Bond+Sukuk Information Exchange

NEWS UPDATE

29 November 2023

MARKET SUMMARY

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

US Treasury	Yield 28 November 23	Daily Change bps	Yield 27 November 23	Weekly Change bps	Yield 21 November 23	YTD Change bps	Yield 27 October 23	YTD Change bps	Yield 30 Dec 22
3 YEAR	4.49	-11	4.60	-11	4.60	-35	4.84	27	4.22
5 YEAR	4.29	-9	4.38	-12	4.41	-47	4.76	30	3.99
7 YEAR	4.36	-7	4.43	-8	4.44	-47	4.83	40	3.96
10 YEAR	4.34	-5	4.39	-7	4.41	-50	4.84	46	3.88

MGS	Yield 28 November 23	Daily Change bps	Yield 27 November 23	Weekly Change bps	Yield 21 November 23	YTD Change bps	Yield 27 October 23	YTD Change bps	Yield 30 Dec 22
3 YEAR	3.50	-4	3.54	-1	3.51	-21	3.71	-17	3.67
5 YEAR	3.66	-1	3.67	3	3.63	-23	3.89	-18	3.84
7 YEAR	3.88	-4	3.92	3	3.85	-24	4.12	-15	4.03
10 YEAR	3.84	-3	3.87	-2	3.86	-27	4.11	-23	4.07

GII	Yield 28 November 23	Daily Change bps	Yield 27 November 23	Weekly Change bps	Yield 21 November 23	YTD Change bps	Yield 27 October 23	YTD Change bps	Yield 30 Dec 22
3 YEAR	3.60	-1	3.61	3	3.57	-11	3.71	-16	3.76
5 YEAR	3.72	-1	3.73	2	3.70	-18	3.90	-14	3.86
7 YEAR	3.94	-5	3.99	4	3.90	-17	4.11	-10	4.04
10 YEAR	3.93	-3	3.96	0	3.93	-18	4.11	-20	4.13

AAA	Yield 28 November 23	Daily Change bps	Yield 27 November 23	Weekly Change bps	Yield 21 November 23	YTD Change bps	Yield 27 October 23	YTD Change bps	Yield 30 Dec 22
3 YEAR	3.94	0	3.94	0	3.94	-18	4.12	-26	4.20
5 YEAR	4.05	-1	4.06	-2	4.07	-23	4.28	-31	4.36
7 YEAR	4.18	-1	4.19	-2	4.20	-24	4.42	-32	4.50
10 YEAR	4.25	-1	4.26	-7	4.32	-26	4.51	-39	4.64

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

OPR likely to stay at 3pc in 2024

Malaysia's economy may be in for an upswing in 2024, accompanied by a subdued inflation outlook that may keep interest rates unchanged throughout the year. Economists believe Bank Negara Malaysia is unlikely to adjust its key Overnight Policy Rate (OPR) given its current alignment with preferred levels, unless a significant external shock disrupts the economy.

"There is a prospect of stronger growth but inflation should be more muted so we will not expect any change in interest rates unless there is a shock to the economy. So unless there is a big external shock, we expect the OPR to remain at three per cent next year," Malaysia University of Science and Technology economic professor Geoffrey Williams told Business Times.

According to Williams, the ringgit is likely to strengthen because the interest rate pressure overseas will ease as global inflation falls and underlying fundamental factors will strengthen the ringgit in the long-term. The ringgit will likely strengthen if policy reform in Malaysia builds momentum, he added.

Putra Business School economic analyst Associate Professor Dr Ahmed Razman Abdul Latiff said the prospect of higher growth and an increased inflation rate in the upcoming year may provide less incentive for Bank Negara to cut the OPR. – New Straits Times

Read full publication at https://www.nst.com.my/business/economy/2023/11/983755/opr-likely-stay-3pc-2024

NEWS UPDATE

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

MARC Ratings affirms Amanat Lebuhraya Rakyat's AAA$_{IS}$ rating

MARC Ratings has affirmed its AAA$_{IS}$ rating on Amanat Lebuhraya Rakyat Berhad's (ALR) RM5.5 billion sukuk programme, with a stable outlook. The rating reflects the strong cash flow generation capacity of ALR's portfolio of matured highways in the Klang Valley, its strong debt service ability, and the low capital requirement for operations and maintenance (O&M) of the highways.

A no-dividend policy as per the terms of the transaction reinforces ALR's liquidity position that would afford ALR the ability to early redeem the sukuk by exercising the call option on the first call date in FY2034. The rating is mainly moderated by the risk associated with traffic performance, although the rating agency draws comfort from the historically stable and mature traffic profile of the key highways in the portfolio.

ALR's road network comprises Shah Alam Expressway (KESAS), Lebuhraya Damansara-Puchong (LDP), The Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT) and the Stormwater Management and Road Tunnel (SMART). KESAS, LDP and SPRINT collectively account for about 97% of ALR's consolidated revenue for financial year ended March 31, 2023 (FY2023). Traffic levels on the three roads have proven to be relatively stable, with a moderate peak-to-trough of about 11% during 2015-2023 (excluding periods impacted by the pandemic). – MARC Ratings

Read full publication at https://www.marc.com.my/rating-announcements/marc-ratings-affirms-amanat-lebuhraya-rakyats-aaais-rating/

NEWS UPDATE

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

Treasury yields fall as investors consider economic outlook

U.S. Treasury yields slipped on Tuesday, as investors digested optimistic commentary from a Federal Reserve official and awaited the release of data that could provide hints about the economic outlook. The 2-year Treasury yield was down 10 basis points at 4.753%. The 10-year Treasury yield was nearly 4 basis points lower at 4.35%.

Comments from Fed Governor Christopher Waller raised hopes earlier Tuesday that the central bank is done raising interest rates to tamp down inflation. Waller said that monetary policy is “currently well positioned” to slow the economy and bring inflation back down.

Waller’s commentary comes ahead of the Federal Open Market Committee’s policy meeting on Dec. 12-13, during which the committee is widely expected to keep its key lending rate steady. Questions still linger around how long rates will stay elevated and when in 2024 they might be cut, especially as the economy slows and recessionary concerns swirl.

Data released Tuesday showed consumer confidence improved in November, although most still expect a future recession. The Conference Board’s index rose to 102 for the month, higher than a downwardly revised 99.1 from October and ahead of the Dow Jones estimate for 101. – CNBC

Read full publication at https://www.cnbc.com/2023/11/28/us-treasury-yields-investors-consider-economic-outlook-.html

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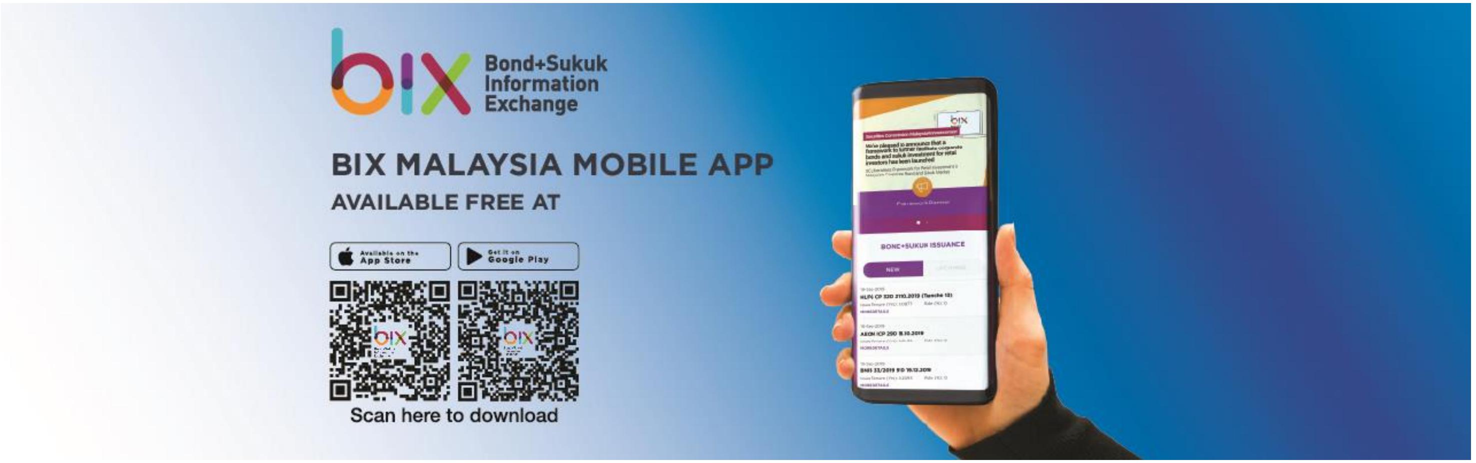

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