



Fixed Income & FX Research

24 January 2025

Snapshot Summary...

Global FX: Dollar slipped following President Trump's remarks at Davos**Global Rates:** UST yields were mixed as sentiment was on the cautious side globally**MYR Bonds:** Local govies continue to see support following a decent 3Y GII auction**USD/MYR:** The Ringgit pared back some of the previous gains it made but continued to trade below the 4.50 level

Macro News

Japan: Japan's trade surplus surged to JPY 130.94 billion in December 2024, far exceeding market expectations of a deficit driven by a 2.8% y/y rise in exports. Machinery and electrical machinery shipments saw notable growth, while transport equipment exports declined. Imports grew by 1.8% y/y, with significant increases in machinery and manufactured goods, though mineral fuels and electrical machinery imports fell.**Singapore:** Singapore's annual inflation rate held steady at 1.6% in December 2024, slightly above market expectations, with core inflation easing to 1.8%, the lowest over three years. Prices rose for food, healthcare, and transport, while private transport costs fell slower. For 2024, core inflation averaged 2.7%, down from 4.2% in 2023, with overall inflation at 2.4%, a significant drop from the previous year's 4.8%.

Fixed Income

Global Bonds: UST yields were mixed. We think the sentiment was guarded, and we are awaiting more statements from the US president on his trade policy. A rise in weekly jobless claims pared the losses.**MYR Government Bonds:** The local government bond market closed steadily, with benchmark MGS papers closing in a narrow range. Yesterday's highlight was the reopening of GII 07/28, which fetched a strong BTC of 2.6x as we think players snatched the opportunity to buy the new 3Y GII benchmark at an attractive 3.561% yield. Post-tender saw the paper rally by another 1 bps to 3.55%.**MYR Corporate Bonds:** The ringgit corporate bond tray was mostly firm yesterday, though we still noted some net selling activity on select names. Flows were led by AAA-rated PSEP 05/27, which rose 2 bps to 3.75%, while PSEP 11/27 fell 6 bps to 3.78%.

Forex

US: The dollar weakened slightly as President Trump, speaking in Davos, pushed for lower interest rates and cheaper oil, urging Saudi Arabia and OPEC to boost production to pressure Russia. While equities responded positively to Trump's call for lower rates, the dollar faced headwinds, with traders sceptical about the Fed's likelihood of cutting rates amid Trump's tariff threats. Data on Thursday showed initial jobless claims rose marginally last week.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX	108.13	(0.0)
EUR/USD	1.042	0.1
AUD/USD	0.629	0.2
GBP/USD	1.235	0.3
USD/JPY	156.05	(0.3)
USD/MYR	4.444	0.2
USD/IDR	16,280	(0.0)
USD/THB	34.02	0.6
USD/SGD	1.355	(0.0)
USD/CNY	7.286	0.1
USD/KRW	1,435	(0.0)
USD/INR	86.47	0.2
USD/PHP	58.70	0.3
USD/TWD	32.77	(0.0)
USD/HKD	7.789	0.0
USD/VND	25,108	0.0
NZD/USD	0.568	0.2

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.627	(0.2)
GBP/MYR	5.474	(0.2)
AUD/MYR	2.784	(0.1)
JPY/MYR	2.848	0.5
SGD/MYR	3.276	(0.1)
10CNY/MYR	6.098	(0.0)
100IDR/MYR	2.730	0.2
THB/MYR	13.079	(0.1)
10HKD/MYR	5.705	0.1
100INR/MYR	5.140	0.0

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.43	(0)
5-Year	08/29	3.62	1
7-Year	07/32	3.78	(0)
10-Year	07/34	3.81	0
15-Year	04/39	3.97	0
20-Year	05/44	4.05	0
30-Year	03/53	4.18	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.58	1
IRS 3-Year	3.53	1
IRS 5-Year	3.57	(0)
IRS 7-Year	3.65	(0)
IRS 10-Year	3.75	(0)
3-M KLIBOR	3.67	(1)

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.29	(1)
UST 10Y	4.64	3
Germany 10Y	2.55	2
UK 10Y	4.64	0
Japan 10Y	1.21	1
Australia 10Y	4.47	1
China 10Y	1.66	0
Korea 10Y	2.83	1
Indonesia 10Y	7.07	(2)
Thailand 10Y	2.35	(0)
Malaysia 10Y	3.81	0

Europe: Next week's rate decisions from the Fed and ECB are in focus, with markets expecting a 96% chance of an ECB rate cut. The euro edged up 0.1% to 1.0422. The EU's Commission Valdis Dombrovskis said the region is considering energy and arms purchases from the US to avoid Trump's threatened tariffs while emphasising the bloc's readiness to defend its interests if tariffs are imposed. Meanwhile, GBPUSD climbed 0.3% at 1.235.

Asia Pacific: The yen surged 0.4%, leading the G10 currencies against the dollar, as the BOJ's two-day policy meeting began with a 94% chance of a rate hike priced in. On the data front, Japanese exports exceeded expectations, rising 2.8% year-on-year in December 2024, marking the third consecutive month of growth. The yuan weakened in both onshore and offshore markets as investors weighed local sentiment-boosting measures against the threat of higher US tariffs. China urged mutual funds and insurers to increase their equity holdings to prop up local equities.

Malaysia: Ringgit pared back some of its previous gains, declining by 0.2%, but the USDMYR pair continued to trade below the 4.50 level. This is in tandem with mixed regional performances as markets continue hinged by Trump's tariff sentiment. While the latest news flows suggest a benign development, we continue to be cautious about any emerging signs of trade barriers.

Other Markets

Gold: Gold pared losses after President Trump called for lower interest rates at Davos, causing the dollar to fluctuate. Bullion regained some ground as lower borrowing costs typically benefit precious metals, and haven demand increased amid concerns over the new administration's trade policies.

Oil: Oil prices fell after President Trump announced plans to pressure Saudi Arabia and OPEC to lower crude prices, a tactic he used during his first term. West Texas Intermediate traded around USD75 per barrel, while Brent slipped nearly below USD78 per barrel.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.84	(0)
3-Year AA	4.01	(0)
3-Year A	4.83	(1)
5-Year AAA	3.92	(1)
5-Year AA	4.09	(0)
5-Year A	5.03	(1)
10-Year AAA	4.07	(1)
10-Year AA	4.23	(1)
10-Year A	5.45	(2)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	77.88	(1.4)
WTI (USD/bl)	75.71	0.0
Gold (USD/oz)	2,755	(0.1)
CPO (RM/tonne)	4,566	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,119	0.5
Dow Jones	44,565	0.9
Nasdaq	20,054	0.2
London FTSE	8,565	0.2
German DAX	21,412	0.7
Nikkei 225	39,959	0.8
Japan TOPIX	2,752	0.5
FBM KLCI	1,577	(0.7)
Strait Times	3,807	0.7
Jakarta	7,233	(0.3)
Shanghai	3,230	0.5
MSCI Asia Pac	181	0.0
MSCI World	3,838	0.0
Hang Seng	19,701	(0.4)
KOSPI	2,515	(1.2)
Thai Stock Exc	1,344	(1.3)
Taiwan	23,525	0.0
India	76,520	0.2
Australia	8,379	(0.6)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	30-Jan
ECB Main Refinancing	3.15	30-Jan
BoE Base Rate	4.75	06-Feb
RBA Cash Rate	4.35	18-Feb
BoJ Cash Rate	0.25	24-Jan
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	4.540	4.550
Support	4.450	4.460

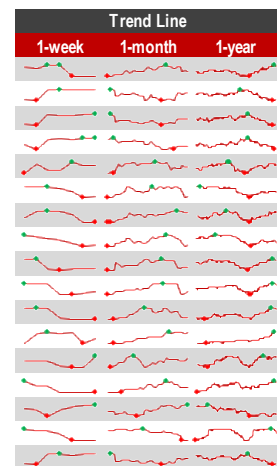
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
DXY Dollar Index	108.13	108.17	108.96	108.26	103.24
EUR/USD	1.042	1.041	1.030	1.040	1.089
AUD/USD	0.629	0.627	0.621	0.624	0.658
GBP/USD	1.235	1.232	1.224	1.254	1.273
USD/JPY	156.05	156.53	155.16	157.19	147.51
USD/MYR	4.444	4.436	4.503	4.487	4.732
USD/IDR	16,280	16,285	16,360	16,195	15,710
USD/THB	34.02	33.82	34.60	34.15	35.68
USD/SGD	1.355	1.356	1.367	1.360	1.340
USD/CNY	7.286	7.276	7.332	7.295	7.158
USD/KRW	1,435	1,436	1,458	1,458	1,337
USD/INR	86.47	86.33	86.55	85.20	83.13
USD/PHP	58.70	58.51	58.60	58.46	56.32
USD/TWD	32.77	32.78	32.94	32.68	31.34
USD/HKD	7.789	7.789	7.787	7.768	7.818
USD/VND	25,108	25,098	25,379	25,441	24,582
NZD/USD	0.568	0.567	0.561	0.565	0.611

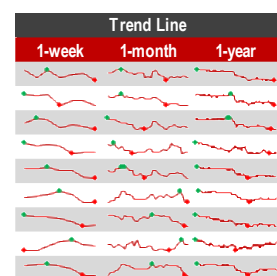
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.0)	(0.8)	(0.1)	4.7	(0.3)
0.1	1.1	0.2	(4.3)	0.6
0.2	1.2	0.8	(4.4)	1.6
0.3	0.9	(1.5)	(2.9)	(1.3)
(0.3)	0.6	(0.7)	5.8	(0.7)
0.2	(1.3)	(0.9)	(6.1)	(0.6)
(0.0)	(0.5)	0.5	3.6	1.1
0.6	(1.7)	(0.4)	(4.7)	(0.2)
(0.0)	(0.9)	(0.4)	1.1	(0.8)
0.14	(0.6)	(0.1)	1.8	(0.2)
(0.0)	(1.6)	(1.6)	7.3	(2.5)
0.2	(0.1)	1.5	4.0	1.0
0.3	0.2	0.4	4.2	1.5
(0.0)	(0.5)	0.3	4.6	(0.1)
0.0	0.0	0.3	(0.4)	0.3
0.0	(1.1)	(1.3)	2.1	(1.5)
0.2	1.2	0.4	(7.1)	1.4



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
EUR/MYR	4.627	4.635	4.632	4.662	5.159
GBP/MYR	5.474	5.484	5.493	5.623	6.040
AUD/MYR	2.784	2.787	2.798	2.797	3.124
JPY/MYR	2.848	2.835	2.902	2.855	3.209
SGD/MYR	3.276	3.280	3.293	3.300	3.537
10CNY/MYR	6.098	6.100	6.142	6.151	6.612
100IDR/MYR	2.730	2.725	2.750	2.772	3.012
THB/MYR	13.079	13.095	13.021	13.138	13.261
10HKD/MYR	5.705	5.697	5.782	5.778	6.053

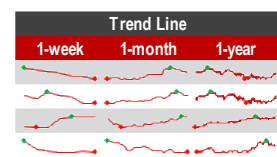
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.2)	(0.1)	(0.8)	(10.3)	(0.7)
(0.2)	(0.3)	(2.7)	(9.4)	(2.5)
(0.1)	(0.5)	(0.5)	(10.9)	0.1
0.5	(1.9)	(0.2)	(11.3)	0.1
(0.1)	(0.5)	(0.7)	(7.4)	(0.3)
(0.0)	(0.7)	(0.9)	(7.8)	(0.5)
0.2	(0.7)	(1.5)	(9.4)	(1.5)
(0.1)	0.4	(0.5)	(1.4)	0.4
0.1	(1.3)	(1.3)	(5.7)	(0.9)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
Brent (USD/barrel)	77.88	79	81.29	73.58	80.04
WTI (USD/barrel)	75.71	75.71	78.68	70.8	75.62
Gold (USD/oz)	2,755	2,756	2,714	2,617	2,014
Malaysia CPO (RM/tonne)	4,566	4,566	4,620	4,907	3,983

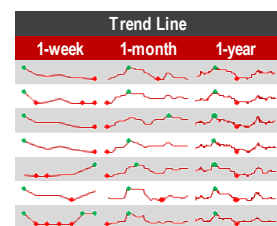
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(1.4)	(4.2)	5.8	(2.7)	4.3
0.0	(3.8)	6.9	0.1	5.6
(0.1)	1.5	5.3	36.8	5.0
0.0	(1.2)	(7.0)	14.6	(7.2)



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
3-Year	3.43	3.44	3.45	3.49	3.41
5-Year	3.62	3.61	3.61	3.64	3.56
7-Year	3.78	3.79	3.79	3.78	3.74
10-Year	3.81	3.81	3.83	3.84	3.81
15-Year	3.97	3.97	3.97	3.98	3.98
20-Year	4.05	4.05	4.05	4.06	4.09
30-Year	4.18	4.18	4.18	4.18	4.23

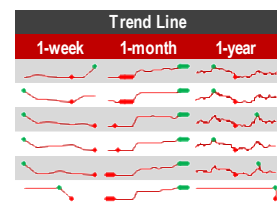
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(2)	(6)	2	(5)
1	1	(3)	6	(1)
(0)	(1)	0	4	2
0	(0)	(1)	(1)	(0)
0	0	(1)	(3)	(1)
0	0	(1)	(5)	(1)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
3-Year	3.48	3.40	3.42	3.44	3.45
5-Year	3.63	3.63	3.63	3.65	3.60
7-Year	3.78	3.78	3.78	3.79	3.77
10-Year	3.84	3.84	3.84	3.85	3.84
15-Year	3.96	3.96	3.96	3.98	3.99
20-Year	4.08	4.08	4.08	4.10	4.14

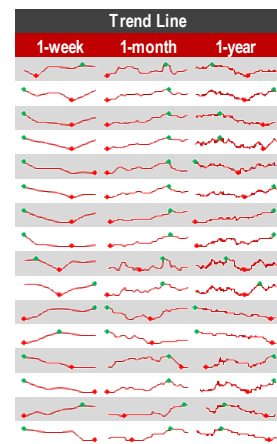
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
7	6	4	3	5
0	0	(1)	3	1
(0)	(0)	(1)	0	3
(0)	(0)	(1)	(1)	1
(0)	(0)	(3)	(3)	(2)
0	(0)	(2)	(6)	(0)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
UST 2Y	4.29	4.30	4.23	4.33	4.38
UST 10Y	4.64	4.61	4.61	4.59	4.18
Germany 2Y	2.25	2.24	2.23	2.06	2.71
Germany 10Y	2.55	2.53	2.55	2.32	2.34
UK 2Y	4.33	4.35	4.38	4.41	4.42
UK 10Y	4.64	4.63	4.68	4.58	4.01
Japan 2Y	0.70	0.70	0.69	0.59	0.07
Japan 10Y	1.21	1.20	1.21	1.08	0.72
Australia 2Y	3.90	3.91	3.91	3.92	3.90
Australia 10Y	4.47	4.46	4.50	4.44	4.23
China 2Y	1.28	1.27	1.25	1.05	2.22
China 10Y	1.66	1.66	1.65	1.74	2.51
Indonesia 2Y	6.89	6.89	7.02	7.01	6.26
Indonesia 10Y	7.07	7.09	7.17	7.05	6.63
Thailand 2Y	2.06	2.07	2.05	1.99	2.32
Thailand 10Y	2.35	2.35	2.40	2.22	2.70

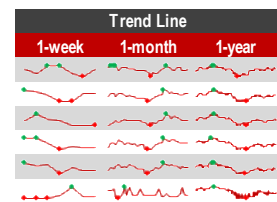
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	6	(4)	(9)	5
3	3	5	47	7
1	2	19	(46)	16
2	0	23	21	18
(3)	(6)	(9)	(9)	(7)
0	(4)	6	63	7
1	1	11	63	10
1	0	13	49	11
(0)	(1)	(1)	1	5
1	(3)	3	24	11
2	3	23	(94)	18
0	2	(7)	(84)	(1)
0	(13)	(12)	64	(15)
(2)	(10)	3	45	8
(0)	1	7	(25)	7
(0)	(5)	13	(35)	10



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
IRS 1-Year	3.58	3.57	3.58	3.58	3.52
IRS 3-Year	3.53	3.52	3.53	3.51	3.46
IRS 5-Year	3.57	3.57	3.60	3.57	3.58
IRS 7-Year	3.65	3.65	3.67	3.64	3.70
IRS 10-Year	3.75	3.75	3.77	3.75	3.85
IRS 20-Year	3.96	3.96	3.92	3.96	4.21

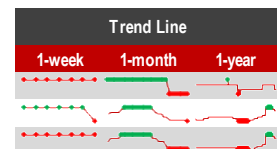
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	0	0	6	1
1	(1)	2	7	3
(0)	(3)	(0)	(1)	2
(0)	(2)	0	(6)	2
(0)	(2)	0	(11)	2
0	4	0	(26)	0



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
1-Month Klibor	3.28	3.28	3.28	3.29	3.29
3-Month Klibor	3.67	3.68	3.68	3.73	3.57
6-Month Klibor	3.73	3.73	3.73	3.77	3.64

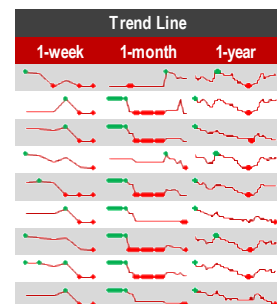
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(1)	(1)
(1)	(1)	(6)	10	(6)
0	0	(4)	9	(4)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	23-Jan-25	22-Jan-25	16-Jan-25	24-Dec-24	24-Jan-24
3-Year AAA	3.84	3.84	3.84	3.83	3.84
3-Year AA	4.01	4.01	4.02	4.04	4.04
3-Year A	4.83	4.83	4.84	4.88	5.20
5-Year AAA	3.92	3.92	3.93	3.93	3.96
5-Year AA	4.09	4.09	4.10	4.11	4.17
5-Year A	5.03	5.03	5.04	5.12	5.48
10-Year AAA	4.07	4.07	4.07	4.09	4.15
10-Year AA	4.23	4.23	4.24	4.26	4.36
10-Year A	5.45	5.45	5.47	5.60	5.95

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(0)	1	0	1
0	(0)	(2)	(2)	(0)
0	(1)	(6)	(38)	(3)
(0)	(1)	(1)	(4)	(1)
0	(0)	(1)	(8)	(1)
0	(1)	(9)	(45)	(6)
(0)	(1)	(2)	(8)	0
0	(1)	(3)	(13)	(1)
0	(2)	(15)	(50)	(11)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

AmBank Group Economic Research	
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
Muhamad Farid Anas Johari	muhamad-farid-anas.j@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
Nadia Binti Hazmi	nadia.hazmi@ambankgroup.com

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only, and it is issued by AmBank (M) Berhad ("AmBank") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation, or expression of views to influence anyone to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment, or other products. AmBank recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal, or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmBank believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmBank has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete, or up-to-date and they should not be relied upon as such. All information included in this report constitute AmBank's views as of this date and are subject to change without notice. Notwithstanding that, AmBank has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmBank's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group, and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmBank's prior written consent. AmBank, AmBank Group and its respective directors, officers, employees, and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect, or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given about this report. Any such responsibility is hereby expressly disclaimed.

AmBank is not acting as your advisor and does not owe you any fiduciary duties related to this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and may trade or otherwise effect transactions for their own account or the accounts of their customers, which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held invalid in whole or part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.