



## Fixed Income &amp; FX Research

22 January 2026

**Macro:** Trump refrains from EU tariff threats, citing a framework reached. Supreme Court wary on efforts to fire Fed Governor Cook. BNM expected to keep OPR unchanged today.

**Forex:** Profit-taking trades seen with CHF and EUR declining while AUD strengthened. MYR rose 0.2%, as Asian peers broadly tracked the reversal in global risk-off sentiment.

**Fixed Income:** UST fared better amid fading US-EU tensions and JGB recovery. Bear steepening seen on MGS/GII curve yesterday, amid recent risk reversion and upbeat data.

**Macro**

**Global:** US President Trump announced he would refrain from imposing tariffs on EU nations opposing his efforts to possess Greenland. Though a 'framework of a future deal' was cited for his change of stance, no further details were provided on this, with Denmark remarking that Trump still has ambitions of Greenland possession. Meanwhile, Trump warned that current Fed chair Powell 'won't be very happy' if he remained as a Fed Governor after his term as chair expires in May 2026, suggesting continued efforts by the administration to shape the Fed institution. This comes as US Supreme Court justices (including Trump appointees) expressed wariness on Trump's efforts to fire Fed Governor Lisa Cook, citing concerns of Fed independence and impact on financial markets, though a ruling on this is expected only by July. Meanwhile, the EU Parliament's trade committee has frozen the vote on the US trade deal indefinitely. ECB President Lagarde also sees little impact on inflation should Trump proceeds with more EU tariffs, though warned that the greater impact is on uncertainty and on big exporting EU countries.

**Malaysia:** MITI Minister Abdul Ghani reiterated that Malaysia would clarify sovereignty and national interest issues before finalising ratification on its ART deal with the US. Meanwhile, no economists are expecting any changes to the OPR (current: 2.75%) for BNM's first MPC meeting for the year today, though markets are on the lookout for potential signs of hawkishness following the earlier solid advance estimate of 4Q2025 GDP data, and the slight rise in December inflation.

**Forex**

**Global:** Profit-taking were seen on recently outperforming currencies even prior to Trump's backing down of EU tariff threats, with markets' TACO trades further subsequently validated thereafter. DXY closed 0.1% up, as safe-haven CHF (-0.7%) and the EUR (-0.3%) retreated against the USD, JPY (-0.1%) and GBP (-0.1%) saw more limited retracements, while risk- and commodity-linked G10 peers such as the AUD, NOK, NZD, and SEK strengthened 0.2-0.4%. Meanwhile, UK inflation accelerated to 3.4% y/y in December (prior: 3.2%), though services inflation edged up in line with expectations, suggesting just a minor speed-bump to expectations of disinflation ahead.

**Asia:** MYR rose 0.2%, as Asian peers broadly tracked the reversal in global risk-off sentiment.

**Fixed Income**

**Global Bonds:** The US backing down from tariff threats on Europe aided US Treasuries though Trump did say there is a framework on hand regarding Greenland acquisition. Some recovery in JGBs also aided sentiment in global bond markets. Subsequently, 20Y UST USD30 billion auction was seen supported, with BTC recorded at 3.86x, higher than a similar auction last month.

**MYR Bonds:** The local government bond market bear steepened yesterday. Sentiment continued to be clouded by global risk aversion and upbeat local economic data – including the prior day's trade surplus and inflation data that were higher than expected. Largest losses were seen on longer tenor GII though some support was seen on 5Y-10Y benchmarks.

**Commodities**

**Gold (+1.4%)** closed the day firmer, though better intraday gains were wiped following a backing down of US-EU tensions over Greenland. Meanwhile, **oil** prices are up 7.2% year-to-date, supported by supply disruptions out of Kazakhstan and Russia, even as the IEA revised up its 2026 global oil demand forecast, thereby slightly reducing expectations for a supply glut this year.

**FX Daily Rates**

Vs. USD	Last Close	Per cent
DX	98.76	0.1
EUR/USD	1.169	(0.3)
AUD/USD	0.676	0.4
GBP/USD	1.343	(0.1)
USD/JPY	158.30	0.1
USD/MYR	4.048	(0.2)
USD/IDR	16,935	(0.1)
USD/THB	31.09	0.0
USD/SGD	1.285	0.0
USD/CNY	6.960	0.1

**Ringgit Outlook for The Week**

	1	2
Resistance	4.098	4.144
Support	4.027	4.001

**Major Sovereign Yields (%)**

Sov. Yield	Last Close	bps
UST 2Y	3.58	(1)
UST 10Y	4.24	(5)
Germany 10Y	2.88	2
UK 10Y	4.46	0
Japan 10Y	2.29	(7)
Australia 10Y	4.78	(0)
China 10Y	1.83	(1)

**MGS Bond Yields (%)**

MGS	Last	bps
3-Year	3.05	(1)
5-Year	3.32	1
7-Year	3.48	1
10-Year	3.56	(1)
15-Year	3.82	1
20-Year	3.95	3
30-Year	4.02	1

**MYR Swap Rates (%)**

Swap / Rates	Last Close	bps
IRS 1-Year	3.27	(2)
IRS 3-Year	3.39	(2)
IRS 5-Year	3.48	(1)
IRS 7-Year	3.55	(3)
IRS 10-Year	3.70	(0)
3M KLIBOR	3.24	0

**Key Commodities**

Commodities	Last Close	Per cent
Brent (USD/bl)	65.24	0.5
WTI (USD/bl)	60.62	0.5
Gold (USD/oz)	4,832	1.4
CPO (RM/tonne)	4,112	1.1

**Policy Rates**

Central Banks	Current	Next
US Fed Funds	3.75	28-Jan
ECB Deposit Rate	2.00	05-Feb
BOE Base Rate	3.75	05-Feb
RBA Cash Rate	3.60	03-Feb
BOJ Cash Rate	0.75	23-Jan
RBNZ Cash Rate	3.00	18-Feb
PBOC 1Y LPR	3.00	-
BNM OPR	2.75	22-Jan

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		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
DXY Dollar Index	98.76	98.64	99.06	98.29	108.06	0.1	(0.3)	0.5	(8.6)	0.4			
EUR/USD	1.169	1.173	1.164	1.176	1.043	(0.3)	0.4	(0.7)	12.1	(0.5)			
AUD/USD	0.676	0.674	0.668	0.666	0.627	0.4	1.2	1.6	7.8	1.3			
GBP/USD	1.343	1.344	1.344	1.346	1.235	(0.1)	(0.1)	(0.2)	8.7	(0.3)			
USD/JPY	158.3	158.15	158.46	157.05	155.52	0.1	(0.1)	0.8	1.8	1.0			
USD/MYR	4.048	4.055	4.049	4.078	4.476	(0.2)	(0.0)	(0.7)	(9.6)	(0.3)			
USD/IDR	16,935	16,950	16,860	16,776	16,335	(0.1)	0.4	0.9	3.7	1.5			
USD/THB	31.09	31.08	31.43	31.18	34.10	0.0	(1.1)	(0.3)	(8.8)	(1.3)			
USD/SGD	1.285	1.284	1.288	1.289	1.353	0.0	(0.3)	(0.3)	(5.0)	(0.1)			
USD/CNY	6.960	6.956	6.970	7.031	7.267	0.1	(0.1)	(1.0)	(4.2)	(0.2)			
USD/KRW	1,466	1,478	1,464	1,481	1,436	(0.8)	0.1	(1.0)	2.1	1.8			
USD/INR	91.70	90.98	90.30	89.65	86.59	0.8	1.6	2.3	5.9	2.0			
USD/PHP	59.28	59.46	59.45	58.72	58.49	(0.3)	(0.3)	1.0	1.3	0.8			
USD/TWD	31.65	31.60	31.62	31.54	32.78	0.1	0.1	0.3	(3.5)	0.7			
USD/HKD	7.797	7.799	7.798	7.781	7.785	(0.0)	(0.0)	0.2	0.2	0.2			
USD/VND	26,265	26,265	26,277	26,334	25,272	0.0	(0.0)	(0.3)	3.9	(0.1)			
NZD/USD	0.584	0.583	0.575	0.579	0.568	0.2	1.6	0.9	2.9	1.5			

## Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.736	4.756	4.719	4.784	4.634	(0.4)	0.4	(1.0)	2.2	(0.6)			
GBP/MYR	5.429	5.465	5.449	5.475	5.482	(0.7)	(0.4)	(0.8)	(1.0)	(0.5)			
AUD/MYR	2.731	2.728	2.711	2.708	2.789	0.1	0.7	0.9	(2.1)	0.7			
JPY/MYR	2.556	2.564	2.556	2.597	2.878	(0.3)	0.0	(1.6)	(11.2)	(1.3)			
SGD/MYR	3.152	3.162	3.146	3.160	3.292	(0.3)	0.2	(0.3)	(4.2)	(0.1)			
10 CNY/MYR	5.812	5.828	5.807	5.796	6.151	(0.3)	0.1	0.3	(5.5)	0.0			
1 million IDR/MYR	2.390	2.392	2.401	2.431	2.739	(0.1)	(0.5)	(1.7)	(12.7)	(1.8)			
THB/MYR	13.011	13.057	12.878	13.075	13.183	(0.4)	1.0	(0.5)	(1.3)	1.4			
10 HKD/MYR	5.190	5.200	5.194	5.243	5.749	(0.2)	(0.1)	(1.0)	(9.7)	(0.5)			

## Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	65.24	64.92	66.52	62.07	79.29	0.5	(1.9)	5.1	(17.7)	7.2			
WTI (USD/barrel)	60.62	60.34	62.02	58.01	75.89	0.5	(2.3)	4.5	(20.1)	5.6			
Gold (USD/oz)	4,832	4,763	4,627	4,444	2,745	1.4	4.4	8.7	76.0	11.9			
Malaysia CPO (RM/tonne)	4,112	4,066	3,950	3,973	4,508	1.1	4.1	3.5	(8.8)	2.9			

## Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.05	3.05	3.01	3.01	3.44	(1)	4	4	(39)	5			
5-Year	3.32	3.31	3.27	3.26	3.61	1	5	6	(29)	7			
7-Year	3.48	3.47	3.44	3.43	3.79	1	4	5	(31)	10			
10-Year	3.56	3.57	3.54	3.55	3.82	(1)	2	1	(25)	6			
15-Year	3.82	3.81	3.77	3.77	3.97	1	5	6	(15)	6			
20-Year	3.95	3.92	3.87	3.87	4.05	3	7	8	(11)	10			
30-Year	4.02	4.01	3.99	3.99	4.18	1	3	3	(15)	4			

## Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.14	3.14	3.10	3.12	3.40	1	5	2	(26)	4			
5-Year	3.32	3.31	3.27	3.27	3.63	1	5	5	(31)	6			
7-Year	3.41	3.39	3.35	3.35	3.78	1	5	5	(37)	6			
10-Year	3.57	3.57	3.52	3.56	3.84	0	5	1	(27)	5			
15-Year	3.83	3.80	3.74	3.76	3.96	3	9	7	(13)	8			
20-Year	3.91	3.89	3.86	3.89	4.08	2	5	2	(17)	5			

## Major Equity Indices

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
S&P500 Index	6,876	6,797	6,927	6,878	6,049	1.2	(0.7)	(0.0)	13.7	79.1			
Dow Jones	49,077	48,489	49,150	48,363	44,026	1.2	(0.1)	1.5	11.5	48.1			
Nasdaq	23,225	22,954	23,472	23,429	19,757	1.2	(1.1)	(0.9)	17.6	121.9			
London FTSE	10,138	10,127	10,184	9,866	8,548	0.1	(0.5)	2.8	18.6	36.0			
German DAX	24,561	24,703	25,286	24,284	21,042	(0.6)	(2.9)	1.1	16.7	76.4			
Nikkei 225	52,775	52,991	54,341	50,402	39,028	(0.4)	(2.9)	4.7	35.2	102.2			
Japan TOPIX	3,590	3,626	3,644	3,405	2,714	(1.0)	(1.5)	5.4	32.3	89.8			
FBM KLCI	1,706	1,699	1,711	1,671	1,580	0.4	(0.3)	2.1	7.9	14.1			

## Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
UST 2Y	3.58	3.60	3.51	3.51	4.27	(1)	7	8	(69)	11			
UST 10Y	4.24	4.29	4.13	4.16	4.58	(5)	11	8	(33)	8			
Germany 2Y	2.09	2.07	2.08	2.15	2.22	2	1	(6)	(13)	(4)			
Germany 10Y	2.88	2.86	2.81	2.90	2.51	2	7	(1)	37	3			
UK 2Y	3.69	3.68	3.63	3.75	4.33	1	6	(6)	(65)	(5)			
UK 10Y	4.46	4.46	4.34	4.54	4.59	0	12	(8)	(13)	(2)			
Japan 2Y	1.23	1.22	1.18	1.12	0.68	1	5	11	55	5			
Japan 10Y	2.29	2.36	2.19	2.09	1.19	(7)	10	20	109	22			
Australia 2Y	4.09	4.10	4.03	4.08	3.86	(1)	6	2	23	4			
Australia 10Y	4.78	4.78	4.72	4.79	4.40	(0)	6	(1)	38	4			
China 2Y	1.40	1.40	1.43	1.38	1.27	0	(4)	2	12	2			
China 10Y	1.83	1.84	1.85	1.84	1.67	(1)	(2)	(1)	16	(2)			
Indonesia 2Y	5.07	5.10	5.14	5.03	6.87	(3)	(7)	4	(181)	7			
Indonesia 10Y	6.33	6.32	6.24	6.16	7.13	1	9	18	(79)	26			
Thailand 2Y	1.20	1.19	1.15	1.17	2.06	0	5	3	(86)	8			
Thailand 10Y	1.88	1.80	1.73	1.68	2.40	7	15	20	(52)	24			

## Key swap rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
IRS 1-Year	3.27	3.29	3.23	3.23	3.58	(2)	4	4	(31)	6			
IRS 3-Year	3.39	3.41	3.32	3.29	3.52	(2)	7	10	(13)	12			
IRS 5-Year	3.48	3.49	3.41	3.36	3.57	(1)	7	12	(9)	13			
IRS 7-Year	3.55	3.58	3.48	3.44	3.64	(3)	6	11	(10)	14			
IRS 10-Year	3.70	3.71	3.64	3.58	3.74	(0)	7	13	(3)	15			
IRS 20-Year	3.95	3.95	3.96	3.84	4.10	0	(1)	12	(15)	7			

## Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
1-Month Klibor	2.98	2.98	2.99	3.00	3.28	0	(1)	(2)	(30)	(2)			
3-Month Klibor	3.24	3.24	3.25	3.27	3.68	0	(1)	(3)	(44)	(4)			
6-Month Klibor	3.27	3.28	3.30	3.29	3.73	(1)	(3)	(2)	(46)	(3)			

## Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	21-Jan-26	20-Jan-26	14-Jan-26	22-Dec-25	21-Jan-25	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year AAA	3.54	3.53	3.52	3.51	3.84	1	1	3	(30)	3			
3-Year AA	3.69	3.68	3.67	3.67	4.03	1	2	2	(35)	2			
3-Year A	4.48	4.45	4.46	4.52	4.84	3	3	(4)	(35)	(6)			
5-Year AAA	3.62	3.61	3.61	3.59	3.93	1	1	3	(31)	3			
5-Year AA	3.77	3.76	3.76	3.75	4.09	1	1	2	(32)	2			
5-Year A	4.63	4.59	4.60	4.67	5.05	4	4	(3)	(41)	(6)			
10-Year AAA	3.79	3.79	3.78	3.76	4.07	1	2	3	(28)	2			
10-Year AA	3.94	3.93	3.92	3.92	4.24	1	2	1	(30)	1			
10-Year A	5.02	4.96	4.98	5.06	5.48	6	5	(3)	(45)	(9)			

Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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