



Fixed Income & FX Research

11 December 2025

Macro: Fed delivered a 25bps cut as expected, though split-votes and post-meeting messaging suggest fewer cuts ahead. Malaysia fine-tunes 2025 growth target at 4.8% y/y.

Forex: G10 currencies rallied while DXY fell to its weakest since mid-October level. USD/MYR is likely to breach below 4.10 level today, though we deem a sustained trend as unlikely.

Fixed Income: Short maturity UST led the rally after the Fed announced T-bill purchases starting 12 December. Continued profit-taking seen in Malaysia govies and credit space.

Macro

Global: The Fed delivered its third consecutive 25-basis-point policy rate cut, bringing the range to 3.50-3.75%. However, FOMC votes saw three dissents against the decision, with median dot plot projections maintaining their outlook for just one more cut in 2026. A shift in the Fed's statement, as well as Chairman Powell's post-meeting speech, suggests further easing may be paused pending data developments on both the employment and inflation fronts. Meanwhile, the US employment cost index (ECI) rose 0.8% q/q in 3Q2025 (consensus: +0.9%; 2Q2025: +0.9%). A softening labour market curbed wage growth and likely exerts a disinflationary force on services. Furthermore, recent weaknesses in labour market readings (ADP data for October and November) suggest further weaker core PCE readings ahead.

Malaysia: MITI stated the National Semiconductor Strategy (NSS) has attracted MYR54.9 billion in investments in 1H2025, while also leading to six local IC design companies being established. This comes as Russia also expressed interest in deepening trade and economic cooperation with Malaysia in the E&E and chip sectors. Meanwhile, FM2 Amir Hamzah said the government is confident of hitting the upper end of its targeted growth rate for 2025 at 4.8% year-over-year.

Forex

Global: Renewed pressure on the dollar as the DXY collapsed 0.4% to 98.79, its weakest since mid-October, while G10 FX strengthened 0.4-1.0% against the USD. EUR and GBP (+0.6%) both closed equally firmer. In comparison, the JPY (+0.5%) saw more limited gains, as the Fed's signalling of less-than-market-expected rate cuts ahead will likely exude greater pressure on the JPY ahead on carry trades, even despite signals from an ex-official that the BOJ might hike four more times by 2027. AUD (+0.5%) also saw tempered gains despite the earlier hawkish RBA outlook, given the sustained strength of the AUD since mid-November. CAD (+0.4%) trailed peers after the BOC kept policy rates unchanged as expected, citing upside surprises on growth and labour market improvements.

Asia: MYR fell 0.1% to close just below the 4.12 level – in line with a slight depreciation of the onshore yuan. Nevertheless, solid overnight gains for Asian peers, such as SGD (+0.4%), suggest that the 4.10 support level may be breached this morning. However, we think a sustained breach is unlikely, given that volatility has recently been trending up, and following the Fed's signal of lower-than-expected rate cuts.

Fixed Income

Global Bonds: The dollar sank while the UST and Wall Street rallied in classic textbook fashion, though catalysing the move was not the Fed's monetary decisions – after all, rate cuts were as expected while the 2026 outlook was maintained – but instead, the Fed authorisation of USD40 billion/month in T-bill purchases – ostensibly to rebuild reserves in the financial system and ease short-term funding costs (and not a resumption of quantitative easing). After a volatile session, short-dated UST led gains across the curve, with the big buyer soon coming into the market. Bunds and Gilts weakened, as investors rotated into the UST rally of 2-8 bps across the curve.

MYR Bonds: Continued profit-taking was observed on MGS+Gills yesterday, although flows were relatively low. Additionally, the reopening of the 10Y MGS was announced at MYR3.0 billion. We also noted profit-taking in credit trading, which caught up with the weakness of the past few days in govies. Meanwhile, PDS issuance was active as we head closer to the year-end, including Zamarad ABS-IMTN <10Y, where an AA2-rated 06/34 was at a profit rate of 4.29%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.79	(0.4)
EUR/USD	1.170	0.6
AUD/USD	0.668	0.5
GBP/USD	1.338	0.6
USD/JPY	156.02	(0.5)
USD/MYR	4.118	0.1
USD/IDR	16,685	0.1
USD/THB	31.82	0.0
USD/SGD	1.293	(0.4)
USD/CNY	7.061	0.0

Ringgit Outlook for The Week

	1	2
Resistance	4.171	4.230
Support	4.082	4.052

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	3.54	(8)
UST 10Y	4.15	(4)
Germany 10Y	2.85	0
UK 10Y	4.51	0
Japan 10Y	1.96	(1)
Australia 10Y	4.81	5
China 10Y	1.84	0

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.05	1
5-Year	3.30	1
7-Year	3.49	2
10-Year	3.55	2
15-Year	3.77	1
20-Year	3.88	1
30-Year	3.99	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.24	(0)
IRS 3-Year	3.30	(1)
IRS 5-Year	3.39	(1)
IRS 7-Year	3.47	(1)
IRS 10-Year	3.61	(2)
3M KLIBOR	3.26	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	62.21	0.4
WTI (USD/bbl)	58.46	0.4
Gold (USD/oz)	4,229	0.5
CPO (RM/tonne)	4,000	(0.8)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.00	28-Jan
ECB Deposit Rate	2.00	18-Dec
BOE Base Rate	4.00	18-Dec
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.50	19-Dec
RBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	22-Jan

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		
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.79	99.22	98.85	99.59	106.40	(0.4)	(0.1)	(0.8)	(7.2)	(8.9)			
EUR/USD	1.170	1.163	1.167	1.156	1.053	0.6	0.2	1.2	11.1	13.0			
AUD/USD	0.668	0.664	0.660	0.654	0.638	0.5	1.1	2.1	4.7	7.9			
GBP/USD	1.338	1.330	1.335	1.318	1.277	0.6	0.2	1.6	4.8	6.9			
USD/JPY	156.02	156.88	155.25	154.15	151.95	(0.5)	0.5	1.2	2.7	(0.8)			
USD/MYR	4.118	4.114	4.122	4.160	4.427	0.1	(0.1)	(1.0)	(7.0)	(7.9)			
USD/IDR	16,685	16,665	16,622	16,654	15,865	0.1	0.4	0.2	5.2	3.6			
USD/THB	31.82	31.82	31.93	32.37	33.81	0.0	(0.4)	(1.7)	(5.9)	(6.7)			
USD/SGD	1.293	1.298	1.294	1.303	1.342	(0.4)	(0.1)	(0.7)	(3.6)	(5.3)			
USD/CNY	7.061	7.061	7.058	7.123	7.258	0.0	0.0	(0.9)	(2.7)	(3.8)			
USD/KRW	1,471	1,470	1,467	1,456	1,432	0.1	0.3	1.0	2.7	(0.1)			
USD/INR	89.98	89.89	90.19	88.70	84.85	0.1	(0.2)	1.4	6.0	5.1			
USD/PHP	59.23	59.20	58.91	58.96	58.02	0.0	0.5	0.5	2.1	2.4			
USD/TWD	31.19	31.20	31.33	31.00	32.45	(0.0)	(0.5)	0.6	(3.9)	(4.9)			
USD/HKD	7.781	7.783	7.784	7.774	7.774	(0.0)	(0.0)	0.1	0.1	0.2			
USD/VND	26,357	26,370	26,373	26,300	25,372	(0.0)	(0.1)	0.2	3.9	3.4			
NZD/USD	0.582	0.578	0.577	0.565	0.580	0.6	0.7	3.0	0.3	4.0			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.791	4.793	4.800	4.812	4.663	(0.0)	(0.2)	(0.4)	2.8	2.8			
GBP/MYR	5.482	5.491	5.473	5.480	5.647	(0.2)	0.2	0.0	(2.9)	(2.4)			
AUD/MYR	2.738	2.734	2.713	2.719	2.831	0.1	0.9	0.7	(3.3)	(1.6)			
JPY/MYR	2.639	2.622	2.655	2.699	2.913	0.7	(0.6)	(2.2)	(9.4)	(7.3)			
SGD/MYR	3.177	3.173	3.182	3.193	3.300	0.1	(0.2)	(0.5)	(3.7)	(3.3)			
10 CNY/MYR	5.829	5.823	5.835	5.842	6.107	0.1	(0.1)	(0.2)	(4.6)	(4.9)			
1 million IDR/MYR	2.467	2.466	2.479	2.498	2.789	0.0	(0.5)	(1.2)	(11.5)	(11.0)			
THB/MYR	12.930	12.929	12.914	12.845	13.105	0.0	0.1	0.7	(1.3)	(0.7)			
10 HKD/MYR	5.292	5.287	5.294	5.351	5.695	0.1	(0.0)	(1.1)	(7.1)	(8.1)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	62.21	61.94	62.67	64.06	72.19	0.4	(0.7)	(2.9)	(13.8)	(16.7)			
WTI (USD/barrel)	58.46	58.25	58.95	60.13	68.59	0.4	(0.8)	(2.8)	(14.8)	(18.5)			
Gold (USD/oz)	4,229	4,208	4,203	4,116	2,694	0.5	0.6	2.7	57.0	61.1			
Malaysia CPO (RM/tonne)	4,000	4,031	4,090	4,080	5,165	(0.8)	(2.2)	(2.0)	(22.6)	(17.7)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.05	3.04	3.02	3.13	3.46	1	4	(8)	(41)	(43)			
5-Year	3.30	3.30	3.26	3.26	3.59	1	4	4	(28)	(32)			
7-Year	3.49	3.47	3.46	3.46	3.75	2	4	3	(26)	(28)			
10-Year	3.55	3.53	3.48	3.52	3.79	2	7	3	(24)	(26)			
15-Year	3.77	3.75	3.74	3.75	3.93	1	2	2	(17)	(20)			
20-Year	3.88	3.87	3.85	3.92	4.04	1	3	(4)	(17)	(19)			
30-Year	3.99	4.00	3.98	4.01	4.18	(1)	1	(2)	(19)	(20)			

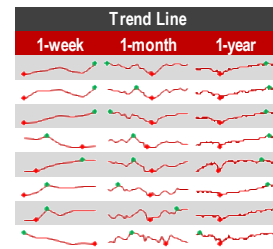
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.15	3.12	3.12	3.14	3.40	3	3	1	(25)	(27)			
5-Year	3.29	3.28	3.26	3.24	3.60	2	3	5	(30)	(33)			
7-Year	3.38	3.36	3.36	3.38	3.74	2	2	0	(36)	(36)			
10-Year	3.57	3.54	3.53	3.56	3.79	2	3	1	(23)	(26)			
15-Year	3.76	3.76	3.76	3.76	3.95	0	0	1	(18)	(22)			
20-Year	3.90	3.89	3.89	3.91	4.08	1	1	(1)	(18)	(19)			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24
S&P500 Index	6,887	6,841	6,850	6,832	6,035
Dow Jones	48,058	47,560	47,883	47,369	44,248
Nasdaq	23,654	23,576	23,454	23,527	19,687
London FTSE	9,656	9,642	9,692	9,787	8,280
German DAX	24,130	24,163	23,694	23,960	20,329
Nikkei 225	50,603	50,655	49,865	50,912	39,368
Japan TOPIX	3,389	3,385	3,334	3,317	2,741
FBM KLCI	1,611	1,614	1,623	1,627	1,609

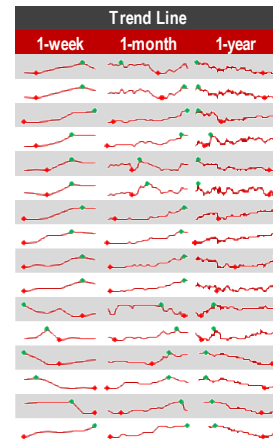
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.7	0.5	0.8	14.1	79.4
1.0	0.4	1.5	8.6	45.0
0.3	0.9	0.5	20.1	126.0
0.1	(0.4)	(1.3)	16.6	29.6
(0.1)	1.8	0.7	18.7	73.3
(0.1)	1.5	(0.6)	28.5	93.9
0.1	1.6	2.2	23.6	79.2
(0.2)	(0.7)	(1.0)	0.1	7.7



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24
UST 2Y	3.54	3.61	3.48	3.59	4.14
UST 10Y	4.15	4.19	4.06	4.12	4.23
Germany 2Y	2.18	2.15	2.06	2.01	1.96
Germany 10Y	2.85	2.85	2.75	2.67	2.12
UK 2Y	3.79	3.79	3.75	3.81	4.28
UK 10Y	4.51	4.51	4.45	4.46	4.32
Japan 2Y	1.07	1.08	1.02	0.95	0.59
Japan 10Y	1.96	1.97	1.89	1.71	1.07
Australia 2Y	4.12	4.07	3.91	3.63	3.77
Australia 10Y	4.81	4.76	4.64	4.40	4.14
China 2Y	1.41	1.40	1.42	1.45	1.29
China 10Y	1.84	1.84	1.84	1.81	1.86
Indonesia 2Y	5.10	5.09	5.06	4.86	6.89
Indonesia 10Y	6.19	6.21	6.26	6.19	6.94
Thailand 2Y	1.19	1.19	1.34	1.34	1.99
Thailand 10Y	1.74	1.74	1.74	1.74	2.26

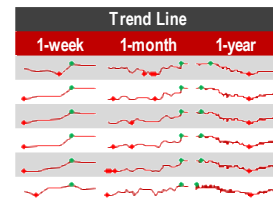
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(8)	5	(5)	(60)	(70)
(4)	8	3	(8)	(42)
2	12	17	21	10
0	10	18	73	48
0	4	(2)	(49)	(60)
0	6	4	18	(6)
(0)	5	12	48	47
(1)	6	25	89	86
5	21	49	35	26
5	17	41	67	45
1	(0)	(4)	12	31
0	(0)	3	(2)	16
1	4	24	(179)	(194)
(2)	(7)	0	(74)	(81)
0	(16)	(16)	(80)	(81)
0	0	0	(52)	(52)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24
IRS 1-Year	3.24	3.24	3.23	3.23	3.59
IRS 3-Year	3.30	3.31	3.24	3.24	3.48
IRS 5-Year	3.39	3.40	3.32	3.31	3.50
IRS 7-Year	3.47	3.48	3.39	3.39	3.59
IRS 10-Year	3.61	3.62	3.53	3.51	3.69
IRS 20-Year	3.87	3.92	3.86	3.77	3.87

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	1	1	(35)	(33)
(1)	6	6	(18)	(20)
(1)	7	8	(11)	(16)
(1)	8	9	(12)	(16)
(2)	8	10	(8)	(12)
(5)	1	10	0	(9)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24
1-Month Klibor	3.00	3.00	3.00	3.00	3.29
3-Month Klibor	3.26	3.26	3.26	3.22	3.70
6-Month Klibor	3.29	3.29	3.29	3.26	3.75

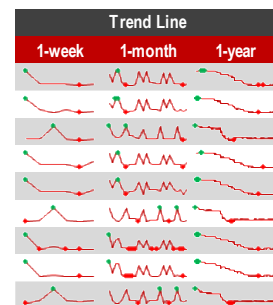
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(29)	(29)
0	0	4	(44)	(47)
0	0	3	(46)	(48)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	10-Dec-25	9-Dec-25	3-Dec-25	10-Nov-25	10-Dec-24
3-Year AAA	3.52	3.52	3.53	3.52	3.82
3-Year AA	3.68	3.68	3.69	3.68	4.00
3-Year A	4.53	4.52	4.52	4.53	4.89
5-Year AAA	3.60	3.59	3.60	3.60	3.91
5-Year AA	3.76	3.75	3.77	3.76	4.09
5-Year A	4.66	4.66	4.65	4.67	5.14
10-Year AAA	3.76	3.75	3.77	3.76	4.06
10-Year AA	3.91	3.91	3.93	3.92	4.24
10-Year A	5.04	5.03	5.02	5.04	5.63

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	(0)	(30)	(31)
0	(1)	(0)	(32)	(34)
1	0	(1)	(36)	(33)
0	(1)	0	(32)	(33)
1	(1)	(0)	(33)	(34)
0	1	(1)	(48)	(42)
0	(1)	(0)	(31)	(31)
0	(1)	(0)	(32)	(33)
0	1	(1)	(60)	(52)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Economics	
Firdaos Rosli	firdaos.rosli@ambankgroup.com
Nik Ahmad Mukharriz Nik Muhammad	nik-ahmad-mukharriz.n@ambankgroup.com
Lee Si Xin	lee.si-xin@ambankgroup.com
Raja Adibah Raja Hasnan	raja-adibah.r@ambankgroup.com
Michael Yim	yim.soon-kah@ambankgroup.com
Aman Nazmi Abd Karim	aman-nazmi.abd-karim@ambankgroup.com
Group Treasury & Markets	
Corporate Client Group (CCG)	+603-2059 8700/8600
Institutional Client Group (ICG)	+603-2059 8690
Azli Bin Abdul Jamil	azli-abd-jamil@ambankgroup.com
Jacqueline E. Rodrigues	jacqueline-r@ambankgroup.com
Ho Su Farn	ho-su-farn@ambankgroup.com
Melisa Lim Giok Ling	melisa-lim@ambankgroup.com
Roger Yee Chan Chung	roger-yee@ambankgroup.com

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