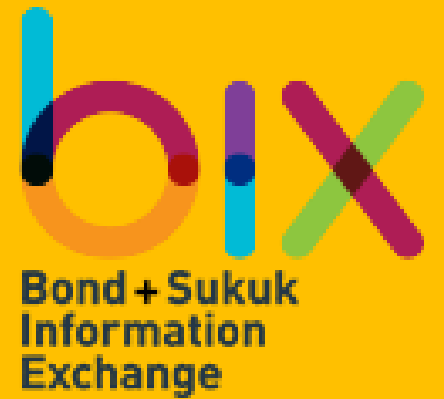


BOND+SUKUK INFORMATION EXCHANGE

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NEWS UPDATE

30 November 2020



MARKET SUMMARY

US Treasury	Yield 27 Nov 20	Daily Change bps	Yield *25 Nov 20	Weekly Change bps	Yield 20 Nov 20	Monthly Change bps	Yield 27 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	0.20	-1	0.21	-1	0.21	1	0.19	-142	1.62
5 YEAR	0.37	-2	0.39	-1	0.38	3	0.34	-132	1.69
7 YEAR	0.61	-4	0.65	-1	0.62	5	0.56	-122	1.83
10 YEAR	0.84	-4	0.88	1	0.83	5	0.79	-108	1.92

MGS	Yield 27 Nov 20	Daily Change bps	Yield 26 Nov 20	Weekly Change bps	Yield 20 Nov 20	Monthly Change bps	Yield 27 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.88	2	1.86	5	1.83	13	1.75	-110	2.98
5 YEAR	2.16	5	2.11	2	2.14	5	2.11	-99	3.15
7 YEAR	2.57	7	2.50	9	2.48	18	2.39	-73	3.30
10 YEAR	2.71	3	2.68	5	2.66	6	2.65	-59	3.30

GII	Yield 27 Nov 20	Daily Change bps	Yield 26 Nov 20	Weekly Change bps	Yield 20 Nov 20	Monthly Change bps	Yield 27 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.98	1	1.97	1	1.97	17	1.81	-108	3.06
5 YEAR	2.32	2	2.30	3	2.29	34	1.98	-87	3.19
7 YEAR	2.67	6	2.61	13	2.54	26	2.41	-63	3.30
10 YEAR	2.70	0	2.70	8	2.62	12	2.58	-72	3.42

AAA	Yield 27 Nov 20	Daily Change bps	Yield 26 Nov 20	Weekly Change bps	Yield 20 Nov 20	Monthly Change bps	Yield 27 Oct 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	2.46	2	2.44	4	2.42	6	2.40	-109	3.55
5 YEAR	2.69	0	2.69	1	2.68	7	2.62	-98	3.67
7 YEAR	2.95	2	2.93	5	2.90	14	2.81	-81	3.76
10 YEAR	3.27	5	3.22	11	3.16	19	3.08	-62	3.89

* 26 November 2020 was a Thanksgiving Day in the United States

- 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.

BLOOMBERG

The rally in Southeast Asian bonds can last into 2021

Indonesian bonds have led a recovery in Southeast Asian debt this quarter amid prospects for a vaccine-aided economic rebound. The region's resilient fixed-income performance could be a harbinger for 2021.

Rupiah and baht government bonds are leading the pack in the fourth quarter, offering total returns close to 10% and 5% respectively so far. Rates and currencies of both nations have rallied in lockstep following the market-friendly conclusion to the US elections and optimism over the efficacy of several vaccine candidates. Regional currency performance is likely to be the main contributor to returns next year as policy rates are already at record lows. Collectively, Southeast Asian central banks have cut benchmark rates by 500 basis points this year, with 425 basis points of reductions seen in the first half.

Moreover, relatively severe lockdown and distancing indicators suggests many economies in the region will stand to gain from an eventual distribution of a vaccine. Global emerging-market local-currency bonds have already rallied by close to 4.5% this quarter alone, with year-to-date figures showing a net positive total return of 2.8%, according to a Bloomberg Barclays index. While Latin America has outperformed Asia this quarter as vaccine developments turbo charged optimism for a recovery in worst-hit countries such as Brazil and Colombia, Southeast Asian bonds have other positives working for them.

NEWS UPDATE

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

THE STAR

October exports up 0.2% to RM91.1b, exceed forecast

Malaysia's exports in October rose by 0.2% to RM91.10bil, exceeding a Bloomberg survey of a 0.4% decline, underpinned by rubber exports, palm oil agriculture products and electrical and electronic (E&E) products.

In a statement issued on Friday, the Statistics Department said expansion in exports in October was contributed by higher exports to the US, China and the EU (+RM348mil). Chief Statistician Datuk Seri Dr.Mohd Uzir Mahidin said October exports of RM91.1bil were the second highest monthly export value recorded this year.

Growth in exports was driven by domestic exports, up by 1.5% from RM72.3bil from the RM73.4bil a year ago. The re-export value of RM17.6bil, contributed to 19.3% of total exports, decreased by 4.9% on-year.

Malaysia recorded higher exports to the US (+RM2.3bil), China (+RM664.6mil), India (+RM471.3mil) and the European Union (+RM348mil).

NEWS UPDATE

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

REUTERS

TREASURIES-U.S. yields tumble on virus woes as investors see soft data next week

U.S. Treasury yields dropped on Friday in thin post-holiday trading, weighed down by persistent concerns about the continued surge in coronavirus cases and possibly weaker economic data next week amid renewed lockdowns in several U.S. states and around the world. Markets were closed on Thursday for the U.S. Thanksgiving holiday.

The yield curve also flattened for a second straight day, as long-end yields continued to fall, with investors mulling the prospect that the Federal Reserve could extend purchases to longer-dated maturities possibly at this month's Fed meeting. The surging COVID-19 numbers though remained a market focus despite positive news on the vaccine front. "The Fed minutes on Wednesday were obviously talking about its asset purchase program, potentially doing a number of things," said Gregory Faranello, head of U.S. rates at AmeriVet Securities in New York.

"But certainly if you listen to the Fed...they like the vaccine in the medium term, but short term, they are concerned about COVID. This is certainly enough of a dynamic to peel away the euphoria over the vaccine in the short term," he added. U.S. coronavirus deaths were now at more than 260,000, while cases continued to grow, nearing 13 million.

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