



Fixed Income & FX Research

19 May 2026

Macro: Trump postpones Iran strikes amid renewed dash for peace. China data fared worse than expected in April. Malaysia to focus on Budi Diesel initiative instead of T20 classification.

Forex: G10 rebounds against USD. JPY underperformed peers on calls for relief budget. MYR fell 0.5% amid sell down in local bonds and earlier news of an incoming snap election.

Fixed Income: UST sees slight relief, while UK Gilts strongly rebounded on stabilising politics, fiscal outlook, and IMF's upward growth revision. MGS yields closed 1-3 bps higher.

Macro

Global: Trump announced that he has called off strikes on Iran due to appeals by Persian Gulf allies to provide time for a diplomatic resolution, with an indicated soft deadline of '2-3 days, a short period of time'. While Iran has not confirmed renewed talks, Pakistan had earlier in the day shared with the US a revised proposal from Iran to end the war. In China, industrial production growth eased to 4.1% y/y in April (consensus: 6.0%; March: 5.7%) while retail sales nearly stalled at 0.2% y/y (consensus: 2.0%; March: 1.7%). Fixed asset investments also unexpectedly shrank by 1.6% y/y, indicating deepening malaise in China's economy despite booming exports, while raising the likelihood of fiscal/monetary policy support ahead. Meanwhile, G7 Finance Ministers (FM) are currently discussing global issues ranging from volatile global bond markets, economic fallout from the Middle East conflict, and global trade, fiscal, and growth imbalances.

Malaysia: FM2 Amir Hamzah said the government is not discussing any classification efforts on the T20, and is instead focused on improving its Budi Diesel initiative – which will include extensions to Sabah and Sarawak as well. This comes as PM Anwar said it will discuss raising Budi95 quotas for delivery riders to 250 litres/month.

Forex

Global: DXY fell 0.1% as currencies saw some mean-reversion on Monday. Leading the G10 pack was the GBP (+0.8%), as markets priced in the recent UK political turbulence, stabilising British bond markets, and the IMF's upward revision for the UK's 2026 projected growth to 1.0% (prior: 0.8%). AUD (+0.3%) saw slight advances, ahead of the RBA's meeting minutes and comments from Assistant Governor Sarah Hunter for clues on the policy outlook. JPY (-0.1%) underperformed all G10 peers amid a policy reversal by PM Takaichi, who is now calling for a supplementary budget to fund emergency relief measures. A senior Finance Ministry official also expressed doubt over the prospects of selling UST as part of efforts to support the JPY, suggesting that it may be counterproductive. Nevertheless, the comments weighed on the JPY, given that earlier officials indicated 'no limits' on the frequency and scale of MOF intervention in FX markets.

Malaysia: MYR fell 0.5%, underperforming most of Asian peers amid the selloff in local bonds and earlier news of a possible early general snap election.

Fixed Income

Global Bonds: A mild relief rally for global bonds, with UST rallying a slight 0-2 bps up to the 10Y end of the curve. Nevertheless, yields remain sharply up month-to-date as investors price in the US-Iran war driven inflation risks, heavy corporate AI spending and debt issuances, and stretched public finances by sovereigns. Meanwhile, UK Gilts rebounded 7-8 bps across the curve, after potential PM challenger Andy Burnham said he will maintain the UK's fiscal rules if his bid is successful, easing concerns over its fiscal outlook.

MYR Bonds: MGS yields closed up 1-3 bps across the curve, tracking the global bond selloff seen from Friday on inflation worries. However, risk sentiment improved in the afternoon trading session after Iran signaled openness for negotiations, leading investors to par greater intraday weaknesses. Losses on MGS continue to center on the 7Y tenor, ahead of the reopening auction for the 7Y MGS 04/33 that will likely take place this week (expected size: MYR5.0 billion).

Commodities

Oil prices closed 3% up on Monday, but was seen lower today on Trump's delayed strikes on Iran.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	99.19	(0.1)
EUR/USD	1.166	0.3
AUD/USD	0.717	0.3
GBP/USD	1.343	0.8
USD/JPY	158.82	0.1
USD/MYR	3.975	0.5
USD/IDR	17,656	1.1
USD/THB	32.64	(0.0)
USD/SGD	1.279	(0.1)
USD/CNY	6.799	(0.2)

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	(2)
UST 10Y	4.59	(1)
Germany 10Y	3.15	(2)
UK 10Y	5.10	(7)
Japan 10Y	2.74	2
Australia 10Y	5.11	4
China 10Y	1.75	(1)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.23	2
5-Year	3.40	3
7-Year	3.52	3
10-Year	3.60	2
15-Year	3.85	2
20-Year	3.97	1
30-Year	4.09	2

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.40	0
IRS 3-Year	3.44	0
IRS 5-Year	3.52	2
IRS 7-Year	3.60	2
IRS 10-Year	3.73	4
3M KLIBOR	3.35	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	112.10	2.6
WTI (USD/bl)	108.66	3.1
Gold (USD/oz)	4,567	0.6
CPO (RM/tonne)	4,491	2.5

Policy Rates

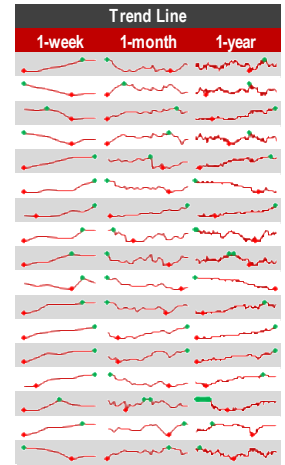
Central Banks	Current	Next
US Fed Funds	3.75	18-Jun
ECB Deposit Rate	2.00	11-Jun
BOE Base Rate	3.75	18-Jun
RBA Cash Rate	4.10	16-Jun
BOJ Cash Rate	0.75	16-Jun
RBNZ Cash Rate	2.25	27-May
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	09-Jul

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
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
DXY Dollar Index	99.19	99.28	97.96	98.10	101.09
EUR/USD	1.166	1.163	1.178	1.177	1.116
AUD/USD	0.717	0.715	0.725	0.717	0.641
GBP/USD	1.343	1.333	1.361	1.352	1.328
USD/JPY	158.82	158.74	157.19	158.64	145.7
USD/MYR	3.975	3.957	3.925	3.951	4.294
USD/IDR	17,656	17,465	17,412	17,190	16,440
USD/THB	32.64	32.65	32.42	32.08	33.24
USD/SGD	1.279	1.281	1.268	1.269	1.300
USD/CNY	6.799	6.814	6.792	6.816	7.211
USD/KRW	1,494	1,498	1,473	1,460	1,402
USD/INR	96.36	95.97	95.31	92.93	85.52
USD/PHP	61.74	61.73	61.14	60.08	55.65
USD/TWD	31.56	31.55	31.41	31.58	30.15
USD/HKD	7.830	7.831	7.829	7.832	7.814
USD/VND	26,357	26,352	26,324	26,337	25,922
NZD/USD	0.588	0.584	0.597	0.588	0.588

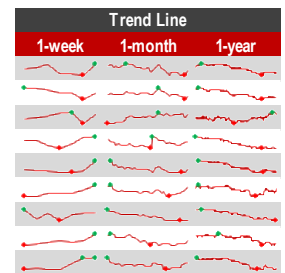
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.1)	1.3	1.1	(1.9)	0.9
0.3	(1.1)	(0.9)	4.4	(0.8)
0.3	(1.1)	(0.1)	11.9	7.4
0.8	(1.3)	(0.6)	1.1	(0.3)
0.1	1.0	0.1	9.0	1.3
0.5	1.3	0.6	(7.4)	(2.1)
1.1	1.4	2.7	7.4	5.8
(0.0)	0.7	1.7	(1.8)	3.6
(0.1)	0.8	0.7	(1.7)	(0.5)
(0.2)	0.1	(0.2)	(5.7)	(2.5)
(0.3)	1.4	2.3	6.6	3.8
0.4	1.1	3.7	12.7	7.2
0.0	1.0	2.8	10.9	5.0
0.0	0.5	(0.1)	4.7	0.4
(0.0)	0.0	(0.0)	0.2	0.6
0.0	0.1	0.1	1.7	0.2
0.6	(1.5)	(0.1)	(0.1)	2.0



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
EUR/MYR	4.625	4.599	4.618	4.661	4.807
GBP/MYR	5.311	5.281	5.337	5.346	5.708
AUD/MYR	2.844	2.828	2.840	2.834	2.756
JPY/MYR	2.502	2.491	2.496	2.492	2.942
SGD/MYR	3.106	3.090	3.091	3.107	3.307
10 CNY/MYR	5.846	5.811	5.773	5.797	5.960
1 million IDR/MYR	2.249	2.248	2.253	2.300	2.612
THB/MYR	12.159	12.143	12.112	12.427	12.887
10 HKD/MYR	5.076	5.050	5.013	5.049	5.495

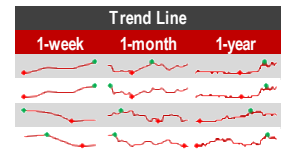
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.6	0.2	(0.8)	(3.8)	(2.9)
0.6	(0.5)	(0.6)	(6.9)	(2.7)
0.6	0.1	0.4	3.2	4.8
0.4	0.3	0.4	(14.9)	(3.4)
0.5	0.5	(0.0)	(6.1)	(1.6)
0.6	1.3	0.9	(1.9)	0.6
0.0	(0.2)	(2.2)	(13.9)	(7.6)
0.1	0.4	(2.2)	(5.6)	(5.3)
0.5	1.3	0.5	(7.6)	(2.7)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
Brent (USD/barrel)	112.1	109.26	104.21	90.38	65.41
WTI (USD/barrel)	108.66	105.42	98.07	83.85	62.49
Gold (USD/oz)	4,567	4,540	4,736	4,830	3,204
Malaysia CPO (RM/tonne)	4,491	4,380	4,495	4,386	3,839

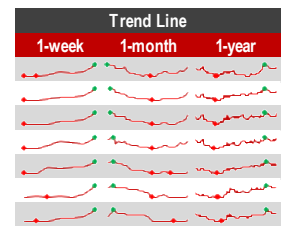
Percentage Change				
1-day	1-week	1-month	1-year	YTD
2.6	7.6	24.0	71.4	84.2
3.1	10.8	29.6	73.9	89.2
0.6	(3.6)	(5.5)	42.5	5.7
2.5	(0.1)	2.4	17.0	12.3



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
3-Year	3.23	3.22	3.20	3.19	3.17
5-Year	3.40	3.37	3.35	3.35	3.26
7-Year	3.52	3.48	3.44	3.46	3.46
10-Year	3.60	3.58	3.56	3.57	3.57
15-Year	3.85	3.83	3.81	3.85	3.72
20-Year	3.97	3.96	3.94	3.98	3.83
30-Year	4.09	4.07	4.06	4.13	4.05

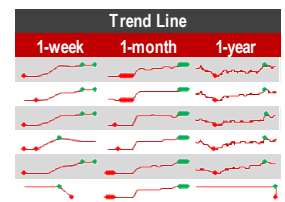
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
2	4	4	6	24
3	5	5	14	14
3	8	5	6	14
2	4	3	3	10
2	3	0	13	8
1	2	(2)	14	12
2	3	(4)	4	11



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
3-Year	3.21	3.21	3.19	3.21	3.20
5-Year	3.35	3.35	3.33	3.32	3.36
7-Year	3.53	3.53	3.51	3.50	3.50
10-Year	3.60	3.60	3.57	3.58	3.59
15-Year	3.86	3.86	3.85	3.88	3.76
20-Year	3.97	3.97	3.96	4.00	3.87

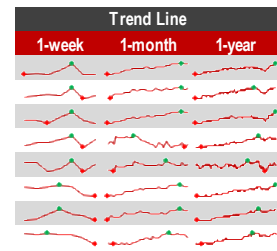
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	2	(0)	1	11
0	3	3	(1)	10
0	2	3	3	19
0	2	2	1	7
0	1	(2)	10	11
0	1	(3)	10	11



Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
S&P500 Index	7,403	7,409	7,413	7,126	5,958
Dow Jones	49,686	49,526	49,704	49,447	42,655
Nasdaq	26,091	26,225	26,274	24,468	19,211
London FTSE	10,324	10,195	10,269	10,668	8,685
German DAX	24,308	23,951	24,350	24,702	23,767
Nikkei 225	60,816	61,409	62,418	58,476	37,754
Japan TOPIX	3,827	3,864	3,841	3,761	2,740
FBM KLCI	1,728	1,740	1,745	1,695	1,572

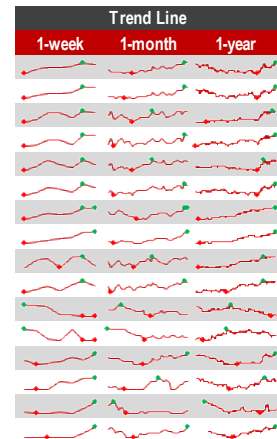
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.1)	(0.1)	3.9	24.2	92.8
0.3	(0.0)	0.5	16.5	49.9
(0.5)	(0.7)	6.6	35.8	149.3
1.3	0.5	(3.2)	18.9	38.5
1.5	(0.2)	(1.6)	2.3	74.6
(1.0)	(2.6)	4.0	61.1	133.1
(1.0)	(0.4)	1.7	39.6	102.3
(0.7)	(1.0)	1.9	9.9	15.5



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
UST 2Y	4.04	4.07	3.95	3.71	4.00
UST 10Y	4.59	4.59	4.41	4.25	4.48
Germany 2Y	2.71	2.74	2.65	2.41	1.86
Germany 10Y	3.15	3.17	3.04	2.96	2.59
UK 2Y	4.48	4.55	4.46	4.12	4.01
UK 10Y	5.10	5.17	5.00	4.76	4.65
Japan 2Y	1.42	1.42	1.39	1.37	0.72
Japan 10Y	2.74	2.72	2.52	2.42	1.46
Australia 2Y	4.75	4.75	4.71	4.67	3.55
Australia 10Y	5.11	5.07	4.99	4.99	4.45
China 2Y	1.26	1.27	1.29	1.29	1.48
China 10Y	1.75	1.76	1.77	1.77	1.68
Indonesia 2Y	6.48	6.35	6.31	5.98	6.24
Indonesia 10Y	6.77	6.69	6.62	6.58	6.88
Thailand 2Y	1.26	1.21	1.17	1.19	1.55
Thailand 10Y	2.32	2.21	2.15	2.02	1.88

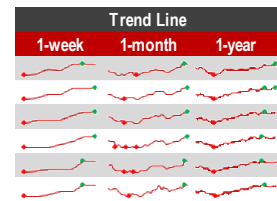
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(2)	9	34	4	57
(1)	17	34	11	42
(3)	6	30	86	59
(2)	11	19	56	29
(8)	1	35	47	74
(7)	10	34	45	62
0	3	5	70	24
2	21	31	127	67
1	4	8	120	70
4	12	12	66	37
(1)	(3)	(3)	(21)	(11)
(1)	(1)	(2)	7	(10)
14	17	50	24	148
8	16	19	(11)	70
5	10	7	(28)	15
11	17	31	45	68



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
IRS 1-Year	3.40	3.39	3.36	3.34	3.36
IRS 3-Year	3.44	3.44	3.40	3.38	3.20
IRS 5-Year	3.52	3.50	3.46	3.42	3.26
IRS 7-Year	3.60	3.58	3.55	3.52	3.36
IRS 10-Year	3.73	3.70	3.68	3.66	3.49
IRS 20-Year	4.06	4.06	4.02	3.98	3.77

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	4	6	4	19
0	4	6	24	18
2	6	10	26	17
2	5	8	24	19
4	5	8	25	18
(0)	4	7	29	18



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
1-Month Klibor	3.00	3.00	3.00	3.00	3.27
3-Month Klibor	3.35	3.35	3.35	3.35	3.59
6-Month Klibor	3.39	3.39	3.39	3.39	3.64

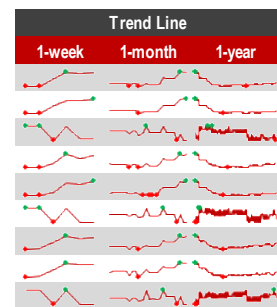
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	0	(27)	0
0	0	0	(24)	7
0	0	0	(25)	9



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	18-May-26	15-May-26	11-May-26	18-Apr-26	18-May-25
3-Year AAA	3.57	3.57	3.56	3.55	3.72
3-Year AA	3.70	3.70	3.69	3.69	3.86
3-Year A	4.45	4.45	4.48	4.48	4.48
5-Year AAA	3.65	3.65	3.64	3.63	3.79
5-Year AA	3.78	3.78	3.78	3.77	3.93
5-Year A	4.62	4.62	4.66	4.66	4.60
10-Year AAA	3.82	3.82	3.80	3.79	3.92
10-Year AA	3.96	3.96	3.94	3.94	4.07
10-Year A	5.02	5.03	5.07	5.06	4.95

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	2	(15)	6
0	1	2	(15)	4
0	(3)	(3)	(3)	(9)
0	1	2	(14)	6
0	1	1	(15)	3
(0)	(4)	(4)	2	(8)
0	2	3	(10)	5
0	1	2	(11)	3
(0)	(5)	(4)	8	(9)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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