



NEWS UPDATE

16 October 2024

MARKET SUMMARY

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

US Treasury	Yield 15 October 24	Daily Change bps	Yield 11 October 24*	Weekly Change bps	Yield 8 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.86	1	3.85	0	3.86	44	3.42	-15	4.01
5 YEAR	3.86	-2	3.88	0	3.86	43	3.43	2	3.84
7 YEAR	3.93	-4	3.97	-1	3.94	40	3.53	5	3.88
10 YEAR	4.03	-5	4.08	-1	4.04	37	3.66	15	3.88

*US Market closed on 14 October in observance of Columbus Day Holiday

MGS	Yield 15 October 24	Daily Change bps	Yield 14 October 24	Weekly Change bps	Yield 8 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.42	-1	3.43	0	3.42	10	3.32	-7	3.49
5 YEAR	3.55	-1	3.56	0	3.55	8	3.47	-3	3.58
7 YEAR	3.75	0	3.75	0	3.75	9	3.66	4	3.71
10 YEAR	3.80	0	3.80	3	3.77	8	3.72	6	3.74

GII	Yield 15 October 24	Daily Change bps	Yield 14 October 24	Weekly Change bps	Yield 8 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.35	-1	3.36	0	3.35	4	3.31	-14	3.49
5 YEAR	3.56	0	3.56	2	3.54	6	3.50	-5	3.61
7 YEAR	3.76	-1	3.77	2	3.74	8	3.68	-1	3.77
10 YEAR	3.84	0	3.84	5	3.79	8	3.76	7	3.77

AAA	Yield 15 October 24	Daily Change bps	Yield 14 October 24	Weekly Change bps	Yield 8 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.76	0	3.76	-2	3.78	4	3.72	-7	3.83
5 YEAR	3.83	-1	3.84	-2	3.85	1	3.82	-7	3.90
7 YEAR	3.90	-1	3.91	-2	3.92	0	3.90	-7	3.97
10 YEAR	4.00	-1	4.01	0	4.00	1	3.99	-5	4.05

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

MARC keeps negative outlook on Guan Chong's RM800m sukuk programme as volatile cocoa prices weighs on working capital

MARC Ratings has maintained its AA-IS rating with a negative outlook on Guan Chong Bhd's (KL:GCB) Islamic Medium-Term Notes (Sukuk Wakalah) Programme.

The agency said the negative outlook primarily reflects the continued high and volatile cocoa bean price environment that has led to a sizeable increase in GCB's working capital requirements.

At end-September 2024, cocoa bean price reached USD7,722/MT considerably higher than the USD3,000/MT level prior to the price escalation in the fourth quarter of 2023. GCB has RM600 million outstanding under the Sukuk Wakalah programme.

MARC said in a statement that GCB's cocoa bean purchases at the prevailing bean prices have led to additional borrowings, which rose to RM3.4 billion in 1H2024 from RM2.2 billion in end-2023.

"The rapid increase in borrowings outpaced equity growth, leading to a gross debt-to-equity ratio of 1.79 times as at 1H2024, versus 1.24 times as at end-2023," MARC said. – The Edge Malaysia

Read full publication at <https://theedgemaalaysia.com/node/730310>

NEWS UPDATE

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

SC-World Bank report flags PLCs' weaker ESG disclosures on climate change, nature and biodiversity

A study by the Securities Commission Malaysia (SC), together with the World Bank, highlighted that environmental, social and governance (ESG) disclosures of Malaysia's public listed companies (PLC) are lacking in regard to climate change, nature, and biodiversity indicators.

“Overall, the assessment shows that corporate disclosures and companies’ overall approach to managing governance and social issues were good for most of the sampled companies,” said the SC and World Bank in a joint report entitled ‘ESG Disclosure Assessment of Malaysia’s Listed Companies and Recommendations for Policy Development’ released on Tuesday.

“Disclosure levels were weaker for specific environmental indicators, especially those related to climate change, nature and biodiversity,” it noted. The report contains findings on an assessment of ESG disclosure practices of a sample of 90 PLCs, as well as Malaysia’s “largest four asset owners”.

“Only 10 of the largest companies by market capitalisation have comprehensive TCFD (Task Force on Climate-related Financial Disclosures) disclosures,” the report said. – The Edge Malaysia

Read full publication <https://theedgemaalaysia.com/node/730254>

NEWS UPDATE

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

Yields fall after manufacturing data, Fed comments

U.S. Treasury yields declined on Tuesday, easing after a recent run to the upside that sent the benchmark 10-year note to a 2-1/2 month high, following a soft reading of manufacturing activity in New York State.

The New York Fed's monthly gauge of factory activity in the state fell to a negative 11.9 in October from the prior 11.5 in September. Readings above zero indicate expanding activity. Economists polled by Reuters had expected another month of expanding activity with a median forecast of 3.85.

"Yield to the upside kind of ran its course at this point and you just needed a small catalyst to kind of create a soft cap at this point, that's all it is," said Jim Barnes, director of fixed income at Bryn Mawr Trust in Berwyn, Pennsylvania.

"You'd probably need to have some type of material catalyst in order for it to keep running higher and since we really haven't had that at this point now, it's probably just going to be range bound until we can get evidence as to what might factor into what the Fed will do going forward." – XM

Read full publication at <https://www.xm.com/research/markets/allNews/reuters/yields-fall-after-manufacturing-data-fed-comments-53945812>

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