



Fixed Income & FX Research

04 June 2026

Macro: US proposes fresh tariffs of 10%-12.5%. US ISM services PMI, ADP payrolls data signals resilient economy. Oil futures seen lower on fresh ME conflict resolution.

Forex: DXY up 0.3% amid greenback strength. JPY retests MOF intervention resolve at 160 level. USD/MYR retests 4.000 level after reopening from extended holiday.

Fixed Income: Global rates tracked northwards amid the rise in UST yields. MGS curve mildly flattened, with the front-end seeing slight pressure ahead of today's 3Y MGS 03/29 auction.

Macro

Global: The US is proposing fresh tariffs of 10% to 12.5% on imports from 60 trading partners (including Malaysia, China, and other traditional US allies) on alleged forced labour practices. The levies will not be effective immediately, pending a public comment and review period first. The US ISM services PMI rose to 54.5 in May (consensus: 53.8; April: 53.6), its strongest pace in three months, driven by higher business activity and new orders. ADP private payrolls data also added 122k jobs in May (consensus: 117k; April: 105k), its highest in 16 months, with job gains broad-based and showing upward momentum into the summer hiring season. Altogether, recent US macroeconomic data continue to suggest a resilient US economy, ahead of this Friday's highly watched NFP data for May (consensus: 85k; April: 115k).

Forex

Global: DXY rose 0.3% while G10 currencies fell up to 1.1% vs. the USD, supported by the continued upbeat batch of US data, as well as fresh tariffs unveiled by the Trump administration. AUD fell 0.7%, tracking the steeper declines for high-beta currencies (NZD and SEK), after Australia's growth slowed to 0.3% sa q/q in 1Q2026 (consensus: 0.4%; 4Q2025: 0.9%) amid a backdrop of higher fuel costs and interest rates, reinforcing market bets for no more RBA rate hikes in the next few months. EUR (-0.3%) and GBP (-0.4%) fell amid a rebound in oil prices, while JPY decline (-0.1%) was tempered as USD/JPY retests Japan's MOF resolve by closing at the 160.0 level – despite BOJ Governor in his final scheduled speaking event (prior to the BOJ's monetary policy decision on 16 June) saying the BOJ needs to keep hiking interest rates in response to inflation and economy developments – comments that were not as explicit as when telegraphing two previous rate hikes, but nevertheless suggests a high chance of a rate hike. Inability to dissuade bearish yen bets from hawkish statements suggest MOF interventions will be required to maintain the 160 'line in the sand'.

Malaysia: MYR weakened 0.9% d/d, closing just shy of the 4.000 level after grinding higher during the afternoon session. Asian's underperformer comes after an extended weekend whereby other Asian FX were seen broadly weaker (vs. the USD) over the past few sessions, driven in part by the batch of firm US data. Additionally, we think MYR weaknesses may be attributed to foreign investors' exit, ahead of fresh front-end supply from today's 3Y MGS auction.

Fixed Income

Global Bonds: Global rates tracked northwards, with UST yields closing up 4-5 bps with losses centered on the 10Y's. Losses were driven by the upbeat batch of US ADP and ISM services data, suggesting that the Fed may maintain rates higher for longer, given that a Middle East conflict has not had reverberations to the US economy. JGB yields also tracked the upward rise in UST yields, with PM Takaichi's USD19.4 billion budget for households well priced-in. The administration earlier signaled that though the package requires new debt financing, total bond issuance will be unchanged on a calendar basis, with some debt issuance authorised under a previous fiscal year's budget to be cancelled instead.

MYR Bonds: A mild flattening of the MGS curve was seen, with the long end still finding support from local investors despite Johor state election developments. Meanwhile, the front-end saw some pressure amid a likely exodus of foreign investors on global macro developments, and ahead of fresh supply from today's 3Y MGS 03/29 reopening auction (size: MYR5.0 billion).

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.53	0.3
EUR/USD	1.160	(0.3)
AUD/USD	0.713	(0.7)
GBP/USD	1.342	(0.4)
USD/JPY	160.07	0.1
USD/MYR	3.999	0.9
USD/IDR	17,950	0.6
USD/THB	32.57	0.0
USD/SGD	1.283	0.3
USD/CNY	6.780	0.3

Ringgit Outlook for The Week

	1	2
Resistance	4.035	4.094
Support	3.914	3.850

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.08	4
UST 10Y	4.49	5
Germany 10Y	3.04	6
UK 10Y	4.93	7
Japan 10Y	2.64	6
Australia 10Y	4.91	3
China 10Y	1.72	1

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.23	1
5-Year	3.40	0
7-Year	3.52	(0)
10-Year	3.56	0
15-Year	3.82	0
20-Year	3.96	(0)
30-Year	4.07	(1)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	0
IRS 3-Year	3.47	0
IRS 5-Year	3.54	1
IRS 7-Year	3.62	(0)
IRS 10-Year	3.74	(1)
3M KLIBOR	3.35	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	97.81	1.9
WTI (USD/bl)	96.02	2.4
Gold (USD/oz)	4,435	(1.2)
CPO (RM/tonne)	4,605	3.0

Policy Rates

Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.00	11-Jun
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	27-May
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	09-Jul

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.

Commodities

Brent prices (+2%) extended gains for a third consecutive session, as fresh US-Iran strikes yesterday cast doubts on prospects of a peace deal. Nevertheless, oil futures were seen lower this morning, after the US says Israel and Lebanon have agreed to implement a ceasefire if Hezbollah operatives also agreed to stop hostilities – among the key sticking points in US-Iran negotiations. US President Trump also indicated that he won't resume all-out war with Iran unless US troops are killed, coming as the (Republican-led) US House of Representatives voted 215-208 to halt the US war with Iran. The House bill will now require Senate approval before it becomes effective.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.53	99.22	99.21	98.37	99.23	0.3	0.3	1.2	0.3	1.2			
EUR/USD	1.160	1.163	1.163	1.169	1.137	(0.3)	(0.2)	(0.8)	2.0	(1.3)			
AUD/USD	0.713	0.718	0.714	0.717	0.646	(0.7)	(0.2)	(0.5)	10.3	6.8			
GBP/USD	1.342	1.347	1.343	1.353	1.352	(0.4)	(0.1)	(0.8)	(0.7)	(0.4)			
USD/JPY	160.07	159.91	159.52	157.24	143.97	0.1	0.3	1.8	11.2	2.1			
USD/MYR	3.999	3.965	3.971	3.956	4.246	0.9	0.7	1.1	(5.8)	(1.5)			
USD/IDR	17,950	17,838	17,789	17,380	16,290	0.6	0.9	3.3	10.2	7.5			
USD/THB	32.57	32.57	32.55	32.60	32.83	0.0	0.0	(0.1)	(0.8)	3.4			
USD/SGD	1.283	1.280	1.277	1.277	1.290	0.3	0.5	0.5	(0.5)	(0.2)			
USD/CNY	6.780	6.762	6.779	6.831	7.192	0.3	0.0	(0.7)	(5.7)	(2.8)			
USD/KRW	1,519	1,519	1,499	1,474	1,379	0.0	1.3	3.0	10.1	5.5			
USD/INR	95.71	95.27	95.70	95.09	85.59	0.5	0.0	0.7	11.8	6.5			
USD/PHP	61.74	61.69	61.58	61.57	55.73	0.1	0.3	0.3	10.8	5.0			
USD/TWD	31.43	31.46	31.41	31.63	30.00	(0.1)	0.1	(0.6)	4.8	0.0			
USD/HKD	7.837	7.837	7.835	7.833	7.845	0.0	0.0	0.1	(0.1)	0.7			
USD/VND	26,343	26,331	26,334	26,341	26,057	0.0	0.0	0.0	1.1	0.2			
NZD/USD	0.586	0.592	0.590	0.587	0.600	(1.1)	(0.7)	(0.2)	(2.3)	1.8			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.642	4.616	4.618	4.635	4.845	0.6	0.5	0.2	(4.2)	(2.6)			
GBP/MYR	5.377	5.340	5.337	5.365	5.738	0.7	0.8	0.2	(6.3)	(1.4)			
AUD/MYR	2.864	2.847	2.833	2.847	2.742	0.6	1.1	0.6	4.4	5.5			
JPY/MYR	2.497	2.479	2.487	2.515	2.948	0.7	0.4	(0.7)	(15.3)	(3.6)			
SGD/MYR	3.118	3.101	3.107	3.104	3.299	0.5	0.3	0.5	(5.5)	(1.2)			
10 CNY/MYR	5.904	5.863	5.849	5.793	5.906	0.7	0.9	1.9	(0.0)	1.6			
1 million IDR/MYR	2.225	2.222	2.228	2.275	2.603	0.1	(0.1)	(2.2)	(14.5)	(8.6)			
THB/MYR	12.206	12.159	12.167	12.123	13.036	0.4	0.3	0.7	(6.4)	(4.9)			
10 HKD/MYR	5.101	5.059	5.062	5.051	5.411	0.8	0.8	1.0	(5.7)	(2.2)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	97.81	96	94.29	114.44	65.63	1.9	3.7	(14.5)	49.0	60.7			
WTI (USD/barrel)	96.02	93.76	88.68	106.42	63.41	2.4	8.3	(9.8)	51.4	67.2			
Gold (USD/oz)	4,435	4,489	4,454	4,522	3,353	(1.2)	(0.4)	(1.9)	32.2	2.7			
Malaysia CPO (RM/tonne)	4,605	4,470	4,429	4,554	3,938	3.0	4.0	1.1	16.9	15.2			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.23	3.22	3.23	3.20	3.17	1	0	3	6	23			
5-Year	3.40	3.40	3.41	3.35	3.21	0	(1)	5	19	15			
7-Year	3.52	3.53	3.54	3.44	3.41	(0)	(2)	8	11	14			
10-Year	3.56	3.56	3.59	3.57	3.53	0	(2)	(0)	3	6			
15-Year	3.82	3.82	3.82	3.83	3.69	0	0	(1)	13	5			
20-Year	3.96	3.96	3.96	3.96	3.80	(0)	(0)	0	16	11			
30-Year	4.07	4.08	4.08	4.07	4.02	(1)	(0)	1	6	9			

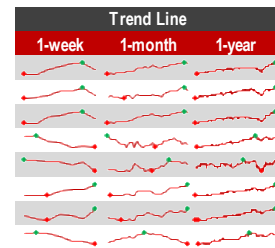
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.22	3.22	3.22	3.19	3.17	0	0	3	5	12			
5-Year	3.37	3.37	3.37	3.33	3.30	(0)	(0)	4	7	11			
7-Year	3.55	3.56	3.55	3.51	3.41	(1)	(0)	5	14	21			
10-Year	3.60	3.61	3.61	3.58	3.54	(0)	(0)	2	7	8			
15-Year	3.88	3.88	3.88	3.86	3.70	0	0	2	18	13			
20-Year	3.97	3.97	3.97	3.97	3.78	(0)	(0)	0	19	11			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25
S&P500 Index	7,554	7,610	7,520	7,201	5,970
Dow Jones	50,687	51,308	50,644	48,942	42,520
Nasdaq	26,854	27,094	26,675	25,068	19,399
London FTSE	10,332	10,374	10,505	10,364	8,787
German DAX	24,796	25,124	25,178	23,991	24,092
Nikkei 225	68,402	66,734	64,999	59,513	37,447
Japan TOPIX	3,996	3,924	3,918	3,729	2,771
FBM KLCI	1,673	1,683	1,699	1,740	1,503

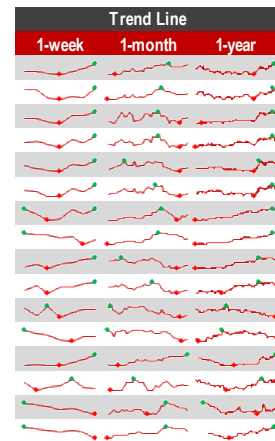
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.7)	0.4	4.9	26.5	96.7
(1.2)	0.1	3.6	19.2	52.9
(0.9)	0.7	7.1	38.4	156.6
(0.4)	(1.6)	(0.3)	17.6	38.7
(1.3)	(1.5)	3.4	2.9	78.1
2.5	5.2	14.9	82.7	162.1
1.8	2.0	7.2	44.2	111.2
(0.6)	(1.5)	(3.9)	11.3	11.9



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25
UST 2Y	4.08	4.04	4.03	3.95	3.95
UST 10Y	4.49	4.44	4.48	4.44	4.45
Germany 2Y	2.67	2.62	2.59	2.73	1.79
Germany 10Y	3.04	2.98	2.99	3.09	2.53
UK 2Y	4.37	4.31	4.27	4.42	4.03
UK 10Y	4.93	4.86	4.86	4.96	4.64
Japan 2Y	1.41	1.39	1.39	1.39	0.77
Japan 10Y	2.64	2.58	2.70	2.52	1.49
Australia 2Y	4.60	4.57	4.54	4.69	3.27
Australia 10Y	4.91	4.88	4.86	4.98	4.26
China 2Y	1.24	1.23	1.24	1.30	1.48
China 10Y	1.72	1.70	1.74	1.75	1.71
Indonesia 2Y	6.83	6.76	6.63	6.32	6.24
Indonesia 10Y	6.70	6.76	6.71	6.80	6.84
Thailand 2Y	1.21	1.21	1.24	1.22	1.56
Thailand 10Y	2.23	2.23	2.32	2.18	1.78

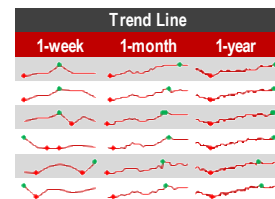
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
4	5	13	13	61
5	1	6	4	33
5	9	(6)	89	55
6	5	(5)	51	18
6	10	(4)	34	64
7	7	(3)	29	45
2	2	2	64	23
6	(6)	12	115	57
3	6	(9)	133	55
3	5	(7)	65	17
0	(0)	(6)	(25)	(14)
1	(2)	(3)	1	(14)
8	20	52	59	184
(6)	(1)	(10)	(14)	63
0	(3)	(1)	(34)	9
0	(9)	5	45	59



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25
IRS 1-Year	3.40	3.40	3.40	3.35	3.25
IRS 3-Year	3.47	3.47	3.46	3.42	3.14
IRS 5-Year	3.54	3.53	3.53	3.47	3.23
IRS 7-Year	3.62	3.62	3.61	3.56	3.33
IRS 10-Year	3.74	3.75	3.75	3.70	3.47
IRS 20-Year	4.09	4.08	4.08	4.02	3.75

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	5	15	20
0	1	4	33	20
1	0	6	31	19
(0)	1	6	29	21
(1)	(1)	4	26	18
0	0	7	34	21



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.26
3-Month Klibor	3.35	3.35	3.35	3.35	3.50
6-Month Klibor	3.39	3.39	3.39	3.39	3.55

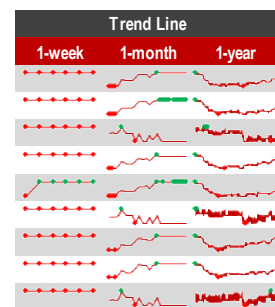
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(26)	0
0	0	0	(15)	7
0	0	0	(16)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	3-Jun-26	2-Jun-26	27-May-26	4-May-26	3-Jun-25
3-Year AAA	3.57	3.57	3.57	3.54	3.70
3-Year AA	3.71	3.71	3.71	3.68	3.84
3-Year A	4.45	4.45	4.45	4.48	4.46
5-Year AAA	3.65	3.65	3.65	3.62	3.76
5-Year AA	3.79	3.79	3.79	3.77	3.92
5-Year A	4.62	4.62	4.62	4.66	4.60
10-Year AAA	3.83	3.83	3.83	3.79	3.91
10-Year AA	3.96	3.96	3.96	3.93	4.06
10-Year A	5.02	5.02	5.02	5.06	4.95

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	3	(12)	7
0	0	3	(14)	4
0	0	(3)	(0)	(9)
0	0	3	(11)	6
0	0	2	(13)	4
0	0	(4)	2	(8)
0	0	4	(8)	6
0	0	3	(10)	4
0	0	(4)	8	(9)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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