



Fixed Income & FX Research

18 April 2025

Macro: The ECB cut its rates by 25bps, lowering the main refinancing rate to 2.40%, the deposit rate to 2.25% and the marginal lending facility to 2.65%.

Forex: The dollar saw moderate gains amid some optimism on trade talks.

Fixed Income: The UST market posted mild losses amid a lack of fresh major drivers ahead of the Good Friday break.

Macro

Eurozone: ECB reduced all three key interest rates by 25bps, lowering the main refinancing rate to 2.40%, the deposit rate to 2.25%, and the marginal lending facility to 2.65%. This was widely anticipated and reflects growing confidence in inflation returning sustainably to the 2% target. The ECB recognised weakened growth prospects and reaffirmed its commitment to a data-driven approach.

US: The Philadelphia Fed Manufacturing Index plunged 39 points to -26.4 in April 2025, far below the market forecast of 2, signalling a renewed contraction in regional manufacturing activity. US initial jobless claims fell by 9,000 in the 2nd week of April, defying market expectations of a 1,000 increase. This highlights a persistently tight labour market in the US.

Forex

Global: The dollar saw moderate gains amid some optimism on trade talks. The US, in particular, said it has made progress in the negotiations with Japan. Lower weekly jobless claims fell unexpectedly, and as NY Fed's Williams said, he sees firm US growth. Less than impressive USD upside supported the EUR despite the ECB cut rates, and the ECB statement and President Lagarde pointed to downside risks to growth. Elsewhere, CNY remained pressured amid the ongoing trade war with the US.

MYR: The ringgit was mostly firm yesterday, and USD/MYR was seen near weekly lows. The sentiment was amidst continued USD weakness and as we await 1Q2025 Malaysia advance estimate GDP numbers and trade numbers. Consensus expectations for GDP are mostly lower than the 5% growth recorded in 4Q2024 amid fewer working days in the quarter and uncertainty ahead of Trump tariffs.

Fixed Income

Global Bonds: The UST market posted mild losses amid a lack of fresh major drivers ahead of the Good Friday break. Fed-speak offered little in fresh hints. NY Fed's Williams said there's no rush to adjust policy in view of tariffs threatening growth and inflation. Housing starts data showing a disappointing -11.4% m/m in March did not move bonds much. Bund yields fell and were seen near six-week lows after the ECB cut rates by 25 bps.

MYR Bonds: The Malaysian government bond market continued to be supported, aided by last week's UST rally and drop in IRS rates. The 10Y MGS and GII both shed 1 bps yesterday. However, the corporate bond market was mixed, with a lack of pickup along higher-grade AAA papers. Various bank papers were done, including AA3 Affin IMTN at 05/29 at 3.89% (-2 bps) and A1 Bank Islam Subdebt 10/33 at 4.00% (-17 bps).

Other Markets

Gold: Gold tracked lower from record highs and overnight lower by 0.5%. News of trade talks between the US and its counterparts, Japan and Italy, pared gold's weekly gains.

Crude Oil: Oil was supported by the trade talks news and news of new sanctions against Iranian oil exports. The new sanctions especially mention smaller export quantity bans to China.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	99.38	(0.0)
EUR/USD	1.137	(0.3)
AUD/USD	0.639	0.3
GBP/USD	1.327	0.2
USD/JPY	142.43	0.4
USD/MYR	4.407	(0.1)
USD/IDR	16,834	(0.0)
USD/THB	33.36	0.7
USD/SGD	1.311	0.1
USD/CNY	7.299	(0.0)

Ringgit Outlook for The Week

	1	2
Resistance	4.480	4.520
Support	4.410	4.390

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.80	3
UST 10Y	4.32	5
Germany 10Y	2.47	(4)
UK 10Y	4.57	(4)
Japan 10Y	1.32	5
Australia 10Y	4.28	(6)
China 10Y	1.65	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.37	2
5-Year	3.44	(2)
7-Year	3.62	(1)
10-Year	3.71	(1)
15-Year	3.87	(0)
20-Year	3.96	(1)
30-Year	4.10	(0)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	0
IRS 3-Year	3.25	(0)
IRS 5-Year	3.30	(0)
IRS 7-Year	3.39	0
IRS 10-Year	3.50	0
3M KLIBOR	3.65	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	67.96	3.2
WTI (USD/bbl)	64.68	3.5
Gold (USD/oz)	3,327	(0.5)
CPO (RM/tonne)	4,260	0.3

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	08-May
ECB Main Refinancing	2.40	05-Jun
BOE Base Rate	4.50	08-May
RBA Cash Rate	4.10	20-May
BOJ Cash Rate	0.50	01-May
PBOC 1Y LPR	3.10	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	08-May

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	Percentage Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.38	99.38	100.87	103.24	105.95	(0.0)	(1.5)	(3.7)	(6.2)	(1.9)			
EUR/USD	1.137	1.140	1.120	1.095	1.067	(0.3)	1.5	3.8	6.5	3.0			
AUD/USD	0.639	0.637	0.622	0.636	0.644	0.3	2.7	0.5	(0.7)	(6.2)			
GBP/USD	1.327	1.324	1.297	1.300	1.245	0.2	2.3	2.0	6.5	4.2			
USD/JPY	142.43	141.88	144.45	149.27	154.39	0.4	(1.4)	(4.6)	(7.7)	1.0			
USD/MYR	4.407	4.411	4.470	4.447	4.793	(0.1)	(1.4)	(0.9)	(8.0)	(4.1)			
USD/IDR	16,834	16,837	16,823	16,428	16,220	(0.0)	0.1	2.5	3.8	9.3			
USD/THB	33.36	33.13	33.89	33.61	36.71	0.7	(1.6)	(0.7)	(9.1)	(2.6)			
USD/SGD	1.311	1.311	1.330	1.331	1.361	0.1	(1.4)	(1.4)	(3.6)	(0.7)			
USD/CNY	7.299	7.300	7.318	7.226	7.239	(0.01)	(0.3)	1.0	0.8	2.8			
USD/KRW	1,417	1,416	1,454	1,451	1,387	0.1	(2.6)	(2.4)	2.2	9.7			
USD/INR	85.38	85.69	86.70	86.57	83.54	(0.4)	(1.5)	(1.4)	2.2	2.6			
USD/PHP	56.63	56.75	57.33	57.30	57.20	(0.2)	(1.2)	(1.2)	(1.0)	2.3			
USD/TWD	32.50	32.49	32.87	32.97	32.48	0.0	(1.1)	(1.4)	0.1	6.3			
USD/HKD	7.764	7.762	7.759	7.770	7.831	0.0	0.1	(0.1)	(0.9)	(0.6)			
USD/VND	25,872	25,844	25,782	25,531	25,369	0.1	0.3	1.3	2.0	6.6			
NZD/USD	0.597	0.593	0.574	0.582	0.592	0.7	4.1	2.6	0.9	(5.5)			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	5.012	5.009	4.943	4.870	5.100	0.0	1.4	2.9	(1.7)	(1.3)			
GBP/MYR	5.836	5.849	5.762	5.782	5.976	(0.2)	1.3	0.9	(2.3)	(0.0)			
AUD/MYR	2.800	2.809	2.752	2.837	3.080	(0.3)	1.8	(1.3)	(9.1)	(10.4)			
JPY/MYR	3.094	3.109	3.095	2.978	3.105	(0.5)	(0.0)	3.9	(0.3)	(4.9)			
SGD/MYR	3.358	3.355	3.337	3.342	3.519	0.1	0.6	0.5	(4.6)	(3.5)			
10CNY/MYR	6.038	6.043	6.109	6.155	6.622	(0.1)	(1.2)	(1.9)	(8.8)	(6.6)			
100IDR/MYR	2.618	2.620	2.657	2.707	2.955	(0.1)	(1.5)	(3.3)	(11.4)	(12.3)			
THB/MYR	13.215	13.312	13.199	13.237	13.050	(0.7)	0.1	(0.2)	1.3	(1.4)			
10HKD/MYR	5.676	5.681	5.761	5.724	6.121	(0.1)	(1.5)	(0.8)	(7.3)	(3.5)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	67.96	65.85	63.33	70.56	87.29	3.2	7.3	(3.7)	(22.1)	(11.8)			
WTI (USD/barrel)	64.68	62.47	60.07	66.9	82.69	3.5	7.7	(3.3)	(21.8)	(9.7)			
Gold (USD/oz)	3,327	3,343	3,176	3,035	2,361	(0.5)	4.7	9.6	40.9	61.3			
Malaysia CPO (RM/tonne)	4,260	4,249	4,520	4,749	4,155	0.3	(5.8)	(10.3)	2.5	14.6			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.37	3.35	3.37	3.37	3.61	2	(0)	(1)	(24)	(10)			
5-Year	3.44	3.46	3.47	3.56	3.76	(2)	(2)	(12)	(32)	(13)			
7-Year	3.62	3.63	3.62	3.70	3.89	(1)	0	(8)	(26)	(9)			
10-Year	3.71	3.72	3.72	3.76	3.96	(1)	(1)	(4)	(25)	(2)			
15-Year	3.87	3.88	3.85	3.92	4.06	(0)	2	(5)	(18)	(11)			
20-Year	3.96	3.97	3.95	4.02	4.17	(1)	1	(6)	(21)	(14)			
30-Year	4.10	4.10	4.09	4.16	4.24	(0)	0	(6)	(14)	(14)			

Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.41	3.42	3.45	3.54	3.52	(2)	(4)	(13)	(12)	(9)			
5-Year	3.53	3.53	3.54	3.59	3.72	(0)	(1)	(6)	(19)	(7)			
7-Year	3.64	3.64	3.64	3.72	3.86	(0)	0	(7)	(22)	(12)			
10-Year	3.72	3.73	3.71	3.77	3.97	(0)	1	(5)	(25)	(6)			
15-Year	3.83	3.83	3.82	3.93	4.04	0	1	(10)	(21)	(12)			
20-Year	3.97	3.97	3.96	4.05	4.16	(0)	0	(8)	(19)	(15)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.80	3.77	3.86	4.04	4.93	3	(6)	(24)	(113)	(45)			
UST 10Y	4.32	4.28	4.42	4.28	4.59	5	(10)	4	(26)	45			
Germany 2Y	1.69	1.75	1.79	2.18	2.94	(6)	(10)	(49)	(126)	(72)			
Germany 10Y	2.47	2.51	2.58	2.81	2.47	(4)	(11)	(34)	1	45			
UK 2Y	3.92	3.97	3.90	4.20	4.46	(5)	2	(28)	(54)	(6)			
UK 10Y	4.57	4.60	4.64	4.64	4.26	(4)	(8)	(8)	31	103			
Japan 2Y	0.66	0.62	0.67	0.82	0.28	4	(1)	(16)	38	61			
Japan 10Y	1.32	1.27	1.35	1.51	0.88	5	(3)	(19)	43	70			
Australia 2Y	3.29	3.30	3.31	3.76	3.99	(0)	(2)	(47)	(70)	(42)			
Australia 10Y	4.28	4.34	4.33	4.40	4.38	(6)	(5)	(12)	(10)	33			
China 2Y	1.45	1.43	1.43	1.56	1.87	2	1	(11)	(42)	(75)			
China 10Y	1.65	1.65	1.65	1.89	2.26	1	0	(24)	(61)	(91)			
Indonesia 2Y	6.63	6.67	6.81	6.60	6.95	(4)	(18)	3	(32)	12			
Indonesia 10Y	6.95	6.95	7.04	7.03	6.97	0	(9)	(8)	(2)	47			
Thailand 2Y	1.56	1.56	1.56	1.84	2.36	0	(0)	(28)	(79)	(77)			
Thailand 10Y	1.97	1.97	1.96	2.13	2.76	0	1	(17)	(80)	(71)			

Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.40	3.40	3.46	3.57	3.64	0	(6)	(17)	(24)	(18)			
IRS 3-Year	3.25	3.25	3.32	3.46	3.69	(0)	(7)	(22)	(45)	(25)			
IRS 5-Year	3.30	3.30	3.36	3.49	3.81	(0)	(6)	(19)	(52)	(28)			
IRS 7-Year	3.39	3.39	3.45	3.56	3.92	0	(6)	(18)	(53)	(32)			
IRS 10-Year	3.50	3.49	3.55	3.66	4.02	0	(5)	(16)	(53)	(33)			
IRS 20-Year	3.86	3.77	3.88	4.01	4.36	8	(3)	(16)	(50)	(36)			

Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	3.28	3.28	3.28	3.28	3.29	0	0	0	(1)	(9)			
3-Month Klibor	3.65	3.65	3.65	3.66	3.59	0	0	(1)	6	(12)			
6-Month Klibor	3.71	3.71	3.71	3.73	3.64	0	0	(2)	7	(10)			

Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	17-Apr-25	16-Apr-25	10-Apr-25	18-Mar-25	17-Apr-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.77	3.76	3.76	3.81	3.81	1	0	(4)	(5)	(9)			
3-Year AA	3.91	3.91	3.91	3.97	3.99	0	0	(5)	(7)	(13)			
3-Year A	4.60	4.58	4.62	4.79	5.04	3	(1)	(18)	(44)	(63)			
5-Year AAA	3.83	3.82	3.82	3.88	3.91	0	1	(6)	(8)	(15)			
5-Year AA	3.98	3.98	3.98	4.05	4.08	0	1	(7)	(9)	(19)			
5-Year A	4.73	4.72	4.76	4.98	5.29	1	(3)	(25)	(57)	(82)			
10-Year AAA	3.97	3.97	3.97	4.01	4.11	0	1	(4)	(14)	(21)			
10-Year AA	4.14	4.13	4.13	4.18	4.31	1	0	(4)	(18)	(28)			
10-Year A	5.09	5.08	5.12	5.37	5.82	1	(3)	(28)	(73)	(97)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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