

15 July 2025

## Global Economics & Market Strategy

### SRBI Boosts Indonesia's Non-Resident Holdings to Stay Elevated

- ◆ **SRBI continues to drive non-resident (NR) holdings' level to remain high, above the pandemic era level.** As of 1H2025, non-resident (NR) holdings of IndoGB stood at IDR918.7tn, while SRBI holdings were at IDR213.4tn (Figure 2). This puts current holdings above the average NR IndoGB holdings during the pandemic period (2020-2022), which was around IDR894tn. We think the short-term nature of SRBI and its yield, relatively close to that of IndoGB (SRBI: 6.187%, IndoGB 10YR: 6.576%), has continued to attract foreign investors. However, SRBI holdings among NRs have declined by 4.8% YTD, as traders shifted towards IndoGB in anticipation of further rate cuts by Bank Indonesia in 2025. Overall, NR holdings in Indonesian government bonds remained steady, accounting for 14.6% of the total in May 2025 (December 2024: 14.5%).
- ◆ **Malaysia:** Total government securities volume stood at MYR5,465mn with the top traded stock **MGS 3.955% 9/25** with MYR1,048mn traded. The implied 10YR MGS yield movement today is +0.37bps, given the trailing 30-day beta of +0.15 against UST 10YR (+2.4bps). Bid-ask spreads rose broadly (Figure 3). The 30-day 10YR MGS/UST correlation stood at +0.21. Corporate Bonds volume traded was MYR701mn, with the top traded stock **Cagamas 3.780% 3/28** with a volume of MYR110mn. *\*Every 1 bps move in 10YR UST yield implies a +0.15bps move in 10YR MGS.*
- ◆ **US Treasuries:** Treasury yields gained ahead of June inflation prints. Traders still largely reflect two anticipated Fed rate cuts this year and further easing next year, especially if Trump replaces Fed Chair Powell with someone more dovish. The outlook may shift after Tuesday's June CPI data, which could show inflation picking up; Fed officials argue that strong employment and potential tariff-driven price pressures justify keeping rates steady. UST trading was also driven by Trump's threat to impose 30% tariffs on the EU and Mexico from 1 August, though US equity futures ended Monday with modest gains after an early dip. Swap implied FFR cuts by Dec-2025 stood at 1.9x. UST yields for the 2YR/10YR/20YR moved by +1.5bps/+2.4bps/+3.0bps, respectively.
- ◆ **Key Events – Tuesday:** Malaysia 2Q GDP, Malaysia June trade balance, China 2Q GDP and US June CPI | **Wednesday:** Bank Indonesia policy decision, US June PPI | **Thursday:** Singapore June NODX, Japan June trade balance, US June retail and US weekly jobless claims | **Friday:** US July consumer sentiment

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##### RHB FIC Strategy

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##### Fixed Income Return Snapshot

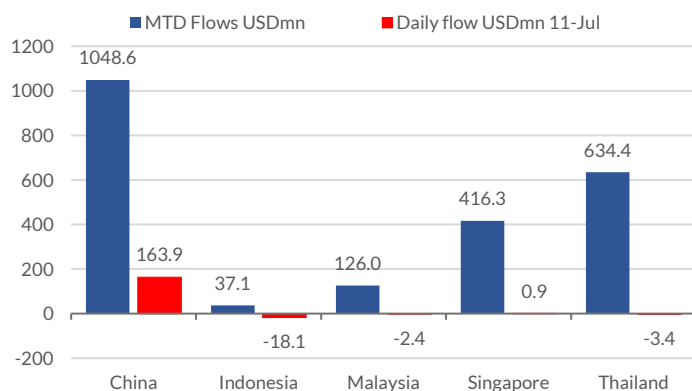
	1D Δ (%)	7D Δ (%)	1M Δ (%)
MGS 10YR	-	-	-
MYR Govt Bond	0.02	0.27	0.73
US Treasuries	-0.02	-0.10	0.28
Global Bond	-0.13	-0.61	0.06
AxJ IG Bond	-0.01	-0.02	0.60

##### 2YR and 10YR Yields (%)

	14-Jul	1D bps Δ	7D bps Δ
China 2YR	1.404	1.8	5.2
China 10YR	1.669	0.4	2.6
Indonesia 2YR	5.886	0.0	-6.7
Indonesia 10YR	6.576	1.2	0.9
Japan 2YR	0.776	0.7	4.2
Japan 10YR	1.576	6.2	12.1
Malaysia 3YR	3.085	-0.2	-3.8
Malaysia 10YR	3.435	0.5	-1.5
Singapore 2YR	1.748	-1.1	5.2
Singapore 10YR	2.164	-0.5	12.0
Thailand 2YR	1.366	0.8	-2.1
Thailand 10YR	1.551	0.5	-3.0
US 2YR	3.900	1.5	0.5
US 10YR	4.433	2.4	5.4
MYR AAA 10YR	3.799	-1.7	-3.1
MYR AA 10YR	3.963	-1.6	-2.9
MYR A 10YR	5.083	7.7	0.7

Source: Bloomberg, RHB Economics &amp; Market Strategy.

Figure 1: Regional MTD/Daily Bond Fund Flows (USDmn)

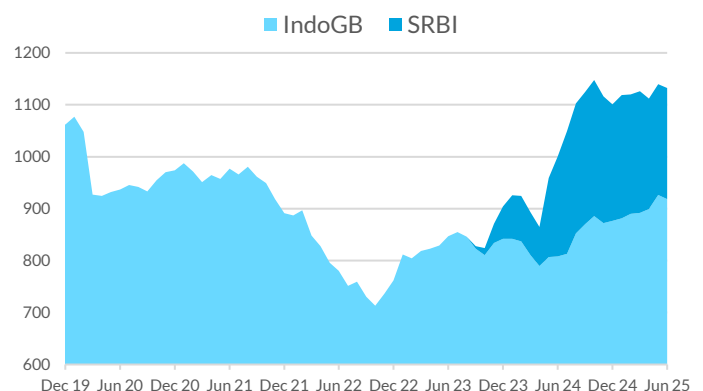


Source: EPFR, RHB Economics &amp; Market Strategy.

See important disclosures at the end of this report

Market Dateline / PP 19489/05/2019 (035080)

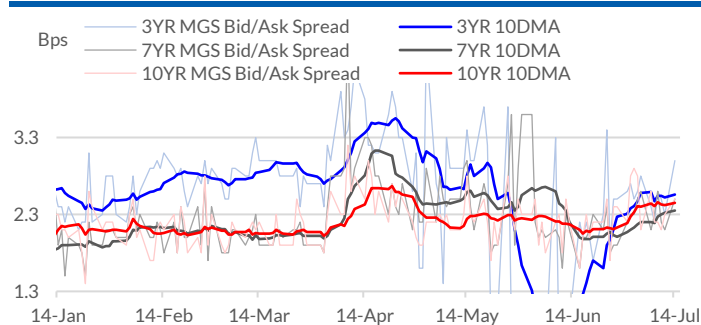
Figure 2: Non-resident holdings in IndoGB + SRBI, IDRtn



Source: BI, RHB Economics &amp; Market Strategy.

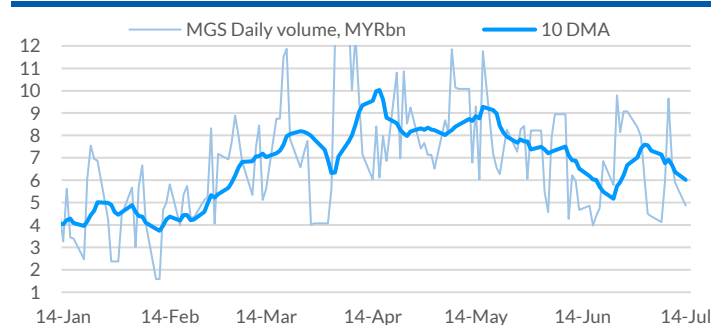
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Figure 3: Bid-ask spreads of key benchmarks



Source: BNM, RHB Economics &amp; Market Strategy. Own calculation.

Figure 4: Daily MGS/GII Volume



Source: BNM, RHB Economics &amp; Market Strategy. Own calculation.

## Trading Ideas

- ◆ **MYR Bond: (24/6/25) We are Market Perform on Farm Fresh Berhad (AA-IS).** We think that its Islamic Medium-term Notes (IMTN) paper is fairly priced and offer attractive relative value as well as decent liquidity. Farm Fresh has a solid metrics and commendable earnings performance which we view as positive for the company. Hence, we think that it warrants the paper yields to stand one-notch above its AA3-bond benchmark. The company has a decent revenue of around MYR981mn while D/E ratio remains healthy at 0.59x in FY25 ([Read here](#)).
- ◆ **MYR Bond: (7/5/25) We are Underperform on all tranches of UMW Holdings Bhd's (UMW) Islamic Medium-Term Notes (AA+) and Outperform its Perpetual Sukuk Musharakah 6.35% - Tranche 1 (AA-).** We think its AA+ paper is pricier and gives lower value across its tranches with the yields stood lower than benchmark and almost at parity to the level of AAA bond curve. Separately, we view the perpetual instrument offers attractive value as well as decent liquidity. The company holds a lion share in terms of total industrial volume sales via Perodua (43.8%) and UMW Toyota Motors (12.5%). Based on adjusted financials, UMW's segmental revenue stood at MYR17.1bn while its pre-tax and interest profit was around MYR920mn for 2024 ([Read here](#)).
- ◆ **MYR Bond: (11/4/25) We keep Outperform on Tropicana Corporation Bhd (Tropicana, A) given the attractive yields, improved gearing levels and strong product pipeline.** Tropicana's strategic focus on divesting non-core assets and reducing its debt burden has yielded positive results. Gearing and net gearing improved to 0.43 and 0.27 respectively versus 0.55 and 0.43 a year ago. In FY24, the Group completed and handed over five development projects in the Klang Valley and Southern Regions, supporting its overall financial performance. For the full year, the Group reported revenue of MYR1.4bn, a 6.3% YoY decline and posted a profit before tax of MYR172.7mn, excluding one-off losses ([Read here](#)).
- ◆ Read the complete list of our bond coverage [here](#).

## MGS/GII

- ◆ Following the cut in OPR to 2.75% from 3.00%, we changed our forecast for 10YR MGS to be traded at a slightly lower range at around 3.40% to 3.50% in 2025.
- ◆ Read our 3Q25 report here: [Global Outlook 3Q25: Beware the Three Tees](#)

MYR Yields vs RHB Year-end Forecast

	Last Yield %	Forecast		Yield Changes (bps)				
		2025F	Pickup (bps)	1D	1W	1M	3M	YTD
MGS 3YR	3.085	3.10	-2	-0.2	-3.8	-8.2	-34.1	-39.6
MGS 5YR	3.157	3.14	2	0.0	-2.4	-8.8	-33.4	-46.7
MGS 7YR	3.350	3.35	0	0.8	-2.8	-10.9	-29.1	-41.1
MGS 10YR	3.435	3.43	0	0.5	-1.5	-11.6	-29.2	-37.5
MGS 15YR	3.670	3.67	0	0.2	-1.4	-3.9	-20.4	-29.9
MGS 20YR	3.761	3.77	-1	-0.2	-1.8	-2.6	-21.3	-30.3
MGS 30YR	3.946	3.99	-5	-2.9	-5.4	-6.8	-15.2	-23.7
AAA 3YR	3.577	3.60	-2	-1.6	-3.6	-4.1	-18.8	-25.3
AAA 10YR	3.799	3.83	-3	-1.7	-3.1	-3.4	-17.4	-26.6
AAA 15YR	3.937	3.96	-2	-1.1	-2.3	-2.5	-15.7	-23.0
AA 3YR	3.738	3.76	-2	-0.6	-2.5	-2.8	-17.5	-27.6
AA 10YR	3.963	3.99	-3	-1.6	-2.9	-3.4	-17.3	-27.6
AA 15YR	4.112	4.13	-2	-1.1	-2.5	-2.8	-15.7	-24.9
A 3YR	4.570	4.54	3	4.0	-0.2	-0.1	-3.5	-28.7
A 10YR	5.083	5.01	7	7.7	0.7	-0.6	-1.0	-47.6
A 15YR	5.326	5.26	7	7.7	0.5	-1.2	-2.7	-55.3

Source: Bloomberg, RHB Economic &amp; Market Research. Constant maturity.

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## Daily Top 10 Trade

## Government

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
MGS 1/2015 3.955% 15.09.2025	1048	2.857	2.838	2
MGS 3/2025 3.917% 15.07.2055	590	3.918	3.940	-2
MGS 3/2018 4.642% 07.11.2033	506	3.489	3.496	-1
MGS 2/2023 3.519% 20.04.2028	317	3.070	3.062	1
MGS 1/2023 4.457% 31.03.2053	288	3.958	3.969	-1
MGS 1/2025 3.336% 15.05.2030	251	3.160	3.161	0
MGS 1/2022 3.582% 15.07.2032	236	3.349	3.350	0
GII MURABAAH 1/2023 3.599% 31.07.2028	234	3.133	3.114	2
MGS 4/2018 4.893% 08.06.2038	150	3.627	3.632	-1
GII MURABAAH 1/2019 4.130% 09.07.2029	128	3.213	3.211	0

## Quasi-Govt

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
CAGAMAS IMTN 3.780% 24.03.2028	110	3.367	3.450	-8
LPPSA IMTN 3.870% 06.11.2042 - Tranche No 44	50	3.809	-	-
PASB IMTN 4.060% 29.04.2039 - Issue No. 51	30	3.759	3.789	-3
PASB IMTN 4.140% 04.06.2038 - Issue No. 40	30	3.700	3.849	-15
LPPSA IMTN 4.250% 06.07.2039 - Tranche No 77	20	3.744	3.743	0
PASB IMTN 4.150% 04.06.2029 - Issue No. 15	20	3.568	3.717	-15
DANAINFRA IMTN 4.060% 30.06.2055	5	3.996	4.009	-1
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

## Corporate

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
SCC IMTN 25.04.2035	40	3.718	3.829	-11
SDBB MTN 728D 19.3.2027 - Tranche 22	40	4.559	4.546	1
ISLAM PERP SUKUK WAKALAH T2S1 4.580% 01.10.2123	30	3.897	3.916	-2
AFA PRIME IMTN 5.85% 29.11.2027 - Tranche 14	20	4.085	4.711	-63
CIMB 4.310% Perpetual Capital Securities - T7	20	3.987	4.027	-4
IJM TREASURY IMTN 4.180% 20.03.2040 - Series 6 T3	20	3.829	3.879	-5
IMTIAZ II IMTN 4.380% 12.05.2027	20	3.650	3.690	-4
STMSB MTN 2559D 30.6.2026	20	4.149	4.988	-84
TBE IMTN 5.550% 15.09.2025 (Tranche 9)	20	4.009	4.649	-64
PKNS IMTN 09.08.2034	15	3.859	3.898	-4

Source: BPAM, RHB Economic &amp; Market Strategy. Previous trading day.

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## RHB Credit Strategy Rating Definitions

Recommendation	Time Horizon	Definition
Outperform	6 to 12 months	A corporate bond's expected relative performance versus a reference (i.e. AA3 curve or sector peers)
Market perform	6 to 12 months	
Underperform	6 to 12 months	
Speculative	Indefinitely	The bond's repayment ability is highly uncertain
Not Rated (NR)	Indefinitely	Not under coverage

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