



NEWS UPDATE

16 May 2024

MARKET SUMMARY

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

US Treasury	Yield 15 May 24	Daily Change bps	Yield 14 May 24	Weekly Change bps	Yield 8 May 24	YTD Change bps	Yield 15 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.51	-11	4.62	-12	4.63	-27	4.78	50	4.01
5 YEAR	4.35	-11	4.46	-15	4.50	-30	4.65	51	3.84
7 YEAR	4.35	-10	4.45	-14	4.49	-30	4.65	47	3.88
10 YEAR	4.36	-9	4.45	-12	4.48	-27	4.63	48	3.88

MGS	Yield 15 May 24	Daily Change bps	Yield 14 May 24	Weekly Change bps	Yield 8 May 24	YTD Change bps	Yield 15 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.57	-2	3.59	-2	3.59	2	3.55	8	3.49
5 YEAR	3.71	-2	3.73	-2	3.73	-1	3.72	13	3.58
7 YEAR	3.80	-3	3.83	-4	3.84	-5	3.85	9	3.71
10 YEAR	3.89	-2	3.91	-2	3.91	-3	3.92	15	3.74

GII	Yield 15 May 24	Daily Change bps	Yield 14 May 24	Weekly Change bps	Yield 8 May 24	YTD Change bps	Yield 15 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.52	-1	3.53	-1	3.53	2	3.50	3	3.49
5 YEAR	3.70	0	3.70	0	3.70	5	3.65	9	3.61
7 YEAR	3.80	-2	3.82	0	3.80	-2	3.82	3	3.77
10 YEAR	3.90	0	3.90	-1	3.91	-1	3.91	13	3.77

AAA	Yield 15 May 24	Daily Change bps	Yield 14 May 24	Weekly Change bps	Yield 8 May 24	YTD Change bps	Yield 15 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.81	0	3.81	-2	3.83	4	3.77	-2	3.83
5 YEAR	3.95	-2	3.97	-1	3.96	6	3.89	5	3.90
7 YEAR	4.05	0	4.05	-1	4.06	4	4.01	8	3.97
10 YEAR	4.12	0	4.12	-1	4.13	2	4.10	7	4.05

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

Marc: Malaysia can realise 71pc increase in foreign holdings of government bonds

Malaysia could realise more than RM170 billion worth of inflows or a 71 per cent increase in foreign holdings of government bonds, said Malaysian Rating Corporation Berhad (MARC).

In a statement, MARC said this is based on the assumption that foreign holdings of Malaysian bonds increase from the present 21 per cent to the historical high of 36 per cent. The statement said since 2005, the foreign share of government bonds had ranged from 4 per cent to 36 per cent, with the latest being 21 per cent as at April 2024.

“At 21 per cent, foreign holdings are near the long-term average, suggesting that foreign investors have retained their interest in Malaysian government bonds despite currency volatilities caused by pivotal shifts in global interest rates. While foreign holdings are below the 10-year average, there is no evidence of capital flight from Malaysia surpassing historical norms,” it said.

Year-to-date, Malaysia’s capital markets have witnessed net foreign outflows, recording RM4.0 billion outflows in the local bond market and RM2.1 billion outflows in the domestic equity market as of April. – Malay Mail

Read full publication at <https://www.malaymail.com/news/money/2024/05/15/marc-malaysia-can-realise-71pc-increase-in-foreign-holdings-of-government-bonds/134489>

NEWS UPDATE

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

Malaysian govt bond yield curve could steepen in short term — UOB

The Malaysian government bond yield curve could steepen in the short term while investors watch rising supply of longer-dated bonds in the coming months, said United Overseas Bank (UOB).

The 20-year Malaysian Government Securities (MGS) auction in May has seen strong demand, UOB noted, but flagged that the auctions of 15-, 20-, and 30-year Government Investment Issues in the coming months will provide a test on demand for longer-dated bonds, UOB said.

A steeper yield curve in the MGS “could emerge given that the front end is close to fully priced” as the overnight policy rate stays unchanged for some time. “The back end is relatively rich which sets a high bar for inflation surprise as well as the upcoming long end auctions performance,” it said.

A steepening curve happens when the spread between short- and long-term bond yields is widening. That means either yields on long-term bonds are rising faster than that of short-term bonds, or short-term yields are falling faster than long-term yields. Further, a steepening typically points to stronger economic growth and rising inflation expectations that lead to higher interest rates. Bond yields and prices move inversely. – The Edge Malaysia

Read full publication at <https://theedgemaalaysia.com/node/711630>

NEWS UPDATE

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

Treasury yields drop after cool monthly consumer inflation data

U.S. Treasury yields retreated on Wednesday after monthly consumer inflation data came in softer than anticipated. The rate on the 10-year note fell about 10 basis points to 4.344%. The 2-year Treasury yield was last at 4.726% after sliding by roughly 9 basis points.

The consumer price index rose 0.3% from March to April, slightly below the 0.4% consensus forecast of economists polled by Dow Jones. The measure of a basket of goods and services on an annualized basis increased by 3.4%, in line with expectations.


That monthly decline can offer some good news for market participants hoping the Federal Reserve has seen enough impact from its rate hiking campaign to begin lowering the borrowing cost sooner rather than later. The market is now “keenly watching” to see if expectations for an earlier cut to rates are growing, according to Quincy Krosby, chief global strategist at LPL Financial.


“The Fed will certainly need a series of cooler reports for adjusting its rate easing timetable, but the CPI report suggests that the path towards 2% is a bit less bumpy,” Krosby said. Core CPI, which strips out food and energy prices, added 0.3% from the previous month and 3.6% from a year earlier. Both were in line with forecasts. – CNBC

Read full publication at <https://www.cnbc.com/2024/05/15/us-treasurys-ahead-of-fresh-consumer-inflation-figures.html>

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 **Venue** : Hall 1, Mid Valley Exhibition Centre,
Mid Valley Southkey, Johor

 **Date** : 17 - 19 May 2024

 **Time** : 10.00am onwards

 **Ticket** : Free Admission



The poster features a light blue background with a faint illustration of a clock tower and a modern building. It is decorated with orange roses and green leaves at the top and bottom. The text is arranged in a clear, hierarchical manner, starting with the event title and logo, followed by the date, time, and location. A call to action is provided in a green box, and logos of partner organizations are listed at the bottom.

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17-19 May 2024
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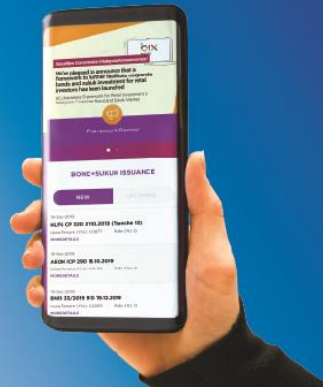
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