



Fixed Income & FX Research

13 December 2024

Snapshot Summary...

Global FX: Dollar strengthened on PPI data and widening cross-currency rate differentials with other central banks

Global Rates: UST yields inched higher on better-than-expected US PPI data

MYR Bonds: Local govies saw profit-taking activity as players reassessed their positions ahead of year-end

USD/MYR: Ringgit continued its bearish trend in tandem with muted regional currencies

Macro News

Australia: Australia's seasonally adjusted unemployment rate dropped to 3.9% in November, down from 4.1% in the previous three months, defying market expectations of 4.2%. This marks the lowest jobless rate since March. The number of unemployed individuals decreased by 27,000, reaching an eight-month low of 595,300.

Eurozone: The European Central Bank (ECB) decided to reduce its key interest rates by 25 bps in December, marking the fourth rate cut this year, as anticipated. This decision is based on a shifted focus from inflation to growth-related concerns.

US: US PPI increased by 0.4% m/m in November, higher than the revised 0.3% rise in October and double the market forecast of 0.2%. This marked the largest monthly gain in five months. On an annual basis, producer price inflation rose for the second consecutive month to 3% from a revised 2.6%.

US initial jobless claims surged by 17,000 to 242,000, significantly exceeding market expectations of 220,000 and marking the highest level since October.

Fixed Income

Global Bonds: US Treasury yields rose on Thursday based on economic data. Notably, yields rose as the US producer price measure came in higher than expected, and food prices led to gains. On the other hand, initial jobless claims rose by 17k to 242k in the week ended 7 December. The Treasury Department sold USD22 billion in 30Y bonds at a high yield of 4.535%, or 1 bps above WI levels at 2.39 times BTC, the lowest ratio since September. Meanwhile, Bund yields were relatively stable as the ECB cut rates in an already widely expected move.

MYR Government Bonds: More profit-taking was seen in the local government bond space, and we think we owed to players reassessing their positions ahead of the year's end. Meanwhile, the market was cautious about coming ahead with the US PPI release after trading hours.

MYR Corporate Bonds: Mixed trading interest continued in the corporate bonds space, affected partly by the cautious sentiment in the govies segment. Leading the flows include AAA-rated TNB Power Gen 06/42, which fell 1 bps to close at 4.07%, and select banking papers such as Agrobank 11/28 (AAA), which rose 9 bps to 3.85%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DX/USD	106.96	0.2
EUR/USD	1.047	(0.3)
AUD/USD	0.637	0.0
GBP/USD	1.267	(0.6)
USD/JPY	152.63	0.1
USD/MYR	4.438	0.1
USD/IDR	15,925	0.1
USD/THB	33.84	(0.2)
USD/SGD	1.347	0.2
USD/CNY	7.269	0.1
USD/KRW	1,431	0.1
USD/INR	84.87	0.0
USD/PHP	58.25	(0.1)
USD/TWD	32.50	(0.1)
USD/HKD	7.775	(0.0)
USD/VND	25,394	0.1
NZD/USD	0.577	(0.3)

MYR Cross Rates

MYR Cross	Last Close	Per cent
EUR/MYR	4.664	0.2
GBP/MYR	5.663	0.3
AUD/MYR	2.847	1.2
JPY/MYR	2.907	(0.0)
SGD/MYR	3.303	0.2
10CNY/MYR	6.103	(0.0)
100IDR/MYR	2.783	(0.0)
THB/MYR	13.089	0.1
10HKD/MYR	5.707	0.1
100INR/MYR	5.230	0.2

MGS Bond Yields (%)

MGS	Maturity	Last	bps
3-Year	05/27	3.47	1
5-Year	08/29	3.61	1
7-Year	04/31	3.76	1
10-Year	07/34	3.81	1
15-Year	04/39	3.93	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	3.59	0
IRS 3-Year	3.49	2
IRS 5-Year	3.53	2
IRS 7-Year	3.61	2
IRS 10-Year	3.71	0
3-M KLIBOR	3.71	0

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.19	4
UST 10Y	4.33	6
Germany 10Y	2.21	8
UK 10Y	4.36	4
Japan 10Y	1.05	(2)
Australia 10Y	4.26	8
China 10Y	1.82	(2)
Korea 10Y	2.70	1
Indonesia 10Y	6.98	4
Thailand 10Y	2.29	1
Malaysia 10Y	3.81	1

Forex

United States: The US dollar strengthened Thursday following a hotter-than-expected producer inflation report and recent rate cuts by other central banks (BoC, SNB, and ECB), widening cross-currency rate differentials. But markets are almost fully pricing in a 25 bps cut by the Fed next week on rising jobless claims.

Europe: The ECB delivered a 25 bps cut and left the door open for more easing as the economy stays sluggish alongside noises in the political space, pushing EUR/USD down 0.3%. Meanwhile, the CHF slipped after the SNB surprised markets with a larger-than-expected 50 bps cut.

Asia Pacific: USD/JPY edged higher, hovering around its highest level in two weeks, as expectations for a December BOJ rate hike faded, though markets now anticipate a move in January, limiting aggressive dollar buying against the yen. The yuan faced renewed selling pressure, erasing early week gains as reports suggested China might tolerate further weakness to offset US trade tariffs. At the same time, record-low Chinese long-term yields and a 22-year-high yield gap with the US added to the downside.

Malaysia: Ringgit has continued to be on a bearish trend since Monday, partly erasing gains made last week amidst persistent cautious trade. This is also in tandem with muted regional currencies, in view that the weaker CNY sentiment could spill over to other Southeast Asian currencies as well.

Other Markets

Gold: Gold tumbled 1.4% after four days of gains as stronger-than-expected US PPI data pressured gold, with the dollar steady and Treasury yields lifted.

Oil: Brent and WTI went lower as the IEA trimmed 2024 demand growth forecasts and projected a 2025 supply surplus of 0.9 mbpd, citing rising output from non-OPEC+ producers despite delayed OPEC+ cuts.

Weekly Indicative PDS Yields (%)

PDS Indicative	Last Close	bps
3-Year AAA	3.82	0
3-Year AA	4.00	0
3-Year A	4.89	(4)
5-Year AAA	3.91	(0)
5-Year AA	4.09	(1)
5-Year A	5.14	(1)
10-Year AAA	4.06	(2)
10-Year AA	4.24	(2)
10-Year A	5.63	2

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bl)	73.41	(0.1)
WTI (USD/bl)	70.02	(0.4)
Gold (USD/oz)	2,681	(1.4)
CPO (RM/tonne)	5,187	0.0

Equity Indices

Equity	Last Close	Per cent
S&P500 Index	6,051	(0.5)
Dow Jones	43,914	(0.5)
Nasdaq	19,903	(0.7)
London FTSE	8,312	0.1
German DAX	20,426	0.1
Nikkei 225	39,849	1.2
Japan TOPIX	2,773	0.9
FBM KLCI	1,602	(0.1)
Strait Times	3,809	0.4
Jakarta	7,394	(0.9)
Shanghai	3,462	0.8
MSCI Asia Pac	188	0.7
MSCI World	3,826	(0.4)
Hang Seng	20,397	1.2
KOSPI	2,482	1.6
Thai Stock Exc	1,440	(0.2)
Taiwan	23,047	0.6
India	81,290	(0.3)
Australia	8,330	(0.3)

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.75	18-Dec
ECB Main Refinancing	3.15	30-Jan
BoE Base Rate	4.75	19-Dec
RBA Cash Rate	4.35	18-Feb
BoJ Cash Rate	0.25	18-Dec
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	4.470	4.500
Support	4.370	4.400

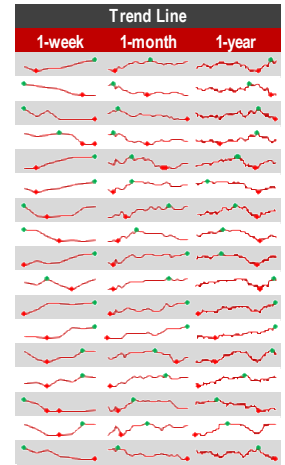
Sources: Bloomberg, Trading Economics, AmBank Economics

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
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
DXY Dollar Index	106.96	106.71	105.71	106.02	102.87
EUR/USD	1.047	1.050	1.059	1.062	1.087
AUD/USD	0.637	0.637	0.645	0.653	0.666
GBP/USD	1.267	1.275	1.276	1.275	1.262
USD/JPY	152.63	152.45	150.1	154.61	142.89
USD/MYR	4.438	4.433	4.427	4.438	4.708
USD/IDR	15,925	15,915	15,860	15,780	15,660
USD/THB	33.84	33.89	34.34	34.80	35.79
USD/SGD	1.347	1.345	1.339	1.338	1.333
USD/CNY	7.269	7.263	7.259	7.235	7.171
USD/KRW	1,431	1,430	1,417	1,408	1,320
USD/INR	84.87	84.84	84.74	84.39	83.40
USD/PHP	58.25	58.30	57.89	58.83	56.08
USD/TWD	32.50	32.52	32.44	32.44	31.52
USD/HKD	7.775	7.775	7.782	7.778	7.811
USD/VND	25,394	25,375	25,392	25,349	24,278
NZD/USD	0.577	0.579	0.589	0.593	0.618

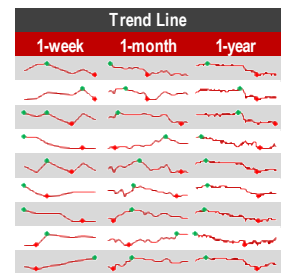
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	1.2	0.9	4.0	5.5
(0.3)	(1.1)	(1.5)	(3.7)	(5.2)
0.0	(1.3)	(2.5)	(4.4)	(6.5)
(0.6)	(0.7)	(0.6)	0.4	(0.5)
0.1	1.7	(1.3)	6.8	8.2
0.1	0.3	0.0	(5.7)	(3.4)
0.1	0.4	0.9	1.7	3.4
(0.2)	(1.5)	(2.8)	(5.5)	(0.9)
0.2	0.6	0.7	1.0	2.0
0.08	0.1	0.5	1.4	2.4
0.1	1.0	1.6	8.4	11.1
0.0	0.2	0.6	1.8	2.0
(0.1)	0.6	(1.0)	3.9	5.2
(0.1)	0.2	0.2	3.1	5.8
(0.0)	(0.1)	(0.0)	(0.5)	(0.5)
0.1	0.0	0.2	4.6	4.6
(0.3)	(2.0)	(2.6)	(6.6)	(8.7)



Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
EUR/MYR	4.664	4.655	4.662	4.716	5.077
GBP/MYR	5.663	5.644	5.632	5.692	5.897
AUD/MYR	2.847	2.814	2.851	2.904	3.086
JPY/MYR	2.907	2.907	2.950	2.871	3.294
SGD/MYR	3.303	3.296	3.301	3.316	3.503
10CNY/MYR	6.103	6.103	6.099	6.135	6.557
100IDR/MYR	2.783	2.784	2.792	2.812	3.005
THB/MYR	13.089	13.079	12.980	12.734	13.151
10HKD/MYR	5.707	5.702	5.689	5.706	6.022

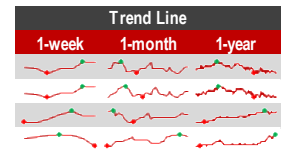
Percentage Change				
1-day	1-week	1-month	1-year	YTD
0.2	0.0	(1.1)	(8.1)	(8.1)
0.3	0.5	(0.5)	(4.0)	(3.0)
1.2	(0.1)	(2.0)	(7.7)	(8.9)
(0.0)	(1.5)	1.3	(11.7)	(10.7)
0.2	0.1	(0.4)	(5.7)	(5.0)
(0.0)	0.1	(0.5)	(6.9)	(5.5)
(0.0)	(0.3)	(1.0)	(7.4)	(6.7)
0.1	0.8	2.8	(0.5)	(2.3)
0.1	0.3	0.0	(5.2)	(3.0)



Commodities

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
Brent (USD/barrel)	73.41	73.52	72.09	71.89	74.26
WTI (USD/barrel)	70.02	70.29	68.3	68.12	69.47
Gold (USD/oz)	2,681	2,718	2,632	2,598	2,028
Malaysia CPO (RM/tonne)	5,187	5,187	5,337	5,181	3,632

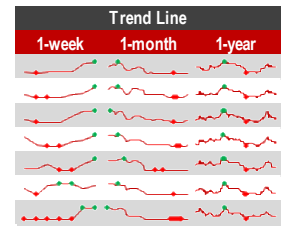
Percentage Change				
1-day	1-week	1-month	1-year	YTD
(0.1)	1.8	2.1	(1.1)	(4.7)
(0.4)	2.5	2.8	0.8	(2.3)
(1.4)	1.9	3.2	32.2	29.9
0.0	(2.8)	0.1	42.8	39.6



Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
3-Year	3.47	3.46	3.45	3.49	3.52
5-Year	3.61	3.59	3.57	3.62	3.64
7-Year	3.76	3.76	3.73	3.80	3.79
10-Year	3.81	3.79	3.78	3.86	3.82
15-Year	3.93	3.93	3.93	4.01	4.05
20-Year	4.05	4.04	4.04	4.09	4.13
30-Year	4.18	4.18	4.18	4.19	4.28

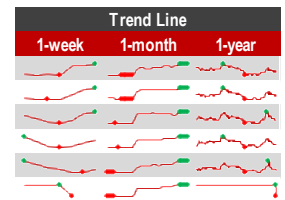
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
1	1	(2)	(5)	0
1	4	(2)	(3)	3
1	4	(3)	(2)	4
1	3	(5)	(2)	8
0	0	(8)	(11)	(5)
0	0	(5)	(8)	(5)
0	0	(0)	(10)	(6)



Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
3-Year	3.41	3.40	3.38	3.44	3.55
5-Year	3.61	3.60	3.59	3.63	3.69
7-Year	3.75	3.75	3.75	3.81	3.82
10-Year	3.80	3.80	3.80	3.88	3.88
15-Year	3.95	3.94	3.96	4.11	4.01
20-Year	4.08	4.08	4.08	4.01	4.17

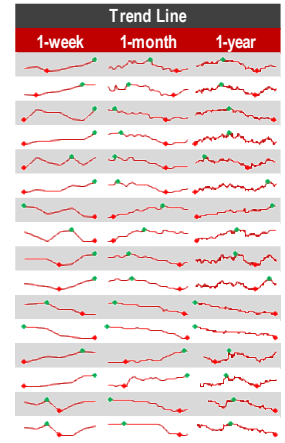
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	2	(4)	(15)	(9)
0	2	(2)	(8)	1
0	1	(6)	(6)	(1)
0	0	(8)	(8)	2
0	(1)	(17)	(6)	(0)
0	0	7	(9)	(4)



Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
UST 2Y	4.19	4.15	4.14	4.34	4.43
UST 10Y	4.33	4.27	4.18	4.43	4.02
Germany 2Y	2.02	1.95	2.02	2.13	2.67
Germany 10Y	2.21	2.13	2.11	2.36	2.17
UK 2Y	4.27	4.25	4.27	4.50	4.38
UK 10Y	4.36	4.32	4.28	4.50	3.83
Japan 2Y	0.58	0.59	0.60	0.51	0.06
Japan 10Y	1.05	1.08	1.07	1.02	0.69
Australia 2Y	3.89	3.79	3.86	4.10	4.03
Australia 10Y	4.26	4.18	4.23	4.56	4.29
China 2Y	1.27	1.29	1.32	1.41	2.39
China 10Y	1.82	1.84	1.96	2.07	2.65
Indonesia 2Y	6.98	6.93	6.82	6.58	6.67
Indonesia 10Y	6.98	6.94	6.92	6.92	6.76
Thailand 2Y	1.99	1.99	2.00	2.09	2.38
Thailand 10Y	2.29	2.28	2.30	2.41	2.81

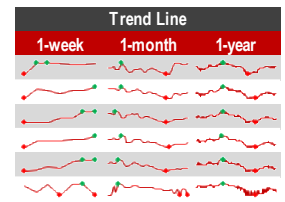
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
4	5	(15)	(24)	(6)
6	15	(10)	31	45
7	0	(11)	(65)	(38)
8	9	(16)	3	18
2	(0)	(23)	(11)	29
4	8	(14)	53	83
(1)	(2)	7	53	53
(2)	(2)	4	36	44
10	2	(22)	(14)	18
8	3	(30)	(2)	31
(2)	(5)	(14)	(112)	(93)
(2)	(14)	(26)	(83)	(75)
5	16	39	31	46
4	7	7	23	50
(0)	(0)	(9)	(39)	(34)
1	(1)	(13)	(52)	(39)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
IRS 1-Year	3.59	3.59	3.60	3.56	3.60
IRS 3-Year	3.49	3.47	3.48	3.51	3.55
IRS 5-Year	3.53	3.50	3.48	3.55	3.65
IRS 7-Year	3.61	3.59	3.58	3.64	3.77
IRS 10-Year	3.71	3.70	3.68	3.75	3.93
IRS 20-Year	4.06	4.05	4.03	4.09	4.28

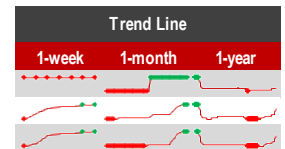
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	(1)	3	(1)	1
2	1	(1)	(5)	0
2	4	(3)	(13)	(6)
2	2	(3)	(17)	(10)
0	3	(4)	(22)	(11)
1	3	(3)	(23)	(15)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
1-Month Klibor	3.29	3.29	3.29	3.28	3.37
3-Month Klibor	3.71	3.71	3.67	3.60	3.77
6-Month Klibor	3.76	3.76	3.71	3.65	3.79

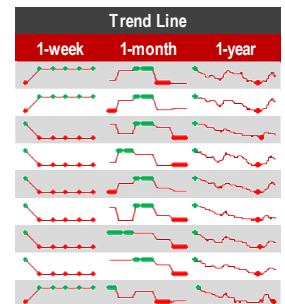
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	1	(8)	(8)
0	4	11	(6)	(6)
0	5	11	(3)	(5)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	12-Dec-24	11-Dec-24	5-Dec-24	12-Nov-24	13-Dec-23
3-Year AAA	3.82	3.82	3.82	3.82	3.96
3-Year AA	4.00	4.00	4.00	3.99	4.14
3-Year A	4.89	4.89	4.93	4.93	5.27
5-Year AAA	3.91	3.91	3.91	3.92	4.08
5-Year AA	4.09	4.09	4.09	4.08	4.27
5-Year A	5.14	5.14	5.16	5.18	5.57
10-Year AAA	4.06	4.06	4.08	4.09	4.32
10-Year AA	4.24	4.24	4.26	4.27	4.53
10-Year A	5.63	5.63	5.61	5.76	6.01

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(14)	(3)
0	0	1	(14)	(4)
0	(4)	(4)	(38)	(35)
0	(0)	(1)	(17)	(6)
0	(1)	0	(19)	(9)
0	(1)	(4)	(42)	(41)
0	(2)	(3)	(26)	(12)
0	(2)	(3)	(30)	(18)
0	2	(12)	(38)	(43)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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