



Fixed Income & FX Research

12 November 2024

Snapshot Summary...

Global FX: Trump trade still in place as DXY index pushed above the 105-level mark**Global Rates:** German bond yields fall as political risks and ECB rate cuts loom**MYR Bonds:** Strong bidding interest for MGS 04/39 auction aided the local govies**USD/MYR:** The ringgit weakened slightly post US-election and slightly above to 4.40-level

Macro News

Malaysia: Construction activity in Malaysia surged by 22.9% y/y in 3Q2024, advancing from a 20.2% increase in 2Q and marking the tenth straight period of growth. This was the strongest expansion since 3Q2022, driven by a significant uptick in output for both residential (27.8% y/y vs. 19.7% in Q2) and non-residential (27.7% y/y vs. 7.2%) buildings.

Fixed Income

Global Bonds: The US bond market was closed on Monday but over in the German bond market we saw yields coming down. Demand for Germany's Bunds remained as risks to its political situation persist and as the ECB is expected to cut further amid growth weakness.**MYR Government Bonds:** The Ringgit government bond market was aided by strong bidding interest for the MGS 04/39 auction where the final BTC stood at 2.672x. However, we did see some sell down in the afternoon session mainly due to some profit taking after the market gains in the previous 2-3 days.**MYR Corporate Bonds:** The Malaysian corporate bond market remained mixed with flows seen mainly on AA rated names. We think most investors remain sidelined while awaiting a better picture in the sovereign bond market trading before taking up more positions in the PDS segment. Flows were led by AA- rated Johor Port 10/29 which rose 14 bps to 4.00% on MYR40 million volume while we noted AA3 Gamuda 06/30 up 4 bps to close at 4.01%.

Forex

US: Global market sentiment remains driven by the Trump trade, with dollar buying pushing the DXY index above the 105 level – a mark last reached when the Fed's Federal Funds Rate was at multi-decade highs, reflecting the peak of its tightening cycle. Traders will keep a close eye on upcoming inflation and retail sales data this week, though it would take a significant deviation from market expectations to shift the current Trump trade narrative.**Europe:** Both the EUR and GBP were off to a weak start, pressured by the strong dollar narrative and amidst lack of data driven flow. Up and about this week is the 2nd estimate for the 3Q2024 Eurozone GDP which will provide further clues if the region is still struggling with growth. We also await jobs-related data in the UK to see if wage growth remains low, which is a welcome news for UK policy doves.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	105.54	0.5
EUR/USD	1.066	(0.6)
AUD/USD	0.658	(0.1)
GBP/USD	1.287	(0.4)
USD/JPY	153.72	0.7
USD/MYR	4.411	0.6
USD/IDR	15,680	0.1
USD/THB	34.37	1.0
USD/SGD	1.334	0.6
USD/CNY	7.215	0.4
USD/KRW	1,401	0.4
USD/INR	84.39	0.0
USD/PHP	58.61	0.6
USD/TWD	32.28	0.5
USD/HKD	7.776	0.0
USD/VND	25,311	0.1
NZD/USD	0.596	(0.1)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.711	(0.3)
GBP/MYR	5.690	0.2
AUD/MYR	2.904	(0.3)
JPY/MYR	2.869	(0.1)
SGD/MYR	3.314	(0.1)
10CNY/MYR	6.117	0.3
100IDR/MYR	2.811	0.5
THB/MYR	12.771	(0.8)
10HKD/MYR	5.672	0.6
100INR/MYR	5.220	0.4

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.49	(0)
5-Year	08/29	3.60	(0)
7-Year	04/31	3.80	(0)
10-Year	07/34	3.86	(2)
15-Year	04/39	4.01	(2)
20-Year	05/44	4.09	(2)
30-Year	03/53	4.19	(2)

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.55	(2)
IRS 3-Year	3.49	(0)
IRS 5-Year	3.53	0
IRS 7-Year	3.62	0
IRS 10-Year	3.71	(2)
3-M KLIBOR	3.60	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.25	0
UST 10Y	4.30	0
Germany 10Y	2.33	(4)
UK 10Y	4.43	(1)
Japan 10Y	1.00	(0)
Australia 10Y	4.58	0
China 10Y	2.09	(2)
Korea 10Y	3.04	(0)
Indonesia 10Y	6.75	1
Thailand 10Y	2.41	(0)
Malaysia 10Y	3.86	(2)

Asia Pacific: The Japanese yen also declined during the day. In the morning, the summary of opinions from the BoJ October policy meeting indicated that members were uncertain about the timing of a rate hike due to political uncertainties. And the Trump trade pressured the USD/CNY pair to reach its highest since August 2024, as China is deemed as the most affected country by the tariff policy. Data showed that China's economy continues to struggle with structural issues as outstanding loan growth fell to the lowest on record, and inflation prints over the weekend contracted more on m/m basis compared to what market was looking at.

Malaysia: The ringgit weakened slightly to close around its post-US election high and slightly above the 4.40-level. Ahead of this Friday's final estimate of 3Q2024 GDP, we foresee a slightly slower growth of 5.1% y/y, down from the advanced estimate of 5.3%, due to the moderation in services sector due to, we believe, lack of festive season spending. Be that as it may, growth in the manufacturing sector accelerated during the quarter.

Other Markets

Gold: Gold dropped to its lowest level in nearly two months on Monday as the dollar continued to strengthen following Trump's victory in the US presidential election.

Oil: Brent and WTI ended significantly lower for the second consecutive session early on Monday, as China reported ongoing economic struggles despite new stimulus measures introduced last week, while the dollar maintained its post-election rally.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.82	3
3-Year AA	3.99	4
3-Year A	4.93	(5)
5-Year AAA	3.92	3
5-Year AA	4.08	3
5-Year A	5.18	(6)
10-Year AAA	4.09	3
10-Year AA	4.27	3
10-Year A	5.76	(9)

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	71.83	(2.8)
WTI (USD/bl)	68.04	(3.3)
Gold (USD/oz)	2,619	(2.5)
CPO (RM/tonne)	5,071	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,001	0.1
Dow Jones	44,293	0.7
Nasdaq	19,299	0.1
London FTSE	8,125	0.7
German DAX	19,449	1.2
Nikkei 225	39,533	0.1
Japan TOPIX	2,740	(0.1)
FBM KLCI	1,609	(0.7)
Strait Times	3,739	0.4
Jakarta	7,266	(0.3)
Shanghai	3,470	0.5
MSCI Asia Pac	188	(0.9)
MSCI World	3,795	0.1
Hang Seng	20,427	(1.5)
KOSPI	2,532	(1.2)
Thai Stock Exc	1,456	(0.6)
Taiwan	23,530	(0.1)
India	79,496	0.0
Australia	8,266	(0.3)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.75	18-Dec
ECB Main Refinancing	3.40	12-Dec
BoE Base Rate	4.75	19-Dec
RBA Cash Rate	4.35	10-Dec
BoJ Cash Rate	0.25	18-Dec
PBoC 1Y LPR	3.10	n.a.
BoK Base Rate	3.25	-
BNM OPR	3.00	22-Jan

Ringgit Outlook for The Week

	1	2
Resistance	4.430	4.480
Support	4.330	4.350

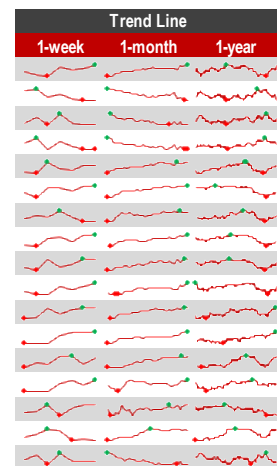
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
DXY Dollar Index	105.54	105.00	103.89	102.89	105.86
EUR/USD	1.066	1.072	1.088	1.094	1.069
AUD/USD	0.658	0.658	0.659	0.675	0.636
GBP/USD	1.287	1.292	1.296	1.307	1.223
USD/JPY	153.72	152.64	152.13	149.13	151.52
USD/MYR	4.411	4.383	4.374	4.289	4.709
USD/IDR	15,680	15,670	15,753	15,580	15,695
USD/THB	34.37	34.02	33.71	33.34	35.89
USD/SGD	1.334	1.326	1.320	1.305	1.361
USD/CNY	7.215	7.184	7.101	7.067	7.286
USD/KRW	1,401	1,396	1,376	1,351	1,317
USD/INR	84.39	84.38	84.11	84.07	83.34
USD/PHP	58.61	58.27	58.35	57.21	55.96
USD/TWD	32.28	32.12	31.97	32.19	32.36
USD/HKD	7.776	7.775	7.772	7.771	7.809
USD/VND	25,311	25,286	25,320	24,815	24,325
NZD/USD	0.596	0.597	0.597	0.611	0.589

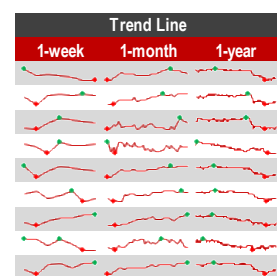
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.5	1.6	2.6	(0.3)	4.2
(0.6)	(2.1)	(2.6)	(0.3)	(3.5)
(0.1)	(0.2)	(2.6)	3.4	(3.5)
(0.4)	(0.7)	(1.5)	5.2	1.1
0.7	1.0	3.1	1.5	9.0
0.6	0.8	2.8	(6.3)	(4.0)
0.1	(0.5)	0.6	(0.1)	1.8
1.0	1.9	3.1	(4.2)	0.7
0.6	1.1	2.2	(2.0)	1.0
0.43	1.6	2.1	(1.0)	1.6
0.4	1.8	3.7	6.4	8.8
0.0	0.3	0.4	1.3	1.4
0.6	0.5	2.4	4.7	5.8
0.5	1.0	0.3	(0.3)	5.1
0.0	0.0	0.1	(0.4)	(0.5)
0.1	(0.0)	2.0	4.1	4.3
(0.1)	(0.2)	(2.4)	1.2	(5.6)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
EUR/MYR	4.711	4.724	4.766	4.691	5.028
GBP/MYR	5.690	5.680	5.674	5.606	5.753
AUD/MYR	2.904	2.911	2.884	2.889	2.994
JPY/MYR	2.869	2.871	2.875	2.876	3.108
SGD/MYR	3.314	3.317	3.321	3.284	3.463
10CNY/MYR	6.117	6.100	6.159	6.069	6.459
100IDR/MYR	2.811	2.796	2.777	2.753	3.000
THB/MYR	12.771	12.870	12.955	12.884	13.113
10HKD/MYR	5.672	5.637	5.627	5.519	6.029

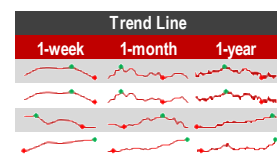
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.3)	(1.1)	0.4	(6.3)	(7.2)
0.2	0.3	1.5	(1.1)	(2.5)
(0.3)	0.7	0.5	(3.0)	(7.1)
(0.1)	(0.2)	(0.2)	(7.7)	(11.9)
(0.1)	(0.2)	0.9	(4.3)	(4.7)
0.3	(0.7)	0.8	(5.3)	(5.3)
0.5	1.2	2.1	(6.3)	(5.8)
(0.8)	(1.4)	(0.9)	(2.6)	(4.7)
0.6	0.8	2.8	(5.9)	(3.6)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
Brent (USD/barrel)	71.83	73.87	75.08	79.04	81.43
WTI (USD/barrel)	68.04	70.38	71.47	75.56	77.17
Gold (USD/oz)	2,619	2,685	2,737	2,657	1,940
Malaysia CPO (RM/tonne)	5,071	5,071	4,993	4,406	3,671

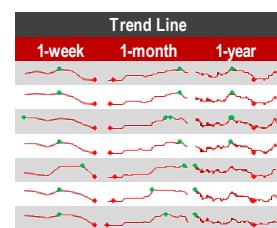
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(2.8)	(4.3)	(9.1)	(11.8)	(6.8)
(3.3)	(4.8)	(10.0)	(11.8)	(5.0)
(2.5)	(4.3)	(1.4)	35.0	26.9
0.0	1.6	15.1	38.1	36.4



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
3-Year	3.49	3.49	3.55	3.42	3.51
5-Year	3.60	3.60	3.67	3.56	3.68
7-Year	3.80	3.80	3.88	3.75	3.89
10-Year	3.86	3.88	3.92	3.79	3.89
15-Year	4.01	4.03	4.03	3.93	4.08
20-Year	4.09	4.12	4.14	4.07	4.25
30-Year	4.19	4.21	4.23	4.20	4.38

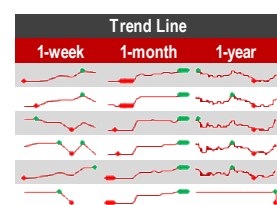
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(0)	(6)	6	(2)	2
(0)	(7)	4	(8)	3
(0)	(8)	5	(9)	8
(2)	(7)	7	(4)	13
(2)	(2)	8	(7)	3
(2)	(4)	3	(15)	(0)
(2)	(3)	(1)	(19)	(5)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
3-Year	3.49	3.49	3.48	3.37	3.55
5-Year	3.67	3.67	3.67	3.55	3.73
7-Year	3.89	3.89	3.90	3.76	3.92
10-Year	3.92	3.92	3.95	3.80	3.95
15-Year	4.04	4.04	4.03	3.95	4.08
20-Year	4.16	4.16	4.16	4.08	4.27

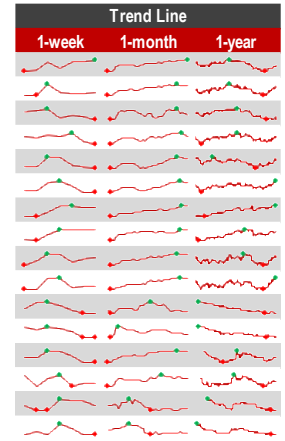
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	12	(7)	(1)
0	(0)	12	(6)	6
0	(1)	13	(4)	12
0	(3)	12	(3)	14
0	1	9	(4)	8
0	0	8	(11)	4



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
UST 2Y	4.25	4.25	4.16	3.96	5.06
UST 10Y	4.30	4.30	4.28	4.10	4.65
Germany 2Y	2.14	2.19	2.26	2.24	3.07
Germany 10Y	2.33	2.37	2.40	2.27	2.72
UK 2Y	4.42	4.43	4.44	4.17	4.67
UK 10Y	4.43	4.44	4.46	4.21	4.34
Japan 2Y	0.50	0.51	0.47	0.42	0.11
Japan 10Y	1.00	1.01	0.95	0.95	0.85
Australia 2Y	4.09	4.07	4.06	3.83	4.29
Australia 10Y	4.58	4.58	4.56	4.23	4.62
China 2Y	1.42	1.43	1.43	1.46	2.37
China 10Y	2.09	2.11	2.12	2.15	2.65
Indonesia 2Y	6.50	6.52	6.52	6.38	6.95
Indonesia 10Y	6.75	6.74	6.78	6.68	6.85
Thailand 2Y	2.09	2.09	2.09	2.18	2.53
Thailand 10Y	2.41	2.41	2.42	2.52	3.07

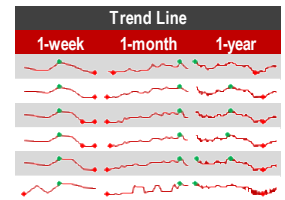
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	9	30	(81)	0
0	2	20	(35)	43
(5)	(13)	(10)	(93)	(27)
(4)	(7)	6	(39)	30
(1)	(2)	24	(26)	43
(1)	(3)	22	9	89
(1)	4	9	39	45
(0)	5	5	15	39
2	4	26	(20)	39
0	2	35	(4)	62
(1)	(1)	(5)	(96)	(78)
(2)	(4)	(6)	(56)	(48)
(2)	(2)	12	(45)	(2)
1	(3)	7	(10)	27
(0)	0	(9)	(44)	(24)
(0)	(0)	(10)	(65)	(26)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
IRS 1-Year	3.55	3.57	3.57	3.54	3.75
IRS 3-Year	3.49	3.49	3.53	3.48	3.81
IRS 5-Year	3.53	3.53	3.57	3.51	3.89
IRS 7-Year	3.62	3.62	3.66	3.60	4.02
IRS 10-Year	3.71	3.73	3.77	3.70	4.15
IRS 20-Year	4.07	4.08	4.12	3.81	4.51

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	(2)	1	(20)	(3)
(0)	(3)	2	(32)	0
0	(4)	2	(37)	(6)
0	(4)	2	(40)	(9)
(2)	(6)	2	(44)	(11)
(1)	(5)	26	(44)	(15)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
1-Month Klibor	3.28	3.28	3.28	3.28	3.33
3-Month Klibor	3.60	3.60	3.58	3.56	3.66
6-Month Klibor	3.65	3.65	3.65	3.62	3.70

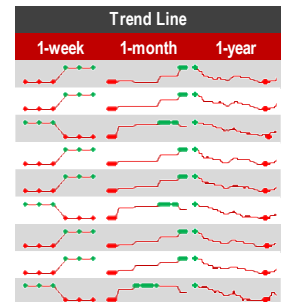
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(5)	(9)
0	2	4	(6)	(17)
0	0	3	(5)	(16)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	11-Nov-24	8-Nov-24	4-Nov-24	12-Oct-24	12-Nov-23
3-Year AAA	3.82	3.82	3.79	3.77	4.03
3-Year AA	3.99	3.99	3.95	3.90	4.19
3-Year A	4.93	4.93	4.99	4.76	5.32
5-Year AAA	3.92	3.92	3.89	3.84	4.16
5-Year AA	4.08	4.08	4.05	3.98	4.34
5-Year A	5.18	5.18	5.24	5.08	5.65
10-Year AAA	4.09	4.09	4.06	3.98	4.40
10-Year AA	4.27	4.27	4.24	4.16	4.60
10-Year A	5.76	5.76	5.85	5.62	6.12

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	3	6	(20)	(3)
0	4	10	(20)	(5)
0	(5)	17	(38)	(30)
0	3	8	(24)	(5)
0	3	10	(26)	(10)
0	(6)	10	(47)	(37)
0	3	11	(30)	(9)
0	3	11	(33)	(15)
0	(9)	13	(36)	(30)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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