Bond+Sukuk Information Exchange

NEWS UPDATE

18 September 2026

MARKET SUMMARY

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

US Treasury	Yield 17 September 26	Daily Change bps	Yield 16 September 26	Weekly Change bps	Yield 10 September 26	Monthly Change bps	Yield 17 August 26	YTD Change bps	Yield 31 Dec 25
3 YEAR	4.75	-7	4.82	12	4.63	50	4.25	120	3.55
5 YEAR	4.78	-8	4.86	3	4.75	40	4.38	105	3.73
7 YEAR	4.86	-8	4.94	2	4.84	32	4.54	92	3.94
10 YEAR	4.94	-7	5.01	-1	4.95	22	4.72	76	4.18

MGS	Yield 17 September 26	Daily Change bps	Yield 15 September 26*	Weekly Change bps	Yield 10 September 26	Monthly Change bps	Yield 17 August 26	YTD Change bps	Yield 31 Dec 25
3 YEAR	3.49	-9	3.58	-1	3.50	17	3.32	49	3.00
5 YEAR	3.91	-1	3.92	9	3.82	38	3.53	65	3.26
7 YEAR	4.00	-17	4.17	-8	4.08	32	3.68	63	3.37
10 YEAR	4.13	-4	4.17	-1	4.14	39	3.74	64	3.49

*Malaysia Market closed on 16 September in observance of Malaysia Day Holiday

GII	Yield 17 September 26	Daily Change bps	Yield 15 September 26*	Weekly Change bps	Yield 10 September 26	Monthly Change bps	Yield 17 August 26	YTD Change bps	Yield 31 Dec 25
3 YEAR	3.54	-5	3.59	2	3.52	19	3.35	45	3.09
5 YEAR	3.87	-2	3.89	7	3.80	33	3.54	62	3.25
7 YEAR	4.06	-7	4.13	-2	4.08	37	3.69	74	3.32
10 YEAR	4.12	-2	4.14	-2	4.14	35	3.77	60	3.52

AAA	Yield 17 September 26	Daily Change bps	Yield 15 September 26*	Weekly Change bps	Yield 10 September 26	Monthly Change bps	Yield 17 August 26	YTD Change bps	Yield 31 Dec 25
3 YEAR	4.09	2	4.07	20	3.89	39	3.70	53	3.56
5 YEAR	4.27	1	4.26	19	4.08	47	3.80	63	3.64
7 YEAR	4.39	-1	4.40	15	4.24	50	3.89	67	3.72
10 YEAR	4.52	-1	4.53	14	4.38	51	4.01	71	3.81

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

Malaysia's battered bonds face growing risk of Japan fund exodus

Malaysia's struggling bond market may see an outflow of Japanese capital as its yield premium shrinks.

The premium that 10-year Malaysian bonds command over equivalent Japanese notes has shrunk to around 112 basis points, well below the five-year average of 278 basis points as borrowing costs jumped in Japan, data compiled by Bloomberg show.

The Southeast Asian country's bonds have been under pressure in recent months, due to increased supply and a stronger-than-expected economy that raised the odds of monetary tightening.

The weakness may extend if the Bank of Japan delivers a widely anticipated interest rate hike on Friday, a decision set to intensify worries about the departure of Japanese investors holding a record amount of Malaysia debt.

"Malaysia government bonds face pressure from elevated US Treasury yields, while higher Japanese government bond yields raise the opportunity cost of overseas duration, increasing the risk of yen carry-trade unwinds and Japanese repatriation flows," said Michelle Chia, regional head of treasury and markets research at CIMB Bank. – The Edge Malaysia

Read full publication at https://theedgemalaysia.com/node/818332

NEWS UPDATE

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

US rate hike puts Malaysian banks' bond portfolios in spotlight

The US Federal Reserve's 25-basis-point rate hike puts Malaysian banks' bond portfolios under scrutiny as higher global yields threaten to erode fixed-income valuations.

The unanimous move - the Fed's first rate increase since 2023 - has already been reflected to some extent in Malaysia, according to Kenanga Research.

The firm said Malaysian Government Securities (MGS) yields have remained elevated and moved closely with US Treasury yields.

At current yield levels, Malaysian banks could face negative revaluation on their fixed-income securities portfolios in the third quarter (Q3) of 2026.

However, Kenanga Research expects the pressure to ease in Q4 as MGS yields potentially improve.

The KL Financial Index has already fallen more than two per cent since end-August, suggesting that part of the earnings risk, estimated at around three per cent, has been priced into bank valuations. – New Straits Times

Read full publication at https://www.nst.com.my/business/economy/2026/09/1534666/us-rate-hike-puts-malaysian-banks-bond-portfolios-spotlight

NEWS UPDATE

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

Treasury yields move lower after Fed kicks off hiking cycle

Treasury yields slid on Thursday, a day after the U.S. Federal Reserve raised interest rates for the first time in three years.

The benchmark 10-year Treasury yield was more than 7 basis points lower at 4.93%. The 30-year Treasury yield was down more than 6 basis points at 5.282%, while the yield on the 2-year note slipped more than 5 basis points to 4.67%.

The Fed raised its benchmark interest rate by 25 basis points to a target range of 3.75%-4% on Wednesday, its first increase since July 2023. Markets had widely expected the central bank to approve a hike, after a series of hot inflation data and pressure on the bond market.

Fed Chairman Kevin Warsh said during a press conference on Wednesday that inflation has been “too high ... for too long.”

“We must be confident that underlying inflation is moving to our objective clearly and at sufficient speed,” he said, adding that the Federal Open Market Committee had decided “this standard has not been satisfied.” – CNBC

Read full publication at https://www.cnbc.com/2026/09/17/treasury-yields-move-lower-after-fed-kicks-off-hiking-cycle.html

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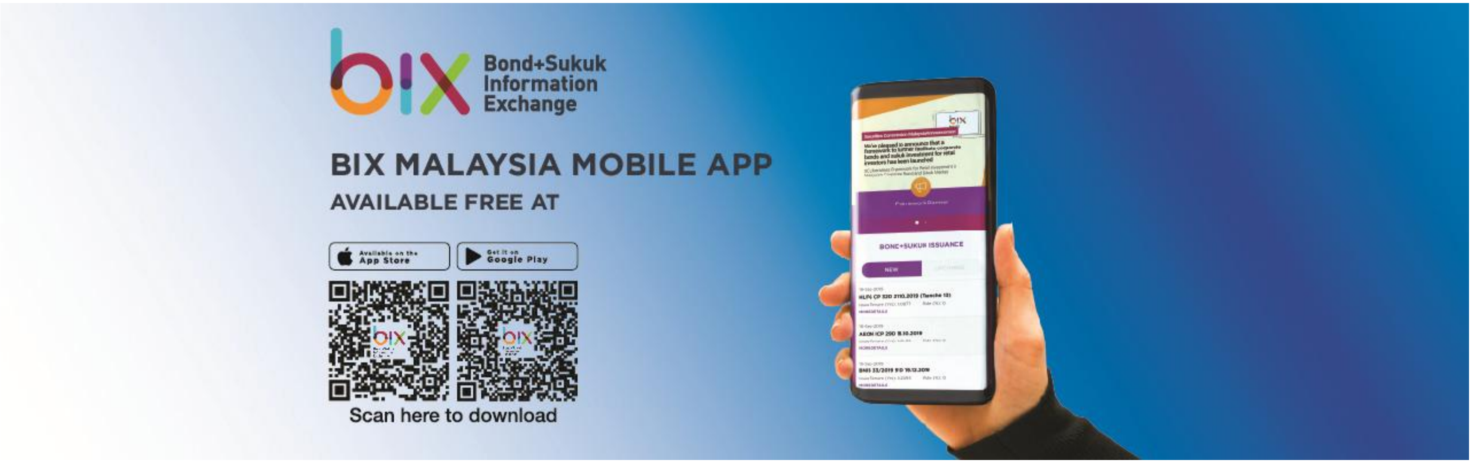

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