AmBank Group

AmBank Economics

Market Wrap-up for the Week ended 17 April 2026

Weekly Fixed Income & FX Research Commentary

War developments continue to dictate markets as we head to central bank meetings.

Monday, 20 April 2026

Snapshot Summary…

Global Rates: UST rallied on hopes for a resolution to the war. However, continued conflict in the Straits of Hormuz may limit upside in the short term.

MYR Bonds: New 20Y MGS issuance is on our radar.

Global FX: USD fell to below 97.7 before recovering to above 98.0.

USD/MYR: MYR improved by 0.4% w/w last week amid the better global risk appetite whilst March CPI met consensus.

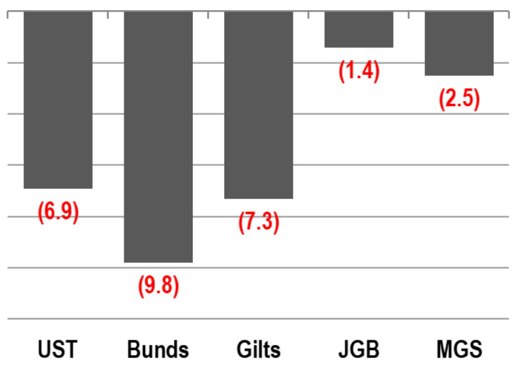
Fixed Income

Global Bonds: UST rallied on hopes for a resolution to the war. However, over the weekend, there was continued conflict as the US Navy seized an Iranian ship as it attempted to breach the US blockade of the Straits of Hormuz. That being said, the US President said discussions with Iran remain scheduled, with VP Vance reportedly due in Pakistan today for talks. As we moved towards the 19 April FOMC, Fed policymakers' comments and fresh data releases were monitored. Fed governor Waller said a rapid de-escalation of the war allows the option to cut interest rates. NY Fed President John Williams said the war has already driven up inflationary pressures, and the uncertain outlook limits the central bank's outlook and thus comments on the direction of interest rate policy. As for the data, the weekly job numbers were the focus. US weekly initial jobless claims fell to 207k from 218k previously, but Fed data show US industrial production fell 0.5% m/m in March, as capacity utilisation also fell. The US PPI surged to 4.0% in March (as the West Asia war started) from 3.4% in February.

Malaysia Government Bonds: MGS closed firm, except for a mixed close last Friday amid the release of higher CPI. However, longer-term inflationary risk could be reined in depending on global oil prices. Thus, in the long term, demand for bonds should remain healthy, supported by Malaysia's fundamentals, including growth and investment/earnings, as well as an expected stable BNM policy rate through 2024, where we expect the OPR to remain at 2.75%.

Malaysia Government Bonds View: The GII 10/29 auction last week, a new paper with a MYR5.0 billion size, received bids of MYR14.6 billion, resulting in a BTC of 2.921x. Average yield was 3.227%, which was below the WI level of around 3.25%. The firm demand reflects, in our opinion, the continued attraction of Malaysia's growth and credit fundamentals, including its fiscal outlook, where, save for crude oil volatility and its impact on subsidy payments, the government remains intent on consolidating its fiscal deficits over the next few years. The next auction is for a new 20Y MGS (MGS 04/46), with a size of another MYR3.5 billion, on top of a private placement worth MYR1.5 billion. *MGS 04/46, if quoted near 4.03%, should fetch firm bids, in our opinion,* with the 30Y MGS quite near at last around 4.13%.

Weekly Major 10Y Sovereign Yield Changes (bps)



Weekly Major Bond Yields (%)

Major Bond Yields	17-Apr-26	10-Apr-26	w/w (bps)
2-year UST	3.71	3.80	(9)
10-year UST	4.25	4.32	(7)
2-year Bund	2.41	2.60	(19)
10-year Bund	2.96	3.06	(10)
2-year Gilt	4.12	4.26	(14)
10-year Gilt	4.76	4.84	(7)
2-year JGB	1.37	1.41	(4)
10-year JGB	2.42	2.44	(1)
2-year AGB	4.67	4.67	(1)
10-year AGB	4.99	4.97	3

Weekly MGS Yields (%)

MGS Yields	17-Apr-26	10-Apr-26	w/w (bps)
3-year	3.19	3.23	(4)
5-year	3.36	3.39	(3)
7-year	3.48	3.52	(4)
10-year	3.57	3.60	(2)
15-year	3.86	3.90	(4)
20-year	4.00	4.01	(1)
30-year	4.13	4.13	(1)

Weekly GII Yields (%)

GII Yields	17-Apr-26	10-Apr-26	w/w (bps)
3-year	3.21	3.23	(2)
5-year	3.32	3.40	(7)
7-year	3.50	3.60	(9)
10-year	3.58	3.63	(5)
15-year	3.88	3.92	(3)
20-year	4.00	4.02	(2)

MYR Swap & KLIBOR Rates (%)

IRS & KLIBOR	17-Apr-26	10-Apr-26	w/w (bps)
IRS 3-Year	3.38	3.37	0
IRS 5-Year	3.42	3.42	(0)
IRS 7-Year	3.52	3.52	0
IRS 10-Year	3.66	3.66	0
3-Month KLIBOR	3.35	3.35	0
6-Month KLIBOR	3.39	3.39	0

Malaysia Corporate Bonds: PDS trading was mixed, with sentiment lagging the MGS rally. We think credit trading should catch up slightly in the coming week, assuming MGS trading remains firm. Also, higher-grade, shorter-term AAA names led trading last week, and that should hold this week as well unless global risk appetite improves tremendously in the coming days.

Forex

DXY Index: USD fell to below of 97.7 before recovering to above 98.0 (though it was still down 0.6% w/w). The week had started on high alert and with a strong dollar (DXY above 99) amid a breakdown in US-Iran peace talks. However, positive developments during the week then pressured the dollar lower as the US president claimed a peace deal was near and Iran said the Straits of Hormuz would reopen. On the other hand, last weekend saw reports of difficulties with a deal, as Iran reportedly maintained control of the straits and refused to allow ships to traverse them. US data was mixed, including job claims and industrial output, which we think were supportive of Fed cuts this year. The US PPI surged to 4.0% in March (as the West Asia war began) from 3.4% in February, but below the 4.6% consensus.

Europe: The EUR rallied, though w/w gains were pared after reaching a weekly high of 1.1835 and a late USD recovery. Eurozone CPI for March was revised higher to 2.6% vs the prior estimate of 2.5%. Core CPI was stable at 2.3%. The risk of inflation is greater for net petroleum importer Europe than for net exporter the US. OIS trading is pricing two rate hikes this year. The ECB's inflation target remains 2%. ECB President Christine Lagarde warned attendees at the International Monetary Fund (IMF) conference on Friday of inflationary risks. The ECB policy meeting is on 30 April. GBP moved in a similar pattern to EUR last week. On top of watching war news, GBP traders were listening to policy comments and data. The UK reported February monthly GDP at 0.5% m/m vs the 0.1% expectation, while industrial production was a firm 0.5% m/m, but y/y was a contraction of 0.4%. BOE economist Pill said the central bank should be wary of the threat of inflation in directing policy.

APAC: JPY rose 0.4%. BOJ Governor Ueda warned of energy-driven high inflation and weak economic growth, which sustained JPY just below 159.0 last Friday. CNY rose 0.2%. PBOC was suspected of deterring volatility in its currency, which had rallied in April, by fixing the currency at a lower rate than expected. China reported some strong economic data points, but weak indicators were also thrown into the mix. China's 1Q2026 GDP growth beat expectations at 5.0% y/y (consensus: 4.8%, prior: 4.5%), aided by manufacturing exports, though consumer expenditure and private sector investment were weak. Meanwhile, China also reported that March 2026 industrial production beat estimates at 5.7% vs consensus 5.3%, but March retail sales were lower at +1.7% y/y vs expectations of +2.4%. Commodity currency AUD rallied by 1.6% w/w as the USD moved lower despite lower oil prices, though some backing down from four-month highs was seen mid-week. The Aussie jobs market remained resilient; last week's data showed the unemployment rate staying at 4.3% in March, while employment growth was 17.9k vs the +20.0k expectation.

Indicative PDS Yields (%)

PDS Indicative Yields	17-Apr-26	10-Apr-26	w/w (bps)
3-Year AAA	3.55	3.56	(1)
3-Year AA	3.69	3.69	(1)
3-Year A	4.48	4.45	3
5-Year AAA	3.63	3.63	(1)
5-Year AA	3.77	3.77	(0)
5-Year A	4.66	4.61	4
10-Year AAA	3.79	3.80	(1)
10-Year AA	3.94	3.94	(1)
10-Year A	5.06	5.01	5

FX Weekly – vs. USD

FX Against USD	17-Apr-26	10-Apr-26	w/w (%)
DXY Index	98.10	98.65	(0.6)
EUR/USD	1.177	1.172	0.4
AUD/USD	0.717	0.706	1.6
GBP/USD	1.352	1.346	0.4
USD/JPY	158.6	159.3	(0.4)
NZD/USD	0.588	0.584	0.8
USD/MYR	3.951	3.965	(0.4)
USD/IDR	17,190	17,098	0.5
USD/THB	32.08	32.15	(0.2)
USD/SGD	1.269	1.274	(0.3)
USD/CNY	6.818	6.829	(0.2)
USD/KRW	1,460	1,484	(1.6)
USD/INR	92.93	92.73	0.2
USD/PHP	60.08	59.97	0.2

FX Weekly – Cross Rates vs. MYR

Cross FX Against MYR	17-Apr-26	10-Apr-26	w/w (%)
EUR/MYR	4.66	4.64	0.4
GBP/MYR	5.35	5.33	0.3
AUD/MYR	2.83	2.80	1.1
JPY/MYR	2.49	2.49	0.1
SGD/MYR	3.11	3.11	(0.2)
10 CNY/MYR	5.80	5.81	(0.2)
1 million IDR/MYR	230.00	231.80	(0.8)
THB/MYR	12.43	12.34	0.7
100 INR/MYR	4.25	4.28	(0.7)
100 PHP/MYR	6.58	6.61	(0.5)

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

Malaysia: MYR improved by 0.4% w/w last week amid the better global risk appetite. Advance GDP for 1Q2026 was reported at a firm 5.3% y/y, though slower than 4Q2025's 6.3% and a tad below consensus of 5.5%. On a q/q% basis, growth contracted by 4.4% compared to a positive growth of 3.3% in the previous quarter. The performance was supported by expansion in the services (+5.4%), manufacturing (5.8%), construction (7.8%) and agriculture (2.8%) sectors, but the mining sector reported a decline (-1.1% vs +2.0% in 4Q2025). Also, headline CPI for March was 1.7%, meeting expectations but higher than 1.4% in February, coinciding with Brent crude surging to USD118.35 at the end of March from USD72.48 end-February. March 2026 was mainly driven by an increase in the Transport group to 1.6% from 0.7% in February 2026. On the other hand, core inflation in March was 2.1% y/y or edging up from 2.0% in February. BNM Governor Datuk Seri Rasheed says relatively low inflation would help Malaysia weather the energy supply shock, even if global oil prices are projected to remain higher for longer. The next MPC meeting is on 7 May, and we continue to expect BNM to hold the OPR as is until the end of the year.

Technical Pair Summary

DXY	Resistance Level			
	R1	99.89	R2	101.43
	Support Level			
	S1	97.44	S2	96.52
	Outlook: Slightly Bullish			

EUR/USD	Resistance Level			
	R1	1.188	R2	1.201
	Support Level			
	S1	1.155	S2	1.135
	Outlook: Slightly Bearish			

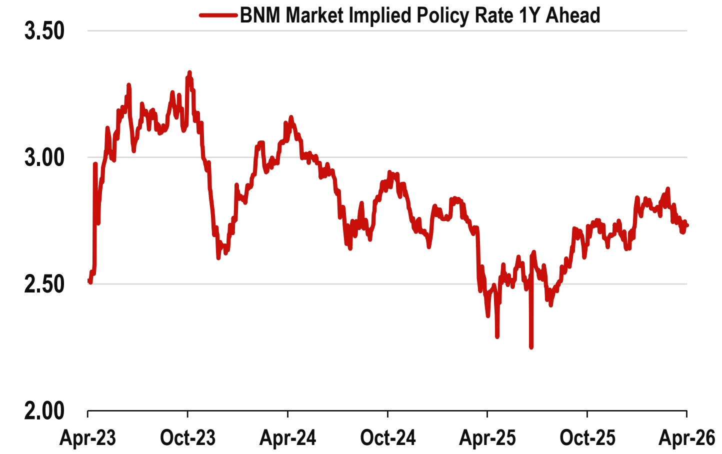
USD/JPY	Resistance Level			
	R1	160.0	R2	161.0
	Support Level			
	S1	158.2	S2	157.5
	Outlook: Neutral			

USD/MYR	Resistance Level			
	R1	4.029	R2	4.106
	Support Level			
	S1	3.896	S2	3.840
	Outlook: Neutral			

GBP/USD	Resistance Level			
	R1	1.364	R2	1.380
	Support Level			
	S1	1.326	S2	1.303
	Outlook: Slightly Bullish			

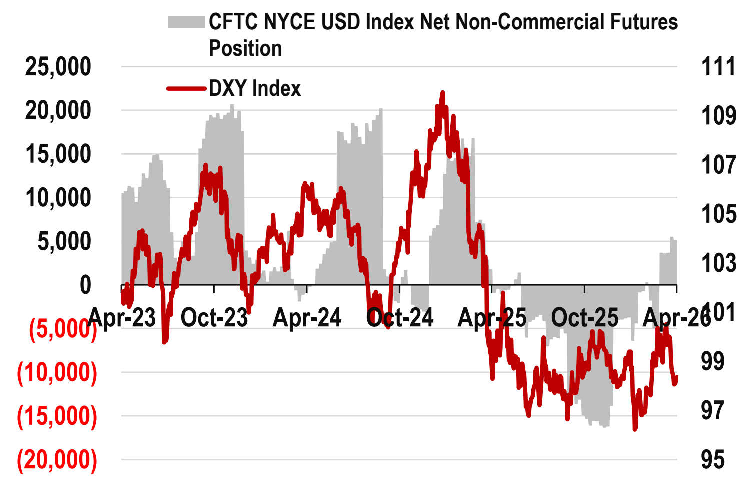
AUD/USD	Resistance Level			
	R1	0.727	R2	0.738
	Support Level			
	S1	0.694	S2	0.674
	Outlook: Slightly Bullish			

Exhibit 1: BNM BBG MIPR 1Y Ahead (%)



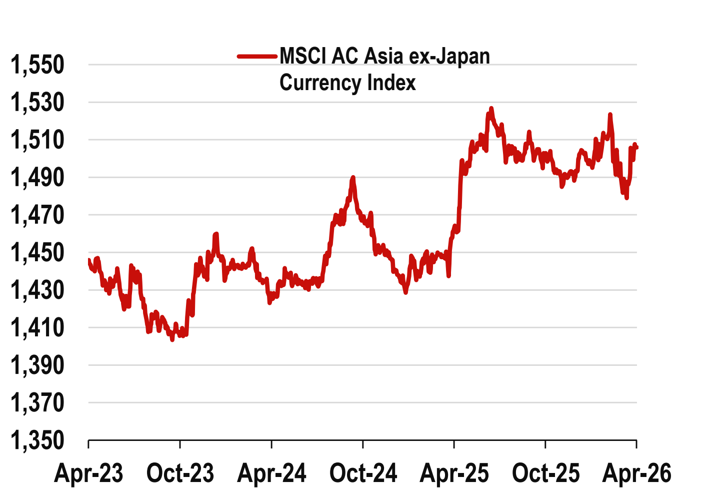
Sources: BPAM, AmBank Economics

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



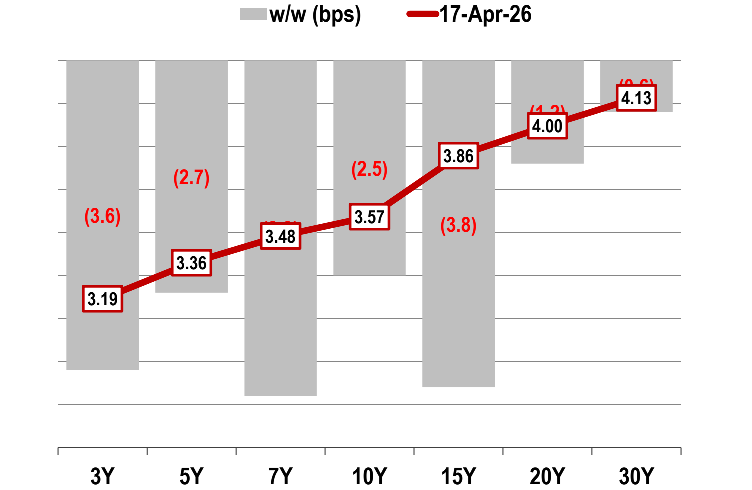
Sources: Bloomberg, AmBank Economics

Exhibit 3: MSCI AC Asia Ex-JP Currency Index



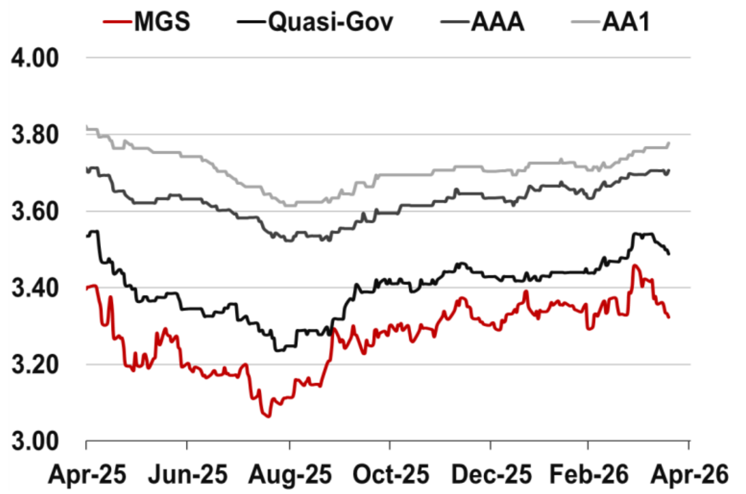
Sources: Bloomberg, AmBank Economics

Exhibit 4: MGS w/w yield curve changes



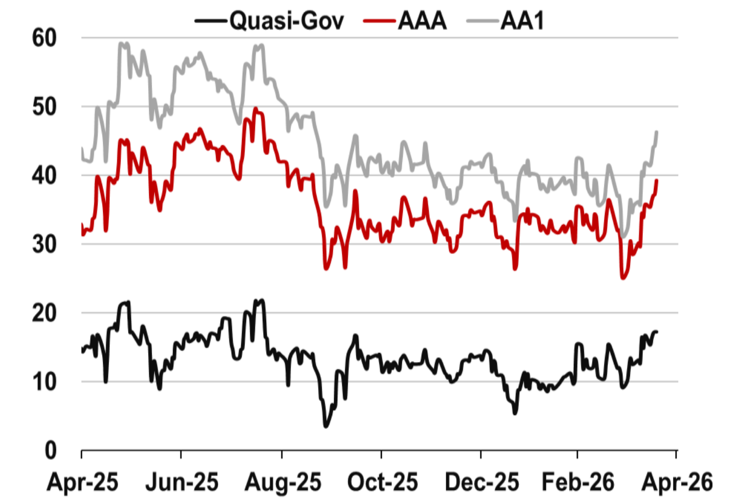
Sources: BNM, BPAM, Bloomberg, AmBank Economics
Using the MGIY ticker on Bloomberg

Exhibit 5: PDS yields (5Y tenor) (%)



Sources: Bloomberg, AmBank Economics

Exhibit 6: PDS 5Y spread vs MGS (bps)



Sources: Bloomberg, AmBank Economics

Macroeconomic Data/Events Calendar (20 April 2026 – 27 April 2026)

Date	Time (+8 GMT)	Country	Indicator	Period	Unit	Survey Median	Prior
2026-04-20	06:45	NZ	Trade Balance NZD	Mar	m	-	(257.0)
2026-04-20	12:30	JP	Tertiary Industry Index MoM	Feb	%	(0.5)	1.7
2026-04-21	06:45	NZ	CPI QoQ	1Q	%	0.8	0.6
2026-04-21	14:00	UK	ILO Unemployment Rate 3Mths	Feb	%	5.2	5.2
2026-04-21	14:00	UK	Claimant Count Rate	Mar	%	-	4.4
2026-04-21	**14:00**	**UK**	**Jobless Claims Change**	**Mar**	**k**	**-**	**24.7**
2026-04-21	20:30	US	Retail Sales Advance MoM	Mar	%	1.4	0.6
2026-04-22	14:00	UK	CPI MoM	Mar	%	0.6	0.4
2026-04-22	14:00	UK	CPI YoY	Mar	%	3.3	3.0
2026-04-22	14:00	UK	CPI Core YoY	Mar	%	3.2	3.2
2026-04-22	**19:00**	**US**	**MBA Mortgage Applications**	**Apr 17**	**%**	**-**	**1.8**
2026-04-23	08:30	JP	S&P Global Japan PMI Mfg	Apr P		-	51.6
2026-04-23	16:30	UK	S&P Global UK Services PMI	Apr P		50.0	50.5
2026-04-23	16:30	UK	S&P Global UK Manufacturing PMI	Apr P		50.3	51.0
2026-04-23	20:30	US	Initial Jobless Claims	Apr 18	k	210.0	207.0
2026-04-23	21:45	US	S&P Global US Manufacturing PMI	Apr P		52.5	52.3
2026-04-23	13:00	SG	CPI YoY	Mar	%	1.8	1.2
2026-04-23	16:00	EU	S&P Global Eurozone Manufacturing PMI	Apr P		50.9	51.6
2026-04-24	07:30	JP	Natl CPI YoY	Mar	%	1.4	1.3
2026-04-24	14:00	UK	Retail Sales Inc Auto Fuel MoM	Mar	%	0.0	(0.4)
2026-04-24	22:00	US	U. of Mich. Sentiment	Apr F		48.4	47.6
2026-04-27	13:00	SG	Industrial Production YoY	Mar	%	-	(0.1)

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