



Fixed Income & FX Research

14 January 2025

Snapshot Summary...

Global FX: The dollar continued its bullish run to multi-year highs**Global Rates:** UST yields eased from daily highs on suspected short covering**MYR Bonds:** Local govies weakened following strong US NFP data on Friday**USD/MYR:** Ringgit declined in tandem with other regional currencies

Macro News

Malaysia: Malaysia's wholesale and retail trade growth reached 4.7% y/y in November 2024, totalling RM149.3 billion, making it the second-highest sales figure of the year. Retail sales increased by 5.8% y/y, down from the four-month high of 7.1% in October. Meanwhile, wholesale trade growth slightly decreased to 4.7% from 4.8% in October, and motor vehicle sales grew by 1.4% y/y, slowing from a 2.7% increase in the previous period.

China: China's exports surged by 10.7% y/y in December 2024, surpassing market forecasts of 7.3% and accelerating from a 6.7% rise in the previous month. This marked the ninth consecutive month of shipment growth and the highest value in three years, as some manufacturers expedited orders in anticipation of further tariffs, particularly from the US under the second administration of Donald Trump. Meanwhile, imports increased by 1% y/y, surpassing market forecasts of a 1.5% drop and reversing a 3.9% fall in November 2024, marking the first increase in purchases since September and the strongest pace since July.

Fixed Income

Global Bonds: US Treasuries continued to close weaker overnight, though yields backed down from daily highs on suspected short covering after reaching 14-month highs. Overall trading sentiment remained affected by last Friday's firm NFP number, with expectations that the Fed will wait several months before considering its next rate cut.

MYR Government Bonds: The Malaysian government bond market weakened, with yields up by 2-3 bps to follow the UST yield rise after the strong NFP data last Friday. The local bond movement noted the 10Y UST yield reaching 4.80% and the likelihood of testing 5.00%. However, this week's 15Y GII auction is expected to show firm demand due to a smaller MYR4.0 billion issuance.

MYR Corporate Bonds: The onshore corporate bond market was pressured yesterday as the local govies segment showed weakness. Losses were led by papers such as AAA-rated Air Selangor 10/36 at 4.04% (+3 bps) and AA-flat SP Setia 04/32 at 4.09% (+9 bps). However, there continued to be realignment on Air Selangor, where its 08/34 paper shed 2 bps to close at 3.97%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX/USD	109.96	0.3
EUR/USD	1.025	0.0
AUD/USD	0.618	0.5
GBP/USD	1.220	(0.0)
USD/JPY	157.48	(0.2)
USD/MYR	4.511	0.3
USD/IDR	16,275	0.6
USD/THB	34.79	0.6
USD/SGD	1.370	(0.1)
USD/CNY	7.332	(0.0)
USD/KRW	1,468	(0.2)
USD/INR	86.58	0.7
USD/PHP	58.72	0.6
USD/TWD	33.13	0.5
USD/HKD	7.786	(0.0)
USD/VND	25,397	0.1
NZD/USD	0.558	0.5

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.597	(0.8)
GBP/MYR	5.461	(1.3)
AUD/MYR	2.769	(0.4)
JPY/MYR	2.864	0.4
SGD/MYR	3.281	(0.2)
10CNY/MYR	6.151	0.3
100IDR/MYR	2.770	(0.3)
THB/MYR	12.979	(0.3)
10HKD/MYR	5.792	0.3
100INR/MYR	5.210	(0.4)

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.48	4
5-Year	08/29	3.63	2
7-Year	07/32	3.81	2
10-Year	07/34	3.84	2
15-Year	04/39	3.97	2
20-Year	05/44	4.05	1
30-Year	03/53	4.18	1

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.60	2
IRS 3-Year	3.55	3
IRS 5-Year	3.62	5
IRS 7-Year	3.69	4
IRS 10-Year	3.79	4
3-M KLIBOR	3.69	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.38	0
UST 10Y	4.78	2
Germany 10Y	2.61	2
UK 10Y	4.89	5
Japan 10Y	1.20	0
Australia 10Y	4.63	9
China 10Y	1.66	0
Korea 10Y	2.88	4
Indonesia 10Y	7.27	9
Thailand 10Y	2.38	5
Malaysia 10Y	3.84	2

Forex

US: The dollar extended its rally to multi-year highs on Monday, lifted by robust US jobs data that dampened hopes for a Fed rate cut this year. The market is starting to consider there will only be one 25 bps rate cut by the Fed by the end of 2025.

Europe: The euro and sterling held steady, as the euro touched its lowest level against the dollar since November 2022 following ECB chief economist Lane's signal of further easing, while the latter had hit a 14-month trough. Heightened concerns over rising borrowing costs and the UK's fiscal health continued to weigh on the pound, which fell 1.8% last week.

Asia Pacific: The yen gained slightly as speculation grew that the BoJ could raise its inflation forecast this month, potentially opening the door for another rate hike. The yuan edged higher on Monday after Beijing relaxed offshore borrowing rules and issued warnings to defend the currency, driving the yuan to gain 0.2%. This also follows China's external trade data, which exceeded market expectations.

Malaysia: The ringgit slipped as a delayed reaction to the blowout of US non-farm payroll data last Friday, dismissing the better-than-expected domestic IP figures. Malaysia's November retail sales went up 5.8% y/y, which was released yesterday. At the same time, the fall in ringgit was in tandem with the decline in regional currencies and stock market indices, suggesting a retreat in the global market's risk appetite as traders pared back Fed rate cut expectations.

Other Markets

Gold: Gold fell off its one-month peak as the USD surged but failed to regain its ground as the DXY turned to daily losses. Last week's US labour data tempered the Fed's rate cut outlook, and gold dipped as much as 1% on the day.

Oil: Brent and WTI crude surged to a five-month high on Monday as fresh US sanctions targeting key Russian oil producers and their shadow fleet heightened concerns over tighter global supply. The prospect of the incoming Trump administration poised to tighten curbs on Iran's rising output; the market faces added upside pressure on prices.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.83	0
3-Year AA	4.01	0
3-Year A	4.82	0
5-Year AAA	3.92	0
5-Year AA	4.09	0
5-Year A	5.04	0
10-Year AAA	4.07	0
10-Year AA	4.23	0
10-Year A	5.49	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	81.01	1.6
WTI (USD/bl)	76.57	0.0
Gold (USD/oz)	2,663	(1.0)
CPO (RM/tonne)	4,725	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	5,836	0.2
Dow Jones	42,297	0.9
Nasdaq	19,088	(0.4)
London FTSE	8,224	(0.3)
German DAX	20,133	(0.4)
Nikkei 225	39,190	0.0
Japan TOPIX	2,714	0.0
FBM KLCI	1,586	(1.0)
Strait Times	3,792	(0.3)
Jakarta	7,017	(1.0)
Shanghai	3,161	(0.2)
MSCI Asia Pac	176	(1.2)
MSCI World	3,675	(0.1)
Hang Seng	18,874	(1.0)
KOSPI	2,490	(1.0)
Thai Stock Exc	1,354	(1.0)
Taiwan	22,488	(2.3)
India	76,330	(1.4)
Australia	8,192	(1.2)

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	22-Jan

Ringgit Outlook for The Week

	1	2
Resistance	4.540	4.550
Support	4.450	4.460

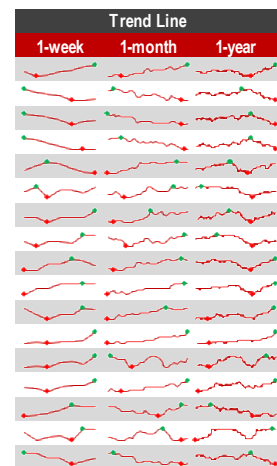
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
DXY Dollar Index	109.96	109.65	108.26	107.00	102.40
EUR/USD	1.025	1.024	1.039	1.050	1.095
AUD/USD	0.618	0.615	0.625	0.636	0.669
GBP/USD	1.220	1.221	1.252	1.262	1.275
USD/JPY	157.48	157.73	157.62	153.65	144.88
USD/MYR	4.511	4.498	4.511	4.450	4.648
USD/IDR	16,275	16,185	16,195	15,995	15,550
USD/THB	34.79	34.58	34.62	34.13	35.06
USD/SGD	1.370	1.372	1.363	1.349	1.331
USD/CNY	7.332	7.333	7.328	7.274	7.168
USD/KRW	1,468	1,471	1,461	1,435	1,314
USD/INR	86.58	85.97	85.83	84.80	82.92
USD/PHP	58.72	58.36	58.29	58.47	55.93
USD/TWD	33.13	32.98	32.87	32.51	31.13
USD/HKD	7.786	7.788	7.775	7.776	7.821
USD/VND	25,397	25,371	25,388	25,404	24,505
NZD/USD	0.558	0.556	0.564	0.576	0.624

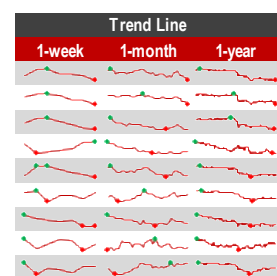
Percentage Change					
1-day	1-week	1-month	1-year	YTD	
0.3	1.6	2.8	7.4	8.5	
0.0	(1.4)	(2.4)	(6.4)	(7.2)	
0.5	(1.1)	(2.9)	(7.6)	(9.3)	
(0.0)	(2.5)	(3.3)	(4.3)	(4.2)	
(0.2)	(0.1)	2.5	8.7	11.7	
0.3	(0.0)	1.4	(3.0)	(1.8)	
0.6	0.5	1.8	4.7	5.7	
0.6	0.5	1.9	(0.8)	1.9	
(0.1)	0.5	1.5	2.9	3.7	
(0.01)	0.1	0.8	2.3	3.3	
(0.2)	0.5	2.3	11.7	14.0	
0.7	0.9	2.1	4.4	4.1	
0.6	0.8	0.4	5.0	6.0	
0.5	0.8	1.9	6.4	7.9	
(0.0)	0.1	0.1	(0.4)	(0.3)	
0.1	0.0	(0.0)	3.6	4.6	
0.5	(1.1)	(3.1)	(10.5)	(11.6)	



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
EUR/MYR	4.597	4.632	4.672	4.667	5.095
GBP/MYR	5.461	5.533	5.627	5.624	5.927
AUD/MYR	2.769	2.781	2.817	2.833	3.114
JPY/MYR	2.864	2.852	2.862	2.897	3.207
SGD/MYR	3.281	3.286	3.301	3.299	3.492
10CNY/MYR	6.151	6.134	6.156	6.117	6.485
100IDR/MYR	2.770	2.778	2.785	2.780	2.988
THB/MYR	12.979	13.012	13.019	13.022	13.253
10HKD/MYR	5.792	5.775	5.803	5.723	5.942

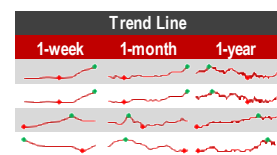
Percentage Change					
1-day	1-week	1-month	1-year	YTD	
(0.8)	(1.6)	(1.5)	(9.8)	(9.4)	
(1.3)	(3.0)	(2.9)	(7.9)	(6.4)	
(0.4)	(1.7)	(2.3)	(11.1)	(11.4)	
0.4	0.1	(1.1)	(10.7)	(12.0)	
(0.2)	(0.6)	(0.6)	(6.0)	(5.7)	
0.3	(0.1)	0.6	(5.1)	(4.8)	
(0.3)	(0.5)	(0.4)	(7.3)	(7.2)	
(0.3)	(0.3)	(0.3)	(2.1)	(3.1)	
0.3	(0.2)	1.2	(2.5)	(1.5)	



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
Brent (USD/barrel)	81.01	79.76	76.3	74.49	78.29
WTI (USD/barrel)	78.82	76.57	73.56	71.29	72.68
Gold (USD/oz)	2,663	2,690	2,636	2,648	2,049
Malaysia CPO (RM/tonne)	4,725	4,725	4,705	5,151	3,817

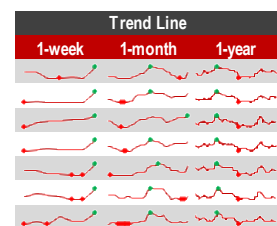
Percentage Change					
1-day	1-week	1-month	1-year	YTD	
1.6	6.2	8.8	3.5	5.2	
2.9	7.2	10.6	8.4	10.0	
(1.0)	1.0	0.6	30.0	29.1	
0.0	0.4	(8.3)	23.8	27.1	



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
3-Year	3.48	3.44	3.45	3.47	3.41
5-Year	3.63	3.61	3.61	3.62	3.55
7-Year	3.81	3.79	3.78	3.77	3.73
10-Year	3.84	3.82	3.83	3.81	3.81
15-Year	3.97	3.95	3.95	3.94	3.98
20-Year	4.05	4.04	4.04	4.05	4.10
30-Year	4.18	4.17	4.18	4.18	4.24

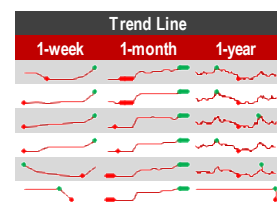
Basis Points Change					
1-day	1-week	1-month	1-year	YTD	
4	3	0	6	1	
2	2	1	9	6	
2	3	4	7	9	
2	1	2	3	11	
2	3	3	(1)	(1)	
1	1	1	(5)	(4)	
1	1	0	(6)	(6)	



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
3-Year	3.41	3.40	3.40	3.41	3.43
5-Year	3.64	3.62	3.62	3.62	3.59
7-Year	3.79	3.76	3.75	3.77	3.77
10-Year	3.85	3.83	3.83	3.81	3.83
15-Year	3.96	3.95	3.96	3.95	3.95
20-Year	4.08	4.08	4.08	4.09	4.11

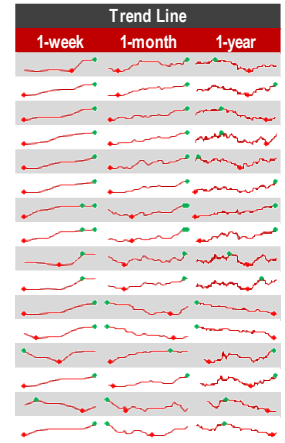
Basis Points Change					
1-day	1-week	1-month	1-year	YTD	
1	1	0	(2)	(9)	
2	2	2	5	4	
3	4	3	2	3	
1	2	3	1	6	
1	1	1	2	1	
0	0	(1)	(3)	(4)	



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
UST 2Y	4.38	4.38	4.27	4.24	4.14
UST 10Y	4.78	4.76	4.63	4.40	3.94
Germany 2Y	2.29	2.28	2.19	2.07	2.52
Germany 10Y	2.61	2.60	2.45	2.26	2.18
UK 2Y	4.60	4.54	4.43	4.31	4.16
UK 10Y	4.89	4.84	4.61	4.41	3.79
Japan 2Y	0.65	0.65	0.63	0.57	0.01
Japan 10Y	1.20	1.20	1.14	1.04	0.61
Australia 2Y	4.03	3.91	3.92	3.90	3.81
Australia 10Y	4.63	4.55	4.47	4.29	4.07
China 2Y	1.25	1.22	1.03	1.19	2.24
China 10Y	1.66	1.65	1.60	1.78	2.52
Indonesia 2Y	7.06	7.06	7.02	6.98	6.45
Indonesia 10Y	7.27	7.18	7.06	7.02	6.66
Thailand 2Y	1.99	1.98	2.01	1.99	2.31
Thailand 10Y	2.38	2.33	2.32	2.29	2.71

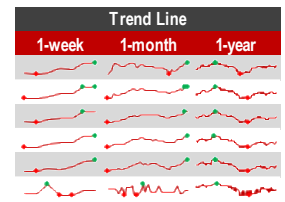
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	10	13	24	13
2	15	38	84	90
1	10	22	(22)	(11)
2	17	36	43	59
6	17	29	44	62
5	27	47	109	135
0	2	9	64	60
0	7	16	60	59
11	11	13	22	32
9	17	34	56	68
3	22	6	(99)	(95)
0	6	(13)	(87)	(91)
0	4	8	61	55
9	21	25	61	79
1	(2)	0	(32)	(34)
5	6	9	(33)	(30)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
IRS 1-Year	3.60	3.58	3.56	3.60	3.49
IRS 3-Year	3.55	3.52	3.49	3.51	3.43
IRS 5-Year	3.62	3.57	3.55	3.54	3.53
IRS 7-Year	3.69	3.64	3.61	3.62	3.66
IRS 10-Year	3.79	3.75	3.72	3.72	3.81
IRS 20-Year	3.99	3.92	3.95	4.07	4.16

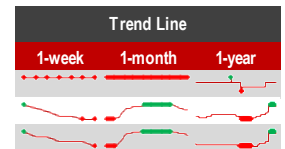
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	4	0	12	2
3	6	4	13	6
5	8	8	9	4
4	8	7	2	(2)
4	7	7	(2)	(3)
8	4	(8)	(17)	(22)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
1-Month Klibor	3.29	3.29	3.29	3.29	3.30
3-Month Klibor	3.69	3.69	3.72	3.71	3.59
6-Month Klibor	3.74	3.75	3.76	3.76	3.66

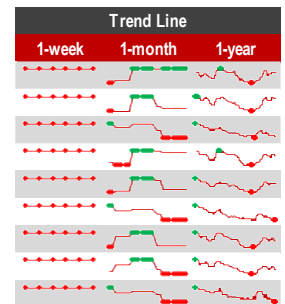
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(1)	(8)
0	(3)	(2)	10	(8)
(1)	(2)	(2)	8	(7)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	13-Jan-25	10-Jan-25	6-Jan-25	14-Dec-24	14-Jan-24
3-Year AAA	3.83	3.83	3.83	3.82	3.84
3-Year AA	4.01	4.01	4.01	4.00	4.04
3-Year A	4.82	4.82	4.82	4.87	5.21
5-Year AAA	3.92	3.92	3.92	3.91	3.97
5-Year AA	4.09	4.09	4.09	4.09	4.17
5-Year A	5.04	5.04	5.04	5.10	5.50
10-Year AAA	4.07	4.07	4.07	4.08	4.16
10-Year AA	4.23	4.23	4.23	4.25	4.38
10-Year A	5.49	5.49	5.49	5.58	5.96

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	1	(1)	(2)
0	0	1	(3)	(3)
0	0	(5)	(38)	(42)
0	0	2	(4)	(5)
0	0	0	(8)	(9)
0	0	(6)	(46)	(51)
0	0	(1)	(10)	(12)
0	0	(2)	(15)	(19)
0	0	(10)	(47)	(57)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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