

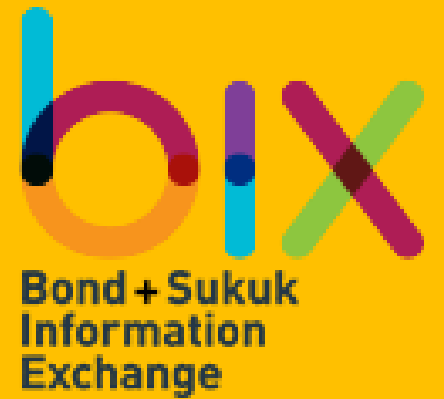
# **BOND+SUKUK INFORMATION EXCHANGE**

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## **NEWS UPDATE**

25 November 2020



# MARKET SUMMARY

US Treasury	Yield 24 Nov 20	Daily Change bps	Yield 23 Nov 20	Weekly Change bps	Yield 17 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	0.22	0	0.22	0	0.22	1	0.21	-140	1.62
5 YEAR	0.39	0	0.39	0	0.39	2	0.37	-130	1.69
7 YEAR	0.65	1	0.64	2	0.63	4	0.61	-118	1.83
10 YEAR	0.88	2	0.86	1	0.87	3	0.85	-104	1.92

MGS	Yield 24 Nov 20	Daily Change bps	Yield 23 Nov 20	Weekly Change bps	Yield 17 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.85	2	1.83	4	1.81	9	1.76	-113	2.98
5 YEAR	2.13	0	2.13	4	2.09	4	2.09	-102	3.15
7 YEAR	2.46	1	2.45	4	2.42	6	2.40	-84	3.30
10 YEAR	2.65	0	2.65	-3	2.68	2	2.63	-65	3.30

GII	Yield 24 Nov 20	Daily Change bps	Yield 23 Nov 20	Weekly Change bps	Yield 17 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.94	-3	1.97	1	1.93	13	1.81	-112	3.06
5 YEAR	2.29	0	2.29	1	2.28	30	1.99	-90	3.19
7 YEAR	2.54	0	2.54	20	2.34	13	2.41	-76	3.30
10 YEAR	2.64	0	2.64	1	2.63	6	2.58	-78	3.42

AAA	Yield 24 Nov 20	Daily Change bps	Yield 23 Nov 20	Weekly Change bps	Yield 17 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	2.42	0	2.42	-2	2.44	1	2.41	-113	3.55
5 YEAR	2.68	0	2.68	2	2.66	5	2.63	-99	3.67
7 YEAR	2.91	0	2.91	4	2.87	9	2.82	-85	3.76
10 YEAR	3.17	0	3.17	4	3.13	8	3.09	-72	3.89

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

Source: US Treasury, BNM & BIX Malaysia

# NEWS UPDATE

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

## NEW STRAITS TIMES

*Foreign interest persists in Malaysian bonds, RAM revises 2021 corporate issues to up to RM110bil*

Foreign demand for Malaysian bonds remains sturdy in October, with the domestic bond market charting its sixth consecutive month of net foreign inflows totalling RM8.0 billion.

RAM Rating Services Bhd said this was a vast improvement from marginal net inflows of RM500 million in the preceding month as uncertainties over the FTSE Russell watchlist decision kept most investors on the sidelines. The firm also revised its earlier gross corporate bond issuance to RM100 billion-RM110 billion in 2021, taking into account the prospects of economic recovery, low interest rates as well as the continuation of big-ticket infrastructure projects. RAM said Malaysian Government Securities (MGS)/Government Investment Issues (GII) had continued to be robust at RM14.5 billion last month, with healthy bid-to-cover ratios of close to two times or more.

"The Asian region will remain attractive in coming months amid economic recovery prospects, especially in trade performance. Moreover, expectations of what a Biden win in the US could mean for many export-oriented Asian economies buoyed the optimism," RAM said in a statement today. The pipeline of MGS/GII next year would continue to be boosted by the funding needs for 2021 Budget.

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## REUTERS

### *Japanese govt bond yields rise on vaccine*

Japanese government bond (JGB) yields rose yesterday as hopes for an inexpensive coronavirus vaccine and expectations for more fiscal spending under a new US government reduced the appeal of holding debt.

AstraZeneca said on Monday its Covid-19 vaccine could be up to 90% effective, cheaper to make and easier to ship than rival vaccines, which prompted a shift of money to equities from government debt. Bond prices also took a hit after a media report said that US President-elect Joe Biden would choose former Federal Reserve Chair Janet Yellen as the next Treasury secretary. Yellen is seen as an advocate of more fiscal stimulus.

Benchmark 10-year JGB futures fell 0.12 point to 152.10, with a trading volume of 17,269 lots. The 10-year JGB yield rose 1 basis point to 0.020%. The 20-year JGB yield rose 1.5 basis points to 0.390%. The 30-year JGB yield rose 1.5 basis points to 0.640%, but the 40-year JGB yield was unchanged at 0.660%. At the middle of the yield curve, the five-year yield rose 1 basis point to minus 0.120%. At the short end, the two-year JGB yield rose 0.5 basis point to minus 0.150%.

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## REUTERS

### *TREASURIES-Longer-term yields rise further as investors embrace risk*

U.S. Treasury yields on the longer end of the curve extended their rise on Tuesday as investors rushed to riskier investments, including soaring stocks. The benchmark 10-year yield was last up 2.7 basis points at 0.8865% and the yield curve steepened. Stan Shipley, fixed income strategist at Evercore ISI in New York, said investors, driven by hopes of a closer economic recovery, were ditching the safe haven of Treasuries for riskier commodities and stocks.

"With yields of 85 or 88 basis points, that's not very attractive on the 10-year (note), and (people are) going to look for returns elsewhere," he said. Economic rebound hopes spurred by progress on coronavirus vaccines, along with the commencement of President-elect Joe Biden's transition process three weeks after the election, pushed stocks higher and lifted the Dow Jones Industrial Average over the 30,000 mark for the first time. Following auctions of two- and five-year notes on Monday, the U.S. Treasury will offer \$56 billion of seven-year notes later on Tuesday. The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was last down less than a basis point at 0.1641%.

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