



NEWS UPDATE

9 May 2024

MARKET SUMMARY

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

US Treasury	Yield 8 May 24	Daily Change bps	Yield 7 May 24	Weekly Change bps	Yield 1 May 24	YTD Change bps	Yield 8 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.63	3	4.60	-16	4.79	3	4.60	62	4.01
5 YEAR	4.50	2	4.48	-14	4.64	7	4.43	66	3.84
7 YEAR	4.49	2	4.47	-15	4.64	6	4.43	61	3.88
10 YEAR	4.48	1	4.47	-15	4.63	6	4.42	60	3.88

MGS	Yield 8 May 24	Daily Change bps	Yield 7 May 24	Weekly Change bps	Yield 30 April 24*	YTD Change bps	Yield 8 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.59	0	3.59	-2	3.61	7	3.52	10	3.49
5 YEAR	3.73	-1	3.74	-5	3.78	2	3.71	15	3.58
7 YEAR	3.84	2	3.82	-5	3.89	1	3.83	13	3.71
10 YEAR	3.91	0	3.91	-6	3.97	1	3.90	17	3.74

*Malaysia Market closed on 1 May in observance of Labour Day Holiday

GII	Yield 8 May 24	Daily Change bps	Yield 7 May 24	Weekly Change bps	Yield 30 April 24*	YTD Change bps	Yield 8 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.53	0	3.53	-6	3.59	6	3.47	4	3.49
5 YEAR	3.70	0	3.70	-8	3.78	9	3.61	9	3.61
7 YEAR	3.80	0	3.80	-9	3.89	-1	3.81	3	3.77
10 YEAR	3.91	-1	3.92	-7	3.98	2	3.89	14	3.77

AAA	Yield 8 May 24	Daily Change bps	Yield 7 May 24	Weekly Change bps	Yield 30 April 24*	YTD Change bps	Yield 8 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.83	0	3.83	0	3.83	8	3.75	0	3.83
5 YEAR	3.96	0	3.96	-1	3.97	9	3.87	6	3.90
7 YEAR	4.06	0	4.06	-3	4.09	7	3.99	9	3.97
10 YEAR	4.13	0	4.13	-3	4.16	5	4.08	8	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.

Global ESG sukuk issuance seen crossing US\$50b within two years, says Fitch

Global environmental, social, and governance (ESG) sukuk is expected to cross US\$50 billion (RM237.32 billion) outstanding globally within the next two years, as issuers aim to meet their funding diversification goals and ESG mandates, alongside new regulatory frameworks and government-led sustainability initiatives, according to Fitch Ratings.

In a statement on Tuesday, the rating agency said risks include geopolitical volatilities, surging oil prices that could reduce funding needs in some core sukuk markets, new shariah requirements that could alter sukuk credit risk, and the weakening of the sustainability drive in core markets.

Fitch global head of Islamic finance Bashar Al Nattoor said almost 99% of all Fitch-rated ESG sukuk are investment-grade.

“The year started with key regulatory initiatives, which could support standardisation, ecosystem development, and aid transparency.

“There is significant ESG sukuk growth potential, and continuous efforts and increasing confidence will be key to unlocking this,” he said. – The Edge Malaysia

Read full publication at <https://theedgemalaysia.com/node/710701>

NEWS UPDATE

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

CIMB Research expects OPR to stay at 3.0%

Bank Negara Malaysia (BNM) is expected to extend its rate pause pending finer details on fuel subsidy rationalisation plans, keeping the overnight policy rate (OPR) at 3.0 per cent at the upcoming monetary policy meeting on May 9, said CIMB Treasury and Markets Research. It also expects monetary policy to remain at the status quo and maintain its end-2024 OPR forecast of 3.00 per cent.

"We expect BNM to affirm a data-dependent stance tomorrow pending finer details on subsidy rationalisation amid benign inflation passthrough from increases in electricity and water tariffs, as well as the service tax hike in the first quarter of 2024," it said in a research note.

CIMB Treasury and Markets Research noted that the withdrawals from soon-to-be introduced Employees Provident Fund (EPF) Account 3 and civil servants' salary hikes are poised to boost private consumption.

On gross domestic product (GDP), the research house reiterated its 2024's growth forecast of 4.9 per cent, supported by the spillover of civil servants' salary hikes. – The Star

Read full publication at <https://www.thestar.com.my/business/business-news/2024/05/08/cimb-research-expects-opr-to-stay-at-30>

NEWS UPDATE

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

10-year Treasury yield inches higher as investors weigh interest rate outlook

The benchmark U.S. Treasury note yield rose slightly Wednesday as investors weighed the latest remarks from Federal Reserve officials and looked for clues on the path ahead for interest rates. The yield on the 10-year Treasury was up 3 basis points at 4.492%. The yield on the 2-year Treasury was last less than 1 basis point higher at 4.834%.

Investors considered comments from Federal Reserve officials as they weighed when and how often interest rates may be cut this year. Fed officials speaking this week have broadly echoed the sentiment expressed in the central bank's monetary policy guidance issued at the conclusion of its latest meeting earlier this month.

Boston Fed President Susan Collins said in remarks on Wednesday that the Fed's interest rate policy will likely need to remain at its current level until inflation is moving "sustainably" toward the central bank's 2% target.

On Tuesday, Minneapolis Fed President Neel Kashkari said he expected the Fed to hold rates steady for some time until the disinflation picture becomes clearer. Earlier in the week, Richmond Fed President Tom Barkin hinted that the central bank would wait until it had more confidence about inflation returning to its 2% target before moving to cut rates. – CNBC

Read full publication at <https://www.cnbc.com/2024/05/08/us-treasurys-investors-weigh-interest-rate-outlook.html>

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