



Fixed Income & FX Research

03 June 2026

Macro: Iran reviewing US proposal to end war amid pause in diplomatic contact. US data fared resilient despite ME conflict. Malaysia Budget 2027 to emphasis on broad-based cost savings.

Forex: Range-bound pattern for currencies remained. USD/JPY retests 160 level after USD73.5 billion FX intervention in May. MYR expected to open slightly weaker after holiday.

Fixed Income: UST yields closed little changed, while the curve flattened slightly. MGS expected to see slight strength today, tracking overall DM bond gains in past two sessions.

Macro

Global: US job openings surged to a 1.5 year high of 7.62 million in April (consensus and March: 6.9 million), consistent with initial jobless claims data that were robust for the period. ISM manufacturing PMI also fared above expectations in May, despite the slight uptick in the prices paid index. Meanwhile, the US has amended tariffs on steel, aluminium, and copper product imports, while Taiwan noted that the US has no timetable for levying tariffs on semiconductors. The IMF, World Bank, and IEA chiefs have also warned of fuel scarcity risks in the coming summer months if Strait of Hormuz flows remain disrupted.

Malaysia: PM Anwar reiterated the government's strict cost-cutting measures across ministries to obtain savings, though critical sectors such as education, healthcare, and basic infrastructure remain spared for now. The PM also hinted that Budget 2027 will have greater emphasis on cost savings, with some spending cuts planned for the education and healthcare sectors. Meanwhile, Malaysia's manufacturing PMI fell to 49.9 in May (April: 51.6), weighed by a decline in new orders and rising inflationary pressure.

Forex

Global: Currencies remain trading within range amid a lack of conclusive US-Iran talks. USD/JPY (-0.2%) closed at the 159.9 level – precipitously close to the 160.0 intervention level, as markets noted the lack of fresh urgency in verbal warnings by authorities on Tuesday, potentially driven by a desire to preserve credibility and impact for future warnings. This comes as data indicated that Japan spent JPY11.7 trillion (~USD73.5 billion) in FX market interventions in May, with no lasting impact on yen levels. AUD rose 0.3%, ahead of a slate of key Australia data this week, including April trade balance, and 1Q2026 GDP and current account figures. EUR held recent advances, after Eurozone headline and core inflation spiked to multi-year highs in May, indicating that spiraling energy costs have also broadened into services-related sectors. This comes ahead of the ECB's policy meeting next week, whereby markets have fully priced in a rate hike.

Malaysia: MYR strengthened 0.4% on Friday, though broader weaknesses across G10 and Asian FX over the past two sessions suggest USD/MYR to reopen higher today.

Fixed Income

Global Bonds: UST closed little changed while the curve flattened mildly. While the tail-end continued to see a slight rebound on expectations of easing inflation risks, 2Y UST yields rose slightly amid the strong JOLTS labour and ISM manufacturing PMI data, which suggests the Fed may lean on its inflation mandate in the coming months given lowered risks to labour markets.

MYR Bonds: Local markets were closed for the extended weekend. Local bonds strengthened on Friday, supported by the earlier news of the US-Iran 60-day ceasefire news, while a minor rally on opening may be in store today after overall DM bond gains over the past two sessions. Meanwhile, the reopening auction for the 3Y MGS 03/29 series (size: MYR5.0 billion) will be held tomorrow.

Commodities

Brent prices closed 1% higher after a volatile session, though still remained below USD100/bbl, as investors remain cautiously optimistic of a deal. Iran is reportedly reviewing a US proposal to end the war, though has not been in contact with the US (even via intermediaries) for several days. This comes as Israel continue significant military operations against Hezbollah operatives in Lebanon – among the requirements for US/Israel to cease for a deal to be concluded.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX/USD	99.22	0.0
EUR/USD	1.163	0.0
AUD/USD	0.718	0.3
GBP/USD	1.347	0.1
USD/JPY	159.91	0.2
USD/MYR	3.965	0.0
USD/IDR	17,838	(0.2)
USD/THB	32.57	0.1
USD/SGD	1.280	0.1
USD/CNY	6.762	(0.0)

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	4.04	1
UST 10Y	4.44	(1)
Germany 10Y	2.98	(3)
UK 10Y	4.86	(4)
Japan 10Y	2.58	(11)
Australia 10Y	4.88	(0)
China 10Y	1.70	(0)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.22	0
5-Year	3.40	0
7-Year	3.53	0
10-Year	3.56	0
15-Year	3.82	0
20-Year	3.96	0
30-Year	4.08	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	0
IRS 3-Year	3.47	0
IRS 5-Year	3.53	0
IRS 7-Year	3.62	0
IRS 10-Year	3.75	0
3M KLIBOR	3.35	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	96.00	1.1
WTI (USD/bbl)	93.76	1.7
Gold (USD/oz)	4,489	0.1
CPO (RM/tonne)	4,470	0.0

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.

Currencies

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	99.22	99.20	99.17	98.16	98.71	0.0	0.1	1.1	0.5	0.9			
EUR/USD	1.163	1.163	1.163	1.172	1.144	0.0	0.0	(0.8)	1.7	(1.0)			
AUD/USD	0.718	0.716	0.717	0.720	0.650	0.3	0.2	(0.3)	10.5	7.6			
GBP/USD	1.347	1.345	1.345	1.358	1.354	0.1	0.1	(0.9)	(0.6)	(0.1)			
USD/JPY	159.91	159.66	159.3	157.01	142.71	0.2	0.4	1.8	12.1	2.0			
USD/MYR	3.965	3.965	3.971	3.972	4.257	0.0	(0.2)	(0.2)	(6.9)	(2.4)			
USD/IDR	17,838	17,874	17,789	17,353	16,248	(0.2)	0.3	2.8	9.8	6.9			
USD/THB	32.57	32.54	32.64	32.60	32.83	0.1	(0.2)	(0.1)	(0.8)	3.4			
USD/SGD	1.280	1.279	1.278	1.273	1.285	0.1	0.1	0.5	(0.4)	(0.5)			
USD/CNY	6.762	6.765	6.785	6.831	7.211	(0.0)	(0.3)	(1.0)	(6.2)	(3.1)			
USD/KRW	1,519	1,513	1,508	1,477	1,379	0.4	0.8	2.9	10.1	5.5			
USD/INR	95.27	95.00	95.69	94.92	85.39	0.3	(0.4)	0.4	11.6	6.0			
USD/PHP	61.69	61.74	61.58	61.48	55.71	(0.1)	0.2	0.3	10.7	4.9			
USD/TWD	31.46	31.37	31.43	31.67	29.97	0.3	0.1	(0.7)	4.9	0.1			
USD/HKD	7.837	7.838	7.836	7.835	7.845	(0.0)	0.0	0.0	(0.1)	0.7			
USD/VND	26,331	26,319	26,344	26,356	26,018	0.0	(0.0)	(0.1)	1.2	0.1			
NZD/USD	0.592	0.593	0.584	0.590	0.604	(0.2)	1.5	0.4	(1.8)	2.9			

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.616	4.620	4.621	4.658	4.853	(0.1)	(0.1)	(0.9)	(4.9)	(3.1)			
GBP/MYR	5.340	5.337	5.355	5.403	5.758	0.1	(0.3)	(1.2)	(7.3)	(2.1)			
AUD/MYR	2.847	2.846	2.845	2.857	2.758	0.1	0.1	(0.3)	3.3	4.9			
JPY/MYR	2.479	2.483	2.491	2.527	2.983	(0.2)	(0.5)	(1.9)	(16.9)	(4.3)			
SGD/MYR	3.101	3.104	3.106	3.119	3.304	(0.1)	(0.1)	(0.6)	(6.1)	(1.8)			
10 CNY/MYR	5.863	5.861	5.849	5.814	5.913	0.0	0.2	0.8	(0.9)	0.9			
1 million IDR/MYR	2.222	2.226	2.228	2.289	2.615	(0.2)	(0.3)	(2.9)	(15.0)	(8.7)			
THB/MYR	12.159	12.189	12.181	12.217	12.958	(0.2)	(0.2)	(0.5)	(6.2)	(5.3)			
10 HKD/MYR	5.059	5.059	5.064	5.069	5.428	0.0	(0.1)	(0.2)	(6.8)	(3.0)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	96	94.98	99.58	108.17	64.63	1.1	(3.6)	(11.3)	48.5	57.8			
WTI (USD/barrel)	93.76	92.16	93.89	101.94	62.52	1.7	(0.1)	(8.0)	50.0	63.3			
Gold (USD/oz)	4,489	4,485	4,508	4,614	3,382	0.1	(0.4)	(2.7)	32.7	3.9			
Malaysia CPO (RM/tonne)	4,470	4,470	4,429	4,504	3,888	0.0	0.9	(0.8)	15.0	11.8			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.22	3.22	3.23	3.20	3.17	0	(0)	2	6	23			
5-Year	3.40	3.40	3.41	3.35	3.20	0	(1)	5	19	14			
7-Year	3.53	3.53	3.54	3.45	3.40	0	(2)	8	13	15			
10-Year	3.56	3.56	3.59	3.56	3.53	0	(3)	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	17	11			
30-Year	4.08	4.08	4.08	4.07	4.02	0	0	1	6	10			

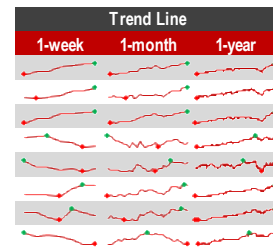
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-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	3.18	3.17	0	0	4	5	12			
5-Year	3.37	3.37	3.37	3.31	3.29	0	0	6	8	11			
7-Year	3.56	3.56	3.55	3.48	3.40	0	0	7	15	22			
10-Year	3.61	3.61	3.61	3.55	3.53	0	0	5	8	8			
15-Year	3.88	3.88	3.88	3.85	3.70	0	(0)	3	18	13			
20-Year	3.97	3.97	3.97	3.96	3.79	0	(0)	1	18	11			

Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25
S&P500 Index	7,610	7,600	7,519	7,230	5,936
Dow Jones	51,308	51,079	50,462	49,499	42,305
Nasdaq	27,094	27,087	26,656	25,114	19,243
London FTSE	10,374	10,339	10,491	10,364	8,774
German DAX	25,124	25,003	25,185	24,292	23,931
Nikkei 225	66,734	66,934	64,996	59,513	37,471
Japan TOPIX	3,924	3,941	3,938	3,729	2,777
FBM KLCI	1,683	1,683	1,699	1,722	1,508

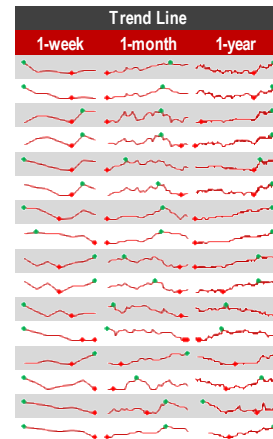
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.1	1.2	5.3	28.2	98.2
0.4	1.7	3.7	21.3	54.8
0.0	1.6	7.9	40.8	158.9
0.3	(1.1)	0.1	18.2	39.2
0.5	(0.2)	3.4	5.0	80.4
(0.3)	2.7	12.1	78.1	155.7
(0.4)	(0.4)	5.2	41.3	107.4
0.0	(0.9)	(2.3)	11.6	12.5



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25
UST 2Y	4.04	4.03	4.03	3.88	3.94
UST 10Y	4.44	4.45	4.48	4.37	4.44
Germany 2Y	2.62	2.63	2.59	2.64	1.79
Germany 10Y	2.98	3.00	2.98	3.04	2.52
UK 2Y	4.31	4.33	4.30	4.42	4.03
UK 10Y	4.86	4.90	4.88	4.96	4.67
Japan 2Y	1.39	1.40	1.41	1.39	0.77
Japan 10Y	2.58	2.69	2.73	2.52	1.51
Australia 2Y	4.57	4.56	4.59	4.72	3.28
Australia 10Y	4.88	4.88	4.91	5.02	4.27
China 2Y	1.23	1.23	1.25	1.30	1.47
China 10Y	1.70	1.71	1.75	1.75	1.71
Indonesia 2Y	6.76	6.70	6.63	6.32	6.27
Indonesia 10Y	6.76	6.72	6.71	6.85	6.87
Thailand 2Y	1.21	1.24	1.25	1.22	1.56
Thailand 10Y	2.23	2.31	2.34	2.18	1.78

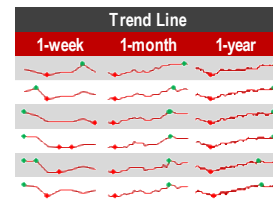
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	17	11	57
(1)	(4)	7	0	28
(1)	3	(2)	83	50
(3)	(0)	(6)	45	12
(2)	1	(11)	28	57
(4)	(2)	(11)	19	38
(2)	(2)	(0)	61	21
(11)	(15)	6	107	51
1	(2)	(15)	129	52
(0)	(3)	(14)	61	14
1	(2)	(7)	(24)	(14)
(0)	(5)	(5)	(0)	(15)
5	12	44	49	176
4	5	(9)	(11)	69
(2)	(4)	(1)	(34)	9
(8)	(11)	5	45	59



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25
IRS 1-Year	3.40	3.40	3.40	3.37	3.25
IRS 3-Year	3.47	3.47	3.46	3.42	3.14
IRS 5-Year	3.53	3.53	3.53	3.48	3.23
IRS 7-Year	3.62	3.62	3.61	3.58	3.33
IRS 10-Year	3.75	3.75	3.74	3.70	3.47
IRS 20-Year	4.08	4.08	4.08	4.05	3.71

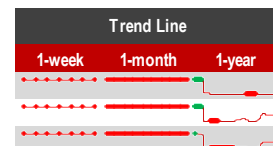
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	3	16	20
0	1	5	33	20
0	(1)	4	30	18
0	1	4	29	21
0	1	5	27	19
0	(0)	3	37	20



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-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

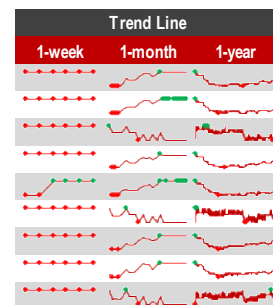
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(26)	0
0	0	0	(15)	7
0	0	0	(16)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	2-Jun-26	1-Jun-26	26-May-26	3-May-26	2-Jun-25
3-Year AAA	3.57	3.57	3.57	3.54	3.69
3-Year AA	3.71	3.71	3.71	3.68	3.83
3-Year A	4.45	4.45	4.45	4.48	4.49
5-Year AAA	3.65	3.65	3.65	3.62	3.75
5-Year AA	3.79	3.79	3.79	3.77	3.91
5-Year A	4.62	4.62	4.62	4.65	4.64
10-Year AAA	3.83	3.83	3.83	3.79	3.89
10-Year AA	3.96	3.96	3.96	3.93	4.04
10-Year A	5.02	5.02	5.02	5.06	5.00

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



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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