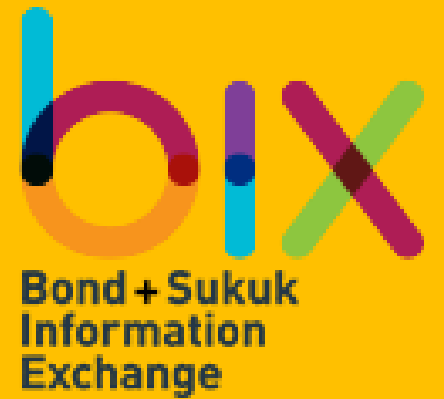


BOND+SUKUK INFORMATION EXCHANGE

BIXMALAYSIA.COM

NEWS UPDATE

26 November 2020



MARKET SUMMARY

US Treasury	Yield 25 Nov 20	Daily Change bps	Yield 24 Nov 20	Weekly Change bps	Yield 18 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	0.21	-1	0.22	-1	0.22	0	0.21	-141	1.62
5 YEAR	0.39	0	0.39	-1	0.40	2	0.37	-130	1.69
7 YEAR	0.65	0	0.65	1	0.64	4	0.61	-118	1.83
10 YEAR	0.88	0	0.88	0	0.88	3	0.85	-104	1.92

MGS	Yield 25 Nov 20	Daily Change bps	Yield 24 Nov 20	Weekly Change bps	Yield 18 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.84	-1	1.85	0	1.84	8	1.76	-114	2.98
5 YEAR	2.10	-3	2.13	1	2.09	1	2.09	-105	3.15
7 YEAR	2.46	0	2.46	4	2.42	6	2.40	-84	3.30
10 YEAR	2.65	0	2.65	0	2.65	2	2.63	-65	3.30

GII	Yield 25 Nov 20	Daily Change bps	Yield 24 Nov 20	Weekly Change bps	Yield 18 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.93	-1	1.94	0	1.93	12	1.81	-113	3.06
5 YEAR	2.29	0	2.29	1	2.28	30	1.99	-90	3.19
7 YEAR	2.59	5	2.54	25	2.34	18	2.41	-71	3.30
10 YEAR	2.73	9	2.64	10	2.63	15	2.58	-69	3.42

AAA	Yield 25 Nov 20	Daily Change bps	Yield 24 Nov 20	Weekly Change bps	Yield 18 Nov 20	Monthly Change bps	Yield 23 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	2.43	1	2.42	1	2.42	2	2.41	-112	3.55
5 YEAR	2.68	0	2.68	1	2.67	5	2.63	-99	3.67
7 YEAR	2.92	1	2.91	5	2.87	10	2.82	-84	3.76
10 YEAR	3.21	4	3.17	8	3.13	12	3.09	-68	3.89

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

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

THE EDGE MARKETS

BNM: Malaysia to issue its first sustainability bond for environmental, social initiatives

The Malaysian government plans to issue its first sustainability bond for environmental and social initiatives next year as the country lays the foundation for an orderly transition to a low carbon economy, Bank Negara Malaysia (BNM) deputy governor Datuk Abdul Rasheed Ghaffour said.

During his keynote speech at the third Singapore-China (Chongqing) Financial Summit 2020 yesterday, Abdul Rasheed said Malaysia is developing a principles-based taxonomy to guide financial institutions to classify economic activities that contribute to climate change objectives. "These complement efforts by the Islamic finance industry in driving the sustainability agenda through the value-based intermediation strategy," he said.

Malaysia is advancing the digital transformation of the financial sector. Abdul Rasheed said that in the adoption of e-payments, progress has been made in enabling the interoperability of e-wallet services offered by banks and non-bank e-money issuers. He said the country is also fostering greater retail payment linkages with the region. "ASEAN's journey to deepen financial integration and foster regional connectivity is integral in creating a highly integrated and cohesive economy," he said.

NEWS UPDATE

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

THE STAR

Inflation falls for eighth month in October

Malaysia's inflation rate in October fell for the eighth month, down by 1.5% on-year due to lower fuel prices, based on the Statistics Department data.

According to the statement on Wednesday, the decline in the Consumer Price Index (CPI) was faster than a Reuters' poll of a fall of 1.4%. In September, the CPI fell by 1.4%. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the CPI declined by 1.5% in October to 120.2 as against 122.0. The decrease in the overall index was due to the decline in transport (-10.2%); housing, water, electricity, gas & other Fuels (-3%) and clothing & footwear (-0.4%) which contributed 41.6% to overall weight, he said.

"Out of 552 items covered in CPI, 337 items showed an increase in October 2020 as against October 2019. On the contrary, 150 items declined while 65 items were unchanged," he said. Mohd Uzir said based on the performance of 552 items by category of goods and services, non-durable goods (296 items) is a category that experienced the most price increase with 208 items, 73 items decrease and 15 items unchanged as compared to services, semi-durable goods and durable goods.

He said the index for food & non-alcoholic beverages increased by 1.5% to 135.3 from 133.3 a year ago. This group contributes 29.5% of the weightage in the CPI.

NEWS UPDATE

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

THE MALAYSIAN RESERVE

Sime Darby Property revises RM4.5b sukuk programme

Sime Darby Property Bhd has revised its RM4.5 billion sukuk musharakah programme to incorporate terms for the potential issuance of its Asean Sustainable and Responsible Investment (SRI) sukuk.

The sukuk musharakah programme was given a credit rating of AA-IS and a "Stable" outlook by the Malaysian Rating Corp Bhd (MARC). MARC had also assigned a "gold" sustainability sukuk assessment to the group's sustainability sukuk framework, which sets out the guidelines for any future issuance of Asean SRI sukuk musharakah under the programme. In a statement yesterday, Sime Darby Property said the move is aligned with the group's plan to broaden the funding structure for its working capital and to support future business growth.

Riding on the national Home Ownership Campaign (HOC) that was reintroduced in June, the group has intensified its marketing and sales efforts garnering total bookings of RM1.1 billion as of Oct 31, 2020.

[More Information on Sukuk issued by Sime Darby Property](#)

NEWS UPDATE

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

REUTERS

TREASURIES-Data leaves yields mostly lower, 30-year jumps on Fed minutes

Most U.S. Treasury yields dipped on Wednesday after a slate of weak economic data including weekly jobless claims, but the 30-year yield received a boost from reports the Federal Reserve at its November policy meeting discussed lengthening the duration of its bond purchases.

The Labor Department reported on Wednesday that initial claims for state unemployment benefits rose by more than expected to 778,000 in the latest week from 748,000 in the prior period. The rise suggests the surge in new COVID-19 infections and business restrictions have increased layoffs and undermined what had been the beginnings of a recovery in the labor market. Daily U.S. deaths from COVID-19 surpassed 2,000 for the first time since May, with hospitals across the country already full, portending a surge in mortalities to come.

Consumer spending, gross domestic product and home sales were also reported Wednesday. The benchmark 10-year yield fell, last down half a basis point on the day to 0.878%. The two-year yield was also down half a basis point to 0.160%, leaving the yield curve roughly unchanged from Tuesday. "I think a lot of people got ahead of themselves imagining that the recovery was taking shape. To me the recovery isn't taking shape until we have a viable vaccine," said Justin Lederer, Treasury analyst and trader at Cantor Fitzgerald.

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