



### Weekly Fixed Income & FX Research Commentary

Oil prices open above USD100/bbl today (9 March) amid sharply rising geopolitical risks.

#### Snapshot Summary...

**Global Rates:** DM bond yields sharply up, as rising energy prices risks upside to inflation and central bank policy rate trajectory.

**MYR Bonds:** MGS yields loosely tracked global yields higher, with greater support seen on duration tenors.

**Global FX:** DXY up a sharp 1.4% w/w, with the US current account expected to be a beneficiary from higher energy prices.

**USD/MYR:** MYR fell 1.4% w/w, roughly in line with Asian peers, reflecting a stronger USD, risk-off market sentiment, and some profit-taking.

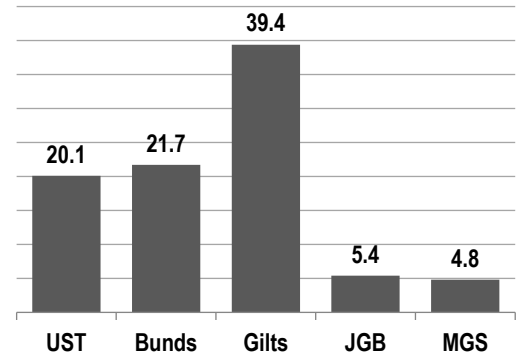
#### Fixed Income

**Global Bonds:** The UST yield curve bear-flattened w/w as front-to-belly yields rose 19-23 bps w/w, while duration tenors saw a slightly milder rise of 15-18 bps. Fuelling the rise was the fast-escalating war in the Middle East, whereby inflationary concerns have sent UST yields sharply higher, though the jump in Bunds' and Gilts' yields were even greater, owing to the Eurozone and UK's greater vulnerability to higher energy prices on their respective current accounts. Brent and WTI prices hovered around USD110/bbl this morning (9 March) amid news of direct attacks on key regional infrastructure and no signs of relenting by US/Israel and Iran. Trading is expected to remain fluid and choppy pending news developments on the Middle East front. Fed's commentary will also likely have magnified impacts on FFR futures pricing and UST yields ahead (especially from expected incoming Fed chairman Kevin Warsh), given the weak NFP data on Friday, heightening the risks of stagflation ahead. US CPI and PCE inflation data for February/January will also be on watch this week.

**Malaysia Government Bonds** also weakened but to a lesser extent, with the MGS curve bear flattening by 0-6bps across the curve, even as IRS yields also tracked higher. Underperformance were seen in the key benchmark 3Y and 10Y tenors, afflicted by an exodus of foreign funds on the front-end as the MYR retreated (-1.4% w/w), while a retreat towards duration tenors of the curve by domestic players also drove the 10Y underperformance. Slight support was seen on Thursday's BNM MPC meeting, which struck markets as overall neutral/slightly dovish, as it assessed that Malaysia is facing new challenges from a strong posture.

**Malaysia Government Bonds View:** Reopening auction for the 15Y GII 07/40 with a public issuance size of MYR3.5 billion (excluding a separate MYR1.5 billion private placement) attracted a BTC of 2.295 this morning (9 March) – slightly softer than recent BTCs of around ~2.9 for the past two auctions, though still reflecting resilient demand given Malaysia's relatively contained inflationary pressure and net energy exporter profile promoted confidence among local players. However, next up sees the new benchmark issuance for the 3Y MGS (03/29), which may see an even greater demand test if market confidence remains fragile and/or the MYR remains strong.

#### Weekly Major 10Y Sovereign Yield Changes (bps)



#### Weekly Major Bond Yields (%)

Major Bond Yields	6-Mar-26	27-Feb-26	w/w (bps)
2-year UST	3.56	3.37	19
10-year UST	4.14	3.94	20
2-year Bund	2.31	2.00	31
10-year Bund	2.86	2.64	22
2-year Gilt	3.87	3.53	35
10-year Gilt	4.63	4.23	39
2-year JGB	1.25	1.23	2
10-year JGB	2.17	2.12	5
2-year AGB	4.38	4.19	20
10-year AGB	4.84	4.65	19

#### Weekly MGS Yields (%)

MGS Yields	6-Mar-26	27-Feb-26	w/w (bps)
3-year	3.11	3.06	5
5-year	3.35	3.31	3
7-year	3.45	3.42	3
10-year	3.55	3.50	5
15-year	3.80	3.78	2
20-year	3.94	3.93	1
30-year	4.03	4.03	0

#### Weekly GII Yields (%)

GII Yields	6-Mar-26	27-Feb-26	w/w (bps)
3-year	3.14	3.11	4
5-year	3.30	3.28	2
7-year	3.37	3.38	(0)
10-year	3.54	3.53	1
15-year	3.83	3.82	1
20-year	3.94	3.94	(0)

#### MYR Swap & KLIBOR Rates (%)

IRS & KLIBOR	6-Mar-26	27-Feb-26	w/w (bps)
IRS 3-Year	3.37	3.32	5
IRS 5-Year	3.46	3.39	7
IRS 7-Year	3.56	3.48	8
IRS 10-Year	3.71	3.65	6
3-Month KLIBOR	3.25	3.23	2
6-Month KLIBOR	3.28	3.27	1

## Forex

**DXY Index:** The playbook of US and USD supremacy during wars were revisited, as the greenback strengthened across all Asian and G10 currencies for the week (excluding the oil-driven CAD), bringing the DXY index up a sharp 1.4% w/w rise for the first week after the US-Iran war, with another 0.6% jump seen this morning (9 March), as weekend developments included direct strikes on key infrastructures (Iranian oil facilities, Bahrain desalination plants), as well as rhetoric from the US and Iran that suggests no prospects of de-escalations anytime soon. USD benefits from the higher-for-longer energy price environment, given its net exporter profile of both oil and LNG – which are only expected to intensify ahead if the conflict is prolonged, marginal shale oil production becomes viable and increased, and LNG export facilities come operational. Meanwhile, US data presents a more difficult pathway for Fed policymakers, as unexpectedly weak NFP data is expected to meet inflationary pressure ahead from higher energy, transportation, and fertilizer costs, which suggests risks of stagflation ahead.

**Europe:** EUR (-1.6% w/w) underperformed almost all G10 peers for the week. This is despite the EUR's recent role as a safe-haven currency, as markets look past the theme towards a reality of Europe's dependence on imported energy, which means higher commodity prices will hit growth and purchasing power more directly. Futures pricing of ECB monetary policy also remains inadequate in supporting the EUR for now, with only a 65% expected of a rate hike by 1H2026 – relatively late, given the more immediate terms of trade pressure. Meanwhile, GBP (-0.5%) fared better, supported by sharply higher Gilt yields amid inflationary pressure as well.

**APAC:** JPY fell 1.1% w/w. We think the decline was relatively mild despite Japan's high energy import dependency, as it relies on the Middle East for around 95% of its oil supplies with about 70% coming via the Strait of Hormuz. We think the JPY was supported by verbal interventions (with USD/JPY nearing the 160.0 level), relatively cheap JGB valuations, and its safe-haven properties – with the CHF (-0.9% w/w) also seen performing similarly. Meanwhile, though the AUD fell a larger 1.2% w/w amid its proxy role as a risk-on currency, we think AUD/USD hovering around 0.70 level remains solid, reflecting Australia's relative geographical insularity, upside exposure from elevated commodity prices, and further hawkishness expected from the RBA ahead.

**Malaysia:** MYR fell 1.4% w/w – underperforming regional currencies such as the PBOC-guided CNY (-0.6% w/w), and safe-haven SGD (-1.0%) and JPY; though greater shocks were seen for energy-dependent peers such as the PHP (-2.3%), THB (-2.7%), and KRW (-3.2%). We continue to think MYR declines may be attributed to the stronger USD, risk-off market sentiment, and profit-taking by foreign money on front-end MGS; and reflect less on Malaysia's fundamentals given its relative energy price insularity and minimal disruptions to major industries. Meanwhile, though the government has guided that RON95 prices should remain fixed at MYR1.99/litre under the Budi95 program for now, it also warned against risks of complacency, with imports expected to be more expensive ahead due to trade and supply chain disruptions. And despite an unchanged OPR at 2.75% during BNM's MPC meeting for the week, markets are also beginning to price in a potential rate hike by BNM in the future, in line with growing hawkish pricings globally given rising inflation risks.

### Indicative PDS Yields (%)

PDS Indicative Yields	6-Mar-26	27-Feb-26	w/w (bps)
3-Year AAA	3.53	3.52	0
3-Year AA	3.67	3.67	(0)
3-Year A	4.48	4.48	(0)
5-Year AAA	3.61	3.61	(0)
5-Year AA	3.75	3.76	(0)
5-Year A	4.64	4.64	(0)
10-Year AAA	3.78	3.79	(0)
10-Year AA	3.93	3.93	(0)
10-Year A	5.03	5.04	(0)

### FX Weekly – vs. USD

FX Against USD	6-Mar-26	27-Feb-26	w/w (%)
DXY Index	98.99	97.61	1.4
EUR/USD	1.162	1.181	(1.6)
AUD/USD	0.703	0.712	(1.2)
GBP/USD	1.341	1.348	(0.5)
USD/JPY	157.8	156.1	1.1
NZD/USD	0.590	0.600	(1.7)
USD/MYR	3.948	3.893	1.4
USD/IDR	16,906	16,771	0.8
USD/THB	31.94	31.08	2.8
USD/SGD	1.278	1.265	1.0
USD/CNY	6.905	6.862	0.6
USD/KRW	1,488	1,440	3.3
USD/INR	91.75	90.98	0.8
USD/PHP	59.00	57.66	2.3

### FX Weekly – Cross Rates vs. MYR

Cross FX Against MYR	6-Mar-26	27-Feb-26	w/w (%)
EUR/MYR	4.57	4.59	(0.5)
GBP/MYR	5.26	5.25	0.2
AUD/MYR	2.76	2.77	(0.2)
JPY/MYR	2.50	2.50	0.3
SGD/MYR	3.08	3.08	0.2
10 CNY/MYR	5.72	5.68	0.7
1 million IDR/MYR	233.20	232.00	0.5
THB/MYR	12.39	12.52	(1.0)
100 INR/MYR	4.30	4.28	0.5
100 PHP/MYR	6.69	6.75	(0.9)

Sources: Bank Negara Malaysia (BNM), Bloomberg, Trading Economics, AmBank Economics

Technical Pair Summary

<b>DXY</b> 	<b>Resistance Level</b>			
	R1	100.63	R2	101.59
	<b>Support Level</b>			
	S1	97.76	S2	95.84
Outlook: Bullish				

<b>EUR/USD</b> 	<b>Resistance Level</b>			
	R1	1.177	R2	1.202
	<b>Support Level</b>			
	S1	1.139	S2	1.126
Outlook: Bearish				

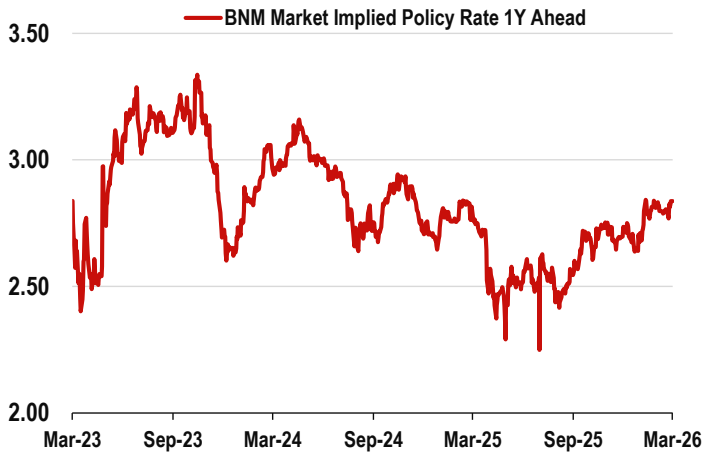
<b>USD/JPY</b> 	<b>Resistance Level</b>			
	R1	160.8	R2	162.8
	<b>Support Level</b>			
	S1	154.7	S2	150.7
Outlook: Bearish				

<b>USD/MYR</b> 	<b>Resistance Level</b>			
	R1	4.041	R2	4.114
	<b>Support Level</b>			
	S1	3.892	S2	3.816
Outlook: Slightly bearish				

<b>GBP/USD</b> 	<b>Resistance Level</b>			
	R1	1.353	R2	1.377
	<b>Support Level</b>			
	S1	1.318	S2	1.306
Outlook: Bearish				

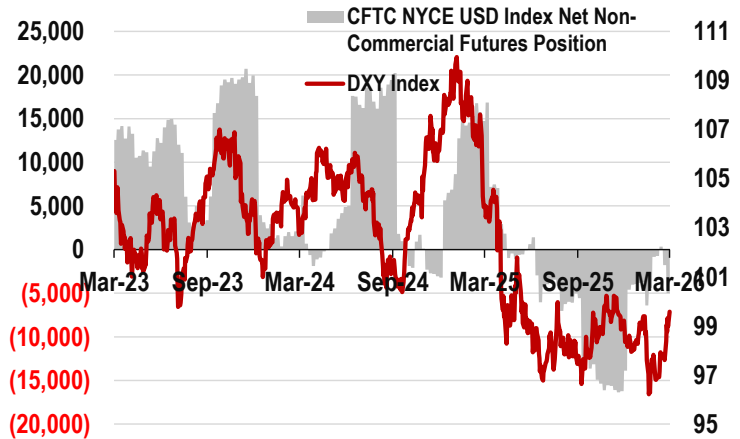
<b>AUD/USD</b> 	<b>Resistance Level</b>			
	R1	0.708	R2	0.718
	<b>Support Level</b>			
	S1	0.692	S2	0.687
Outlook: Slightly bearish				

Exhibit 1: BNM MIPR 1Y Ahead (%)



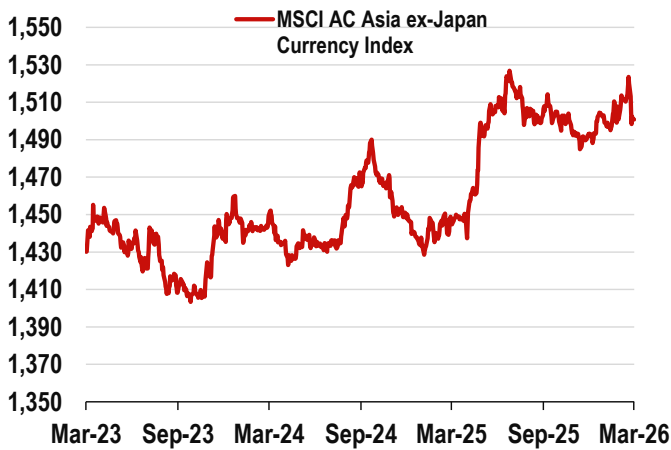
Sources: BPAM, AmBank Economics

Exhibit 2: CFTC Dollar Insti. Net Fut. Positioning vs. DXY



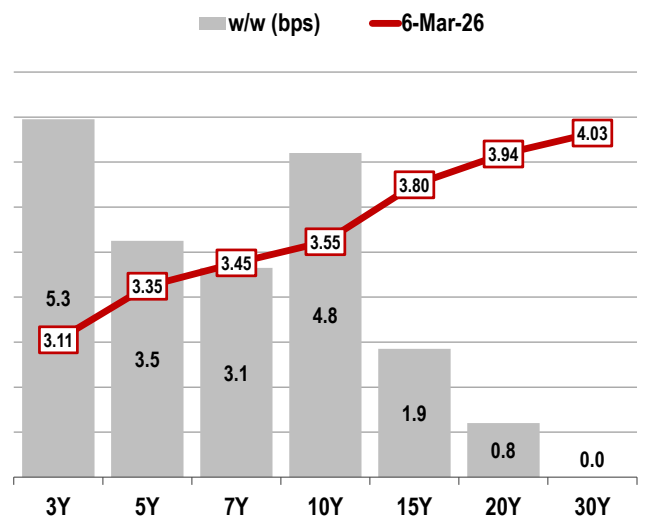
Sources: Bloomberg, AmBank Economics

Exhibit 3: MSCI AC Asia Ex-JP Currency Index



Sources: Bloomberg, AmBank Economics

Exhibit 4: MGS w/w yield curve changes



Sources: BNM, BPAM, Bloomberg, AmBank Economics  
Using the MGIY ticker on Bloomberg

## Macroeconomic Data/Events Calendar (09 March 2026 – 13 March 2026)

Date	Time (+8 GMT)	Country	Indicator	Period	Unit	Survey Median	Prior
2026-03-09	09:30	CH	CPI YoY	Feb	%	0.9	0.2
2026-03-09	07:50	JP	BoP Current Account Balance	Jan	b	930.0	728.8
2026-03-10	07:50	JP	GDP Annualized SA QoQ	4Q F	%	1.0	0.2
2026-03-10	07:50	JP	GDP SA QoQ	4Q F	%	0.3	0.1
2026-03-10	07:50	JP	GDP Deflator YoY	4Q F	%	3.4	3.4
2026-03-10	07:30	AU	Westpac Consumer Conf SA MoM	Mar	%	-	(2.6)
2026-03-10	22:00	US	Existing Home Sales	Feb	m	3.9	3.9
2026-03-11	07:50	JP	PPI YoY	Feb	%	2.2	2.3
2026-03-11	19:00	US	MBA Mortgage Applications	Mar 6	%	-	11.0
2026-03-11	20:30	US	CPI MoM	Feb	%	0.3	0.2
<b>2026-03-11</b>	<b>20:30</b>	<b>US</b>	<b>CPI YoY</b>	<b>Feb</b>	<b>%</b>	<b>2.4</b>	<b>2.4</b>
2026-03-12	20:30	US	Trade Balance	Jan	b	(66.0)	(70.3)
2026-03-12	20:30	US	Initial Jobless Claims	Mar 7	k	215.0	213.0
2026-03-12	20:30	US	Housing Starts	Jan	k	1340.0	1404.0
<b>2026-03-13</b>	<b>20:30</b>	<b>US</b>	<b>Personal Income</b>	<b>Jan</b>	<b>%</b>	<b>0.5</b>	<b>0.3</b>
<b>2026-03-13</b>	<b>20:30</b>	<b>US</b>	<b>Personal Spending</b>	<b>Jan</b>	<b>%</b>	<b>0.3</b>	<b>0.4</b>
2026-03-13	20:30	US	Durable Goods Orders	Jan P	%	1.1	(1.4)
2026-03-13	20:30	US	GDP Annualized QoQ	4Q S	%	1.4	1.4
<b>2026-03-13</b>	<b>22:00</b>	<b>US</b>	<b>U. of Mich. Sentiment</b>	<b>Mar P</b>		<b>55.3</b>	<b>56.6</b>
2026-03-13	05:30	NZ	BusinessNZ Manufacturing PMI	Feb		-	55.2
2026-03-13	15:00	UK	Industrial Production MoM	Jan	%	0.3	(0.9)
2026-03-13	15:00	UK	Manufacturing Production MoM	Jan	%	0.3	(0.5)

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