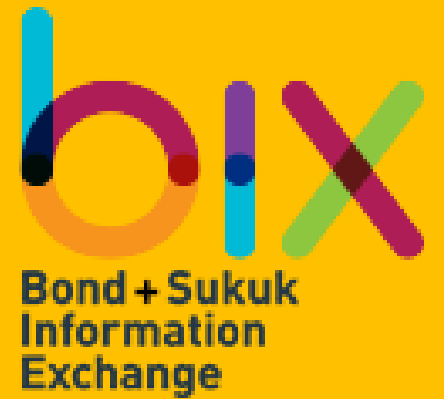


BOND+SUKUK INFORMATION EXCHANGE

BIXMALAYSIA.COM

NEWS UPDATE

11 September 2020



MARKET SUMMARY

US Treasury	Yield 10 Sep 20	Daily Change bps	Yield 09 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 10 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	0.17	0	0.17	-1	0.18	2	0.15	-145	1.62
5 YEAR	0.26	-2	0.28	-4	0.30	2	0.24	-143	1.69
7 YEAR	0.46	-2	0.48	-4	0.50	4	0.42	-137	1.83
10 YEAR	0.68	-3	0.71	-4	0.72	9	0.59	-124	1.92

MGS	Yield 10 Sep 20	Daily Change bps	Yield 09 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 10 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.92	7	1.85	11	1.81	0	1.92	-106	2.98
5 YEAR	2.12	7	2.05	9	2.03	1	2.11	-103	3.15
7 YEAR	2.40	6	2.34	9	2.31	11	2.29	-90	3.30
10 YEAR	2.61	4	2.57	5	2.56	5	2.56	-69	3.30

GII	Yield 10 Sep 20	Daily Change bps	Yield 09 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 10 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.93	7	1.86	12	1.81	-2	1.95	-113	3.06
5 YEAR	2.02	-2	2.04	1	2.01	-3	2.05	-117	3.19
7 YEAR	2.34	0	2.34	1	2.33	-4	2.38	-96	3.30
10 YEAR	2.57	1	2.56	0	2.57	-1	2.58	-85	3.42

AAA	Yield 10 Sep 20	Daily Change bps	Yield 09 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 10 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	2.39	2	2.37	0	2.39	-10	2.49	-116	3.55
5 YEAR	2.58	2	2.56	-1	2.59	-9	2.67	-109	3.67
7 YEAR	2.79	2	2.77	2	2.77	-1	2.80	-97	3.76
10 YEAR	3.05	2	3.03	1	3.04	2	3.03	-84	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 maintains OPR at 1.75% as global economy continues to improve

Bank Negara Malaysia's (BNM) Monetary Policy Committee (MPC) has decided to maintain the overnight policy rate (OPR) at 1.75%, with the central bank citing the continued improvement in the global economy given the easing of containment measures across more economies and strong policy support.

In its Monetary Policy Statement, the bank said the reopening of production facilities led to a resumption of manufacturing and trade activities, although the recovery in the service sector has been slower. "Financial conditions have improved, although risk aversion remains elevated. The outlook is still subject to downside risks and uncertainties, primarily due to the risk of a resurgence of the pandemic and weaker labour market conditions," it said.

Economic activity in Malaysia continues to recover from the trough in April and the latest high frequency indicators show that labour market conditions, household spending and trade activity have continued to improve. The economic recovery is also supported by the fiscal stimulus packages, as well as monetary and financial measures. "Looking ahead, the improvement is expected to continue into 2021, supported by the recovery in external demand and expansion in private sector expenditure.

NEWS UPDATE

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

THE STAR

GLOBAL MARKETS-Equities slide, bonds rally as tech rebound stalls

Global equity benchmarks slipped and U.S. government bonds rallied on Thursday as a rebound in U.S. technology stocks stalled after the European Central Bank left its stimulus program unchanged and a stimulus bill failed in the U.S. Senate.

MSCI's gauge of stocks across the globe shed 1.06% following modest declines in Europe and gains in Asia. On Wall Street, the Dow Jones Industrial Average fell 406.02 points, or 1.45%, to 27,534.45, the S&P 500 lost 60 points, or 1.77%, to 3,338.96 and the Nasdaq Composite dropped 221.97 points, or 1.99%, to 10,919.59. The ECB's decision not to ramp up its stimulus program bolstered the euro, which has gained more than 8% against the dollar since the spring and more than 4% against a basket of currencies weighted by the bloc's foreign trade. The dollar index rose 0.159%, with the euro up 0.1% to \$1.1814. Economists said the ECB will likely have to take more action to support its economy, possibly in December.

"But by resisting calls to cut interest rates deeper into negative territory, the bank has consolidated the appeal of the euro to global investors. It is now walking a tightrope of currency appreciation, as it dare not let the euro rise too high for fear of hampering the recovery of export-dependent economies like Germany," said Ulas Akincilar, head of trading at the online broker Infinox.

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