corporate Bonds: There was also support seen in the local corporate bond market yesterday. Some pickup in GG bonds were noted. These trades include Danainfra 09/27 (GG) at 3.60% (-8 bps) and Prasarana 08/42 (GG) at 4.06% (-8 bps).

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	108.99	0.6
EUR/USD	1.034	(0.2)
AUD/USD	0.623	0.1
GBP/USD	1.245	0.4
USD/JPY	154.73	(0.3)
USD/MYR	4.474	0.3
USD/IDR	16,435	0.8
USD/THB	34.03	1.1
USD/SGD	1.361	0.3
USD/CNY	7.245	0.0
USD/KRW	1,462	0.6
USD/INR	87.20	0.7
USD/PHP	58.66	0.5
USD/TWD	32.98	0.9
USD/HKD	7.793	0.0
USD/VND	25,291	0.8
NZD/USD	0.563	(0.1)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.579	(1.1)
GBP/MYR	5.499	(0.7)
AUD/MYR	2.747	(1.0)
JPY/MYR	2.892	0.7
SGD/MYR	3.273	(0.5)
10CNY/MYR	6.178	0.4
100IDR/MYR	2.721	(0.5)
THB/MYR	13.138	(0.8)
10HKD/MYR	5.742	0.4
100INR/MYR	5.130	(0.2)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.47	2
5-Year	08/29	3.62	1
7-Year	07/32	3.79	1
10-Year	07/34	3.81	1
15-Year	04/39	3.97	0
20-Year	05/44	4.06	(0)
30-Year	03/53	4.18	1

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.56	0
IRS 3-Year	3.49	1
IRS 5-Year	3.54	0
IRS 7-Year	3.61	0
IRS 10-Year	3.71	2
3-M KLIBOR	3.67	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.25	5
UST 10Y	4.56	2
Germany 10Y	2.39	(8)
UK 10Y	4.49	(5)
Japan 10Y	1.25	1
Australia 10Y	4.38	(5)
China 10Y	1.63	0
Korea 10Y	2.82	(4)
Indonesia 10Y	7.06	7
Thailand 10Y	2.32	3
Malaysia 10Y	3.81	1

Forex

US: The dollar advanced by another 0.6% to reach a three-week high. On top of the trade news, the dollar further surged following stronger-than-expected US ISM manufacturing and construction spending reports before retreating from its peak to close as Trump deferred his plan to impose hefty tariffs on Mexico and Canada.

Europe: The euro fell as much as 0.3% to its weakest level since November 2022 after Trump doubled down on his tariff threats against the EU, citing trade imbalances in autos and agriculture. The market braced for further escalation, while dovish signals from the ECB added pressure, with Governing Council member Simkus indicating additional rate cuts beyond March. However, EUR/USD found some relief as Eurozone inflation surprised to the upside, with January CPI at 2.5% y/y (vs. 2.4% expected) and core CPI at 2.7% y/y (vs. 2.6% expected) and stronger than expected manufacturing PMI revision to an eight-month high. Meanwhile, GBP/USD erased most of its losses and turned to gains amid a possible UK exception from Trump tariffs due to US trade surplus with the UK, though expectations of a BoE rate cut this Thursday continue to weigh on sterling.

Asia Pacific: The yen strengthened as risk-off sentiment fuelled safe-haven flows, pushing USD/JPY lower into the US open despite broader dollar demand. However, the pair rebounded after signs of US-Mexico trade truce, shifting towards a more bullish bias, while a slight downward revision in Japan's January Jibun Bank manufacturing PMI (48.7 vs. 48.8 prior) had little market impact. The offshore yuan was pressured as Trump's tariff announcement fuelled fears of an escalating trade war and slowing global growth, with China vowing to challenge the levies at the WTO and implement countermeasures. Meanwhile, weaker-than-expected Chinese manufacturing PMI (50.1 vs. 50.5 prior) highlighted slowing economic momentum, adding pressure on Beijing to ramp up stimulus amid mounting trade tensions.

Malaysia: The ringgit pared its early losses but still fell 0.3% on the day, in tandem with regional currencies as Trump fired its first round of tariffs bullet on key trade partners. We remain cautious for the ringgit today as global market continue to focus on US trade policy developments.

Other Markets

Gold: Gold surged to a fresh record high despite a stronger dollar, as safe-haven demand spiked after Trump imposed steep tariffs key trading partners. While the dollar rally and higher Treasury yields created some headwinds, gold's resilience reflects mounting concerns over economic growth, with investors positioning for heightened market volatility.

Oil: Brent and WTI crude closed lower despite tariffs on Canadian and Mexican imports, roiling global markets and fuelling inflation concerns. While Canadian oil faced a reduced 10% tariff, the move still threatens supply chains.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.84	(0)
3-Year AA	4.02	1
3-Year A	4.83	(1)
5-Year AAA	3.92	0
5-Year AA	4.09	(0)
5-Year A	5.02	(1)
10-Year AAA	4.05	(0)
10-Year AA	4.22	(1)
10-Year A	5.41	(2)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	75.96	(1.0)
WTI (USD/bl)	73.16	0.9
Gold (USD/oz)	2,815	0.6
CPO (RM/tonne)	4,600	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,995	(0.8)
Dow Jones	44,422	(0.3)
Nasdaq	19,392	(1.2)
London FTSE	8,584	(1.0)
German DAX	21,428	(1.4)
Nikkei 225	38,520	(2.7)
Japan TOPIX	2,720	(2.4)
FBM KLCI	1,554	(0.2)
Strait Times	3,826	(0.8)
Jakarta	7,030	(1.1)
Shanghai	3,251	0.0
MSCI Asia Pac	180	(2.2)
MSCI World	3,797	(1.0)
Hang Seng	20,217	(0.0)
KOSPI	2,454	(2.5)
Thai Stock Exc	1,304	(0.8)
Taiwan	22,695	(3.5)
India	77,187	(0.4)
Australia	8,379	(1.8)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	19-Mar
ECB Main Refinancing	2.90	06-Mar
BoE Base Rate	4.75	06-Feb
RBA Cash Rate	4.35	18-Feb
BoJ Cash Rate	0.50	19-Mar
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.00	-
BNM OPR	3.00	06-Mar

Ringgit Outlook for The Week

	1	2
Resistance	4.500	4.570
Support	4.330	4.370

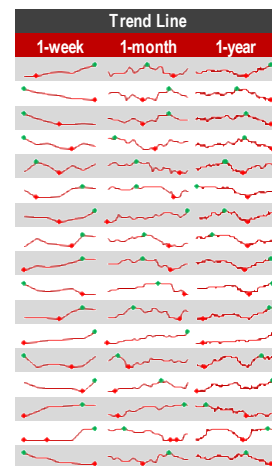
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
DXY Dollar Index	108.99	108.37	107.34	108.95	103.92
EUR/USD	1.034	1.036	1.049	1.031	1.079
AUD/USD	0.623	0.622	0.629	0.622	0.651
GBP/USD	1.245	1.240	1.250	1.242	1.263
USD/JPY	154.73	155.19	154.51	157.26	148.38
USD/MYR	4.474	4.460	4.380	4.500	4.717
USD/IDR	16,435	16,300	16,173	16,190	15,658
USD/THB	34.03	33.67	33.70	34.46	35.25
USD/SGD	1.361	1.357	1.345	1.370	1.343
USD/CNY	7.245	7.245	7.245	7.322	7.194
USD/KRW	1,462	1,454	1,431	1,471	1,322
USD/INR	87.20	86.62	86.34	85.78	82.93
USD/PHP	58.66	58.37	58.44	58.20	55.93
USD/TWD	32.98	32.69	32.69	32.92	31.23
USD/HKD	7.793	7.792	7.788	7.779	7.821
USD/VND	25,291	25,082	25,081	25,428	24,353
NZD/USD	0.563	0.563	0.569	0.561	0.607

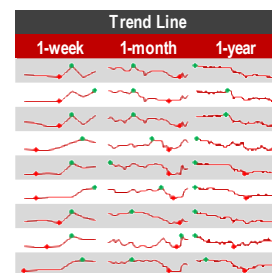
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.6	1.5	0.0	4.9	0.5
(0.2)	(1.4)	0.3	(4.1)	(0.1)
0.1	(1.0)	0.2	(4.4)	0.6
0.4	(0.4)	0.2	(1.4)	(0.5)
(0.3)	0.1	(1.6)	4.3	(1.6)
0.3	2.1	(0.6)	(5.2)	0.0
0.8	1.6	1.5	5.0	2.1
1.1	1.0	(1.2)	(3.5)	(0.2)
0.3	1.2	(0.7)	1.4	(0.3)
0.00	0.0	(1.1)	0.7	(0.7)
0.6	2.2	(0.6)	10.6	(0.6)
0.7	1.0	1.6	5.1	1.9
0.5	0.4	0.8	4.9	1.4
0.9	0.9	0.2	5.6	0.6
0.0	0.1	0.2	(0.4)	0.3
0.8	0.8	(0.5)	3.9	(0.8)
(0.1)	(1.1)	0.3	(7.2)	0.6



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
EUR/MYR	4.579	4.628	4.594	4.631	5.137
GBP/MYR	5.499	5.540	5.469	5.583	6.018
AUD/MYR	2.747	2.776	2.756	2.796	3.114
JPY/MYR	2.892	2.872	2.835	2.861	3.179
SGD/MYR	3.273	3.290	3.255	3.285	3.532
10CNY/MYR	6.178	6.152	6.043	6.149	6.572
100IDR/MYR	2.721	2.734	2.708	2.778	3.012
THB/MYR	13.138	13.244	12.979	13.064	13.397
10HKD/MYR	5.742	5.720	5.623	5.785	6.033

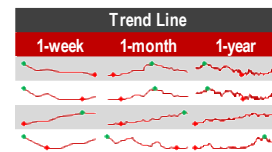
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(1.1)	(0.3)	(1.1)	(10.9)	(1.7)
(0.7)	0.5	(1.5)	(8.6)	(2.1)
(1.0)	(0.3)	(1.8)	(11.8)	(1.2)
0.7	2.0	1.1	(9.0)	1.6
(0.5)	0.6	(0.4)	(7.3)	(0.4)
0.4	2.2	0.5	(6.0)	0.8
(0.5)	0.5	(2.1)	(9.7)	(1.8)
(0.8)	1.2	0.6	(1.9)	0.9
0.4	2.1	(0.7)	(4.8)	(0.3)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
Brent (USD/barrel)	75.96	76.76	77.08	76.51	77.33
WTI (USD/barrel)	73.16	72.53	73.17	73.96	72.28
Gold (USD/oz)	2,815	2,798	2,741	2,640	2,040
Malaysia CPO (RM/tonne)	4,600	4,600	4,566	4,726	3,800

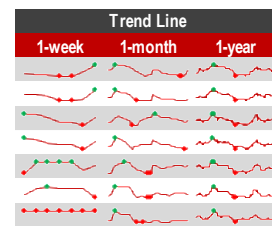
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(1.0)	(1.5)	(0.7)	(1.8)	1.8
0.9	(0.0)	(1.1)	1.2	2.0
0.6	2.7	6.6	38.0	7.3
0.0	0.7	(2.7)	21.1	(6.5)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
3-Year	3.47	3.46	3.43	3.45	3.36
5-Year	3.62	3.61	3.60	3.60	3.50
7-Year	3.79	3.77	3.77	3.77	3.69
10-Year	3.81	3.80	3.80	3.81	3.77
15-Year	3.97	3.97	3.97	3.95	3.94
20-Year	4.06	4.06	4.06	4.04	4.02
30-Year	4.18	4.18	4.18	4.17	4.18

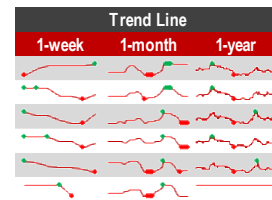
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	4	3	11	(0)
1	2	2	13	0
1	2	2	10	2
1	1	0	4	(0)
0	(0)	2	2	(0)
(0)	(0)	1	3	(0)
1	1	1	0	0



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
3-Year	3.55	3.52	3.51	3.40	3.41
5-Year	3.63	3.62	3.63	3.62	3.55
7-Year	3.78	3.77	3.77	3.74	3.74
10-Year	3.83	3.82	3.83	3.82	3.81
15-Year	3.95	3.95	3.95	3.97	3.95
20-Year	4.08	4.08	4.08	4.07	4.11

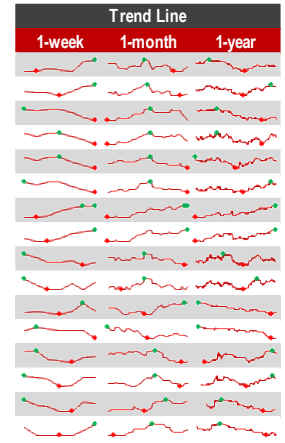
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	3	15	14	12
0	0	1	8	0
1	1	4	4	4
1	(0)	1	2	(0)
(0)	(0)	(1)	0	(3)
0	(0)	0	(3)	(1)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
UST 2Y	4.25	4.20	4.20	4.28	4.36
UST 10Y	4.56	4.54	4.53	4.60	4.02
Germany 2Y	2.03	2.12	2.25	2.16	2.57
Germany 10Y	2.39	2.46	2.53	2.43	2.24
UK 2Y	4.17	4.22	4.29	4.42	4.42
UK 10Y	4.49	4.54	4.59	4.59	3.92
Japan 2Y	0.73	0.73	0.70	0.61	0.09
Japan 10Y	1.25	1.25	1.21	1.10	0.67
Australia 2Y	3.73	3.80	3.89	3.86	3.66
Australia 10Y	4.38	4.43	4.48	4.38	3.98
China 2Y	1.28	1.28	1.28	1.03	2.13
China 10Y	1.63	1.63	1.63	1.62	2.43
Indonesia 2Y	6.86	6.84	6.85	7.07	6.23
Indonesia 10Y	7.06	6.99	7.05	7.02	6.52
Thailand 2Y	2.05	2.05	2.05	2.00	2.26
Thailand 10Y	2.32	2.29	2.27	2.27	2.64

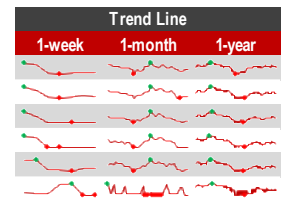
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
5	5	(3)	(11)	1
2	2	(4)	54	(1)
(9)	(22)	(13)	(54)	(5)
(8)	(15)	(4)	14	2
(5)	(12)	(26)	(26)	(23)
(5)	(10)	(11)	57	95
1	4	13	65	13
1	4	15	58	15
(7)	(16)	(13)	7	(13)
(5)	(10)	(1)	40	2
0	0	26	(85)	18
0	0	1	(80)	(5)
3	1	(21)	64	(18)
7	1	4	54	7
(0)	0	5	(21)	5
3	5	5	(32)	7



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
IRS 1-Year	3.56	3.56	3.56	3.54	3.51
IRS 3-Year	3.49	3.48	3.48	3.48	3.42
IRS 5-Year	3.54	3.53	3.53	3.52	3.53
IRS 7-Year	3.61	3.61	3.60	3.60	3.65
IRS 10-Year	3.71	3.70	3.71	3.69	3.80
IRS 20-Year	3.92	4.06	3.95	3.95	4.17

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	2	6	(1)
1	1	1	7	(2)
0	0	2	1	(1)
0	0	1	(4)	(2)
2	0	2	(9)	(2)
(14)	(3)	(3)	(25)	(3)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
1-Month Klibor	3.28	3.28	3.28	3.29	3.29
3-Month Klibor	3.67	3.67	3.67	3.73	3.57
6-Month Klibor	3.73	3.73	3.73	3.77	3.64

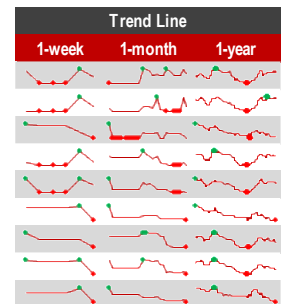
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(1)	(1)
0	0	(6)	10	(6)
0	0	(4)	9	(4)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	3-Feb-25	31-Jan-25	27-Jan-25	4-Jan-25	4-Feb-24
3-Year AAA	3.84	3.84	3.84	3.83	3.81
3-Year AA	4.02	4.03	4.01	4.01	4.01
3-Year A	4.83	4.83	4.83	4.82	5.16
5-Year AAA	3.92	3.92	3.92	3.92	3.94
5-Year AA	4.09	4.09	4.09	4.09	4.14
5-Year A	5.02	5.03	5.03	5.04	5.44
10-Year AAA	4.05	4.05	4.05	4.07	4.11
10-Year AA	4.22	4.22	4.22	4.23	4.30
10-Year A	5.41	5.44	5.43	5.49	5.91

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(0)	1	3	1
(2)	1	1	1	0
(0)	(1)	0	(34)	(3)
(0)	0	(1)	(2)	(1)
(0)	(0)	(0)	(5)	(1)
(1)	(1)	(2)	(42)	(6)
(0)	(0)	(2)	(6)	(2)
(1)	(1)	(1)	(9)	(2)
(3)	(2)	(7)	(50)	(15)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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