Bond+Sukuk Information Exchange

NEWS UPDATE

2 July 2025

MARKET SUMMARY

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

US Treasury	Yield 1 July 25	Daily Change bps	Yield 30 June 25	Weekly Change bps	Yield 24 June 25	Monthly Change bps	Yield 30 May 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.75	7	3.68	0	3.75	-12	3.87	-52	4.27
5 YEAR	3.84	5	3.79	-2	3.86	-12	3.96	-54	4.38
7 YEAR	4.03	5	3.98	-3	4.06	-15	4.18	-45	4.48
10 YEAR	4.26	2	4.24	-4	4.30	-15	4.41	-32	4.58

MGS	Yield 1 July 25	Daily Change bps	Yield 30 June 25	Weekly Change bps	Yield 24 June 25	Monthly Change bps	Yield 30 May 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.15	0	3.15	0	3.15	-1	3.16	-33	3.48
5 YEAR	3.17	-3	3.20	-6	3.23	-4	3.21	-45	3.62
7 YEAR	3.39	-2	3.41	-6	3.45	0	3.39	-38	3.77
10 YEAR	3.47	0	3.47	-9	3.56	-5	3.52	-35	3.82

GII	Yield 1 July 25	Daily Change bps	Yield 30 June 25	Weekly Change bps	Yield 24 June 25	Monthly Change bps	Yield 30 May 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.16	-1	3.17	-2	3.18	-1	3.17	-17	3.33
5 YEAR	3.26	-2	3.28	-6	3.32	-3	3.29	-36	3.62
7 YEAR	3.37	-1	3.38	-2	3.39	-2	3.39	-37	3.74
10 YEAR	3.50	-1	3.51	-5	3.55	-2	3.52	-33	3.83

AAA	Yield 1 July 25	Daily Change bps	Yield 30 June 25	Weekly Change bps	Yield 24 June 25	Monthly Change bps	Yield 30 May 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.60	0	3.60	-1	3.61	1	3.59	-23	3.83
5 YEAR	3.64	0	3.64	-1	3.65	1	3.63	-31	3.95
7 YEAR	3.68	0	3.68	-1	3.69	0	3.68	-31	3.99
10 YEAR	3.74	0	3.74	-1	3.75	-1	3.75	-30	4.04

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

HLIB sees BNM cutting OPR by 25 bps in second half of year

Bank Negara Malaysia (BNM) is expected to maintain a cautious stance and cut the overnight policy rate (OPR) by 25 basis points in the second half of 2025 (2H2025), Hong Leong Investment Bank Bhd (HLIB) said, citing mixed monetary signals, persistent trade policy uncertainty, and subdued inflation.

HLIB said global trade policy uncertainty is likely to remain elevated as Malaysia nears the end of its 90-day negotiation with the US.

“Protectionist risks remain elevated, with the 10% universal tariffs expected to stay in place,” it said in a note on Tuesday. HLIB said monetary indicators were mixed in May, with narrow money supply (M1) accelerating to 4.4% year-on-year from 3.8% in April.

However, broad money supply (M3) eased to 2.7% from 3.2%. Leading loan indicators were also mixed — loan approvals rose, applications moderated and disbursements declined.

HLIB added that foreign investors turned net buyers of local bonds and equities during the month. – The Edge Malaysia

Read full publication https://theedgemalaysia.com/node/760926

NEWS UPDATE

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

MARC Ratings maintains Guan Chong's outlook at negative

MARC Ratings has affirmed its rating of AA-IS on Guan Chong Berhad's (GCB) RM800.0 million Sukuk Wakalah Programme. The rating outlook remains negative. The rating outlook reflects GCB's continued high reliance on short-term borrowings to fund working capital requirements amid a high cocoa bean price that has led to an elevated leverage ratio.

This notwithstanding, as trade-related borrowings fluctuate with cocoa bean price movements, short-term borrowings could recede accordingly, lowering the group's leverage position.

The rating agency will reassess GCB's financial metrics within the next six months to consider the next rating action. Cocoa bean price has remained significantly high, averaging USD8,216/MT between May 2024 and May 2025 (2023: average USD3,200/MT) largely on account of supply shortfalls.

However, with improving weather conditions in key cocoa bean producing countries, namely Côte d'Ivoire and Ghana — together accounting for 60% of the world's supply — cocoa bean production is projected to increase by 7.8% y-o-y to 4.84 million MT for the current 2024/2025 crop year (ending 30 September 2025). – MARC Ratings

Read full publication at https://www.marc.com.my/rating-announcements/marc-ratings-maintains-guan-chongs-outlook-at-negative-2/

NEWS UPDATE

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

Federal Reserve chair blames Trump's tariffs for preventing interest rate cuts

The chair of the Federal Reserve, Jerome Powell, has blamed Donald Trump's tariffs for preventing the immediate interest rate cuts the president has demanded.

Trump has repeatedly urged Powell to reduce borrowing costs in the US economy. On Tuesday, he said: "Anybody would be better than J Powell. He's costing us a fortune because he keeps the rate way up."

He spoke not long after Powell told a European Central Bank (ECB) event in Portugal that the Fed was waiting to assess the inflationary impact of the president's trade policies.

Speaking on a panel of central bankers in Sintra, the Fed chair said: "In effect we went on hold when we saw the size of the tariffs. Essentially all inflation forecasts for the United States went up materially as a consequence of the tariffs.

We didn't overreact, in fact we didn't react at all. We're simply taking some time." Asked if the Fed would have cut its key Fed funds rate further, from the current target range of 4.25-4.5%, if it wasn't for tariffs, Powell said: "I think that's right." – The Guardian

Read full publication at https://www.theguardian.com/us-news/2025/jul/01/federal-reserve-chair-blames-trump-tariffs-for-preventing-interest-rates-cut

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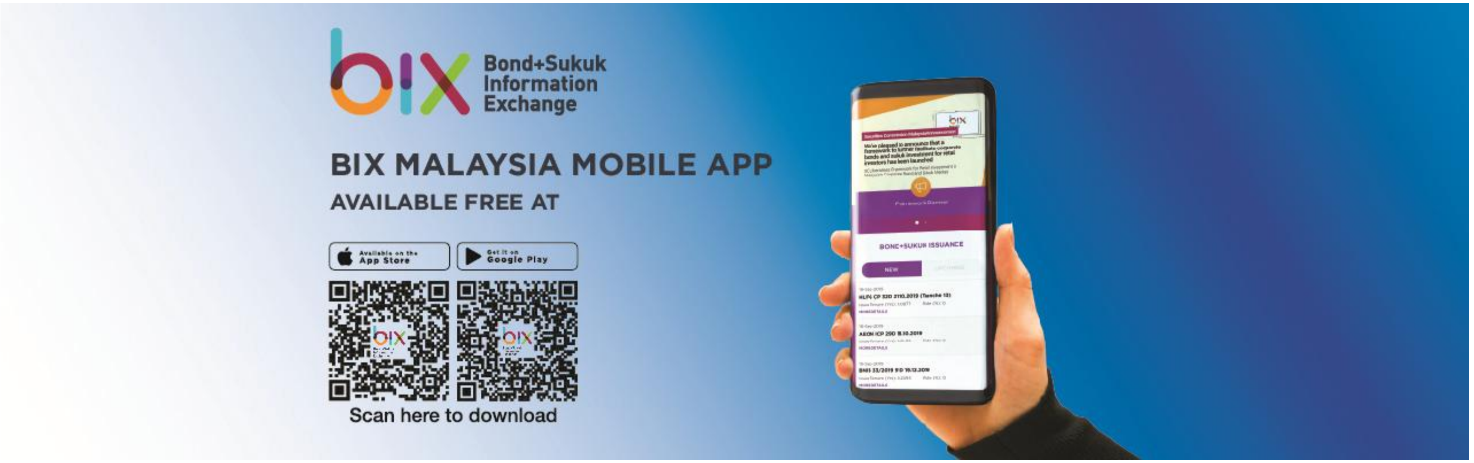

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