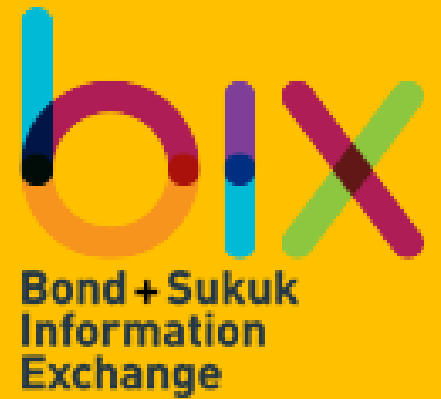


BOND+SUKUK INFORMATION EXCHANGE

BIXMALAYSIA.COM

NEWS UPDATE

21 January 2022



MARKET SUMMARY

US Treasury	Yield 20 Jan 22	Daily Change bps	Yield 19 Jan 22	Weekly Change bps	Yield 13 Jan 22	Monthly Change bps	Yield 20 Dec 21	YTD Change bps	Yield 31 Dec 20
3 YEAR	1.34	1	1.33	16	1.18	43	0.91	117	0.17
5 YEAR	1.62	0	1.62	-4	1.47	45	1.17	126	0.36
7 YEAR	1.77	-1	1.78	13	1.64	43	1.34	112	0.65
10 YEAR	1.83	0	1.83	13	1.70	40	1.43	90	0.93

MGS	Yield 20 Jan 22	Daily Change bps	Yield 19 Jan 22	Weekly Change bps	Yield 13 Jan 22	Monthly Change bps	Yield 20 Dec 21	YTD Change bps	Yield 31 Dec 20
3 YEAR	2.83	-2	2.85	3	2.80	-1	2.84	95	1.88
5 YEAR	3.29	0	3.29	8	3.21	13	3.16	119	2.10
7 YEAR	3.50	-1	3.51	10	3.40	7	3.43	111	2.39
10 YEAR	3.68	-3	3.71	4	3.64	16	3.52	103	2.65

GII	Yield 20 Jan 22	Daily Change bps	Yield 19 Jan 22	Weekly Change bps	Yield 13 Jan 22	Monthly Change bps	Yield 20 Dec 21	YTD Change bps	Yield 31 Dec 20
3 YEAR	2.89	-4	2.93	1	2.88	0	2.89	97	1.92
5 YEAR	3.29	8	3.21	8	3.21	11	3.18	103	2.26
7 YEAR	3.52	-2	3.54	4	3.48	4	3.48	101	2.51
10 YEAR	3.75	1	3.74	12	3.63	11	3.64	94	2.81

AAA	Yield 20 Jan 22	Daily Change bps	Yield 19 Jan 22	Weekly Change bps	Yield 13 Jan 22	Monthly Change bps	Yield 20 Dec 21	YTD Change bps	Yield 31 Dec 20
3 YEAR	3.30	0	3.30	4	3.26	8	3.22	85	2.45
5 YEAR	3.68	1	3.67	3	3.65	6	3.62	98	2.70
7 YEAR	3.97	0	3.97	1	3.96	1	3.96	102	2.95
10 YEAR	4.15	0	4.15	2	4.13	7	4.08	89	3.26

- 1 bps = 0.01%
- Increase in Yield = Decrease in the bond price/value

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

Today's headlines of interest and summaries as extracted from the international and local media.

THE EDGE

Hap Seng Management issues inaugural sustainability-linked bonds

Hap Seng Management Sdn Bhd, a wholly-owned subsidiary of Hap Seng Consolidated Bhd, has issued the first tranche of sustainability-linked bonds (SLBs) under its unrated bond programmes of up to RM5 billion in nominal value.

In a statement on Thursday (Jan 20), Hap Seng said the issuance took place last month with OCBC Bank (Malaysia) Bhd acting as the sole lead manager for the SLB issuance.

Hap Seng noted that it had adopted a multifaceted approach towards sustainability by aligning itself with nine of the 17 United Nations Sustainable Development Goals, with the aim of safeguarding the well-being of employees and their workplace, limiting the impact of its business operations on the environment, and alleviating the economic and social disparities in Malaysia.

The issuance of the SLBs marks a major milestone in Hap Seng's sustainability journey, which began in 2014 when the company's listed subsidiary Hap Seng Plantations Holdings Bhd issued its first sustainability report, followed by Hap Seng's own sustainability statement in 2016," the group added.

NEWS UPDATE

Today's headlines of interest and summaries as extracted from the international and local media.

THE EDGE

CIMB Bank to issue US\$500m bonds for SGX listing

CIMB Group Holdings Bhd's indirect 99.99%-owned subsidiary CIMB Bank Bhd on Thursday (Jan 20) issued its US\$500 million (RM2.09 billion) worth of debt notes on the Singapore Exchange (SGX).

According to CIMB Bank's filing with the SGX on Thursday, the US\$500 million debt notes, which pay an annual interest rate of 2.125%, will be listed and quoted on the SGX's Bonds Market at 9am on Friday (Jan 21).

It added that the US\$500 million debt notes will mature in 2027.

The bank, however, did not elaborate on its plans on how to use the proceeds from the bond issue.

At Bursa Malaysia as of the time of writing, CIMB's share price fell six sen or 1.13% to RM5.27, giving the bank a market capitalisation of about RM53.87 billion.

Over the past one year, the stock has gained 31% from RM4.04.

NEWS UPDATE

Today's headlines of interest and summaries as extracted from the international and local media.

FREE MALAYSIA TODAY

BNM to keep interest rates at record low amid Omicron concerns

Central banks in Malaysia and Indonesia are expected to keep their benchmark interest rates at record lows today in case a resurgence of Covid-19 driven by the Omicron variant sets back growth.

Bank Negara Malaysia (BNM) and Bank Indonesia (BI) are likely to stay on hold at their first meetings of the year, reiterating their commitment to gradually unwind easy monetary policies once the economy shows sustained recovery.

BNM has stuck to its overnight policy rate (OPR) of 1.75% since July 2020, and BI last adjusted its rate in February 2021.

Covid-19 cases have remained relatively low recently in the two nations, but authorities fear the tally could shoot up quickly in coming weeks due to the pace of Omicron's spread and upcoming holidays. Tough lockdowns to contain the Delta strain sapped growth in both countries last year.

"I expect policy makers to highlight uncertainties related to Omicron developments, particularly in terms of potential supply-chain issues and inflation implications, as well as in terms of the potential adverse impact on domestic demand," said Tuuli McCully, head of Asia-Pacific economics at Scotiabank.

NEWS UPDATE

Today's headlines of interest and summaries as extracted from the international and local media.

CNBC

10-year Treasury yield rises slightly, hovers above 1.83%

The sudden spike in the 10-year U.S. Treasury yield eased on Thursday morning, with it rising slightly to hover above 1.83%.

The yield on the benchmark 10-year Treasury note added 1 basis point, climbing to 1.8379% at 7:30 a.m. ET. The yield on the 30-year Treasury bond moved 1 basis point higher to 2.1522%. Yields move inversely to prices and 1 basis point is equal to 0.01%.

Concerns around the timing of central banks tightening monetary policy, and rising inflation, has seen bonds yields jump this week. The two-year U.S. Treasury yield, which reflects short-term interest rate expectations, also topped 1% for the first time in two years on Tuesday. It traded at 1.0474% early on Thursday morning.

Meanwhile, the 10-year German bund yield traded in positive territory for the first time in nearly three years on Wednesday morning but had fallen back to -0.018% in early trading on Thursday.

Willem Sels, global chief investment officer, private banking and wealth management at HSBC, told CNBC's "Squawk Box Europe" on Thursday that he expected the market to "flip-flop" around the interest rate outlook, particularly in terms of the rotation between so-called growth and value stocks.

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