



NEWS UPDATE

10 July 2024

MARKET SUMMARY

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

US Treasury	Yield 9 July 24	Daily Change bps	Yield 8 July 24	Weekly Change bps	Yield 2 July 24	Monthly Change bps	Yield 7 June 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.37	-3	4.40	-17	4.54	-28	4.65	36	4.01
5 YEAR	4.24	1	4.23	-15	4.39	-22	4.46	40	3.84
7 YEAR	4.25	2	4.23	-15	4.40	-20	4.45	37	3.88
10 YEAR	4.30	2	4.28	-13	4.43	-13	4.43	42	3.88

MGS	Yield 9 July 24	Daily Change bps	Yield 5 July 24*	Weekly Change bps	Yield 2 July 24	Monthly Change bps	Yield 7 June 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.50	0	3.50	-3	3.53	-6	3.56	1	3.49
5 YEAR	3.64	0	3.64	-3	3.67	0	3.64	6	3.58
7 YEAR	3.78	0	3.78	-5	3.83	-3	3.81	7	3.71
10 YEAR	3.85	-1	3.86	-2	3.87	-1	3.86	11	3.74

*Malaysia Market closed on 8 July in observance of Awal Muharram Day Holiday

GII	Yield 9 July 24	Daily Change bps	Yield 5 July 24*	Weekly Change bps	Yield 2 July 24	Monthly Change bps	Yield 7 June 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.42	-2	3.44	-4	3.46	-7	3.49	-7	3.49
5 YEAR	3.60	0	3.60	-3	3.63	-3	3.63	-1	3.61
7 YEAR	3.79	1	3.78	0	3.79	0	3.79	2	3.77
10 YEAR	3.87	0	3.87	-2	3.89	0	3.87	10	3.77

AAA	Yield 9 July 24	Daily Change bps	Yield 5 July 24*	Weekly Change bps	Yield 2 July 24	Monthly Change bps	Yield 7 June 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.79	0	3.79	-1	3.80	-2	3.81	-4	3.83
5 YEAR	3.88	0	3.88	-1	3.89	-3	3.91	-2	3.90
7 YEAR	3.97	0	3.97	0	3.97	-3	4.00	0	3.97
10 YEAR	4.06	0	4.06	-1	4.07	-1	4.07	1	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.

RAM Ratings affirms AA1 rating of Triplc Medical's Senior Sukuk

RAM Ratings has affirmed Triplc Medical Sdn Bhd's (the Company) RM639 mil Senior Sukuk Murabahah (2017/2035) (Senior Sukuk) at AA1/Stable. The affirmation reflects our expectation that the Company's debt servicing ability will remain intact, supported by a steady inflow of monthly concession payments and satisfactory maintenance of a teaching hospital and academic complex on Universiti Teknologi MARA's (UiTM) Puncak Alam campus.

The Company's finance service coverage ratios (FSCRs, with cash balances, post-distribution, calculated on payment dates) are able to register at levels above the minimum 1.65 times required to maintain the Senior Sukuk's AA1 rating and is in accordance with the transaction's financial covenants.

Given sizeable past distributions, the transaction's liquidity buffers are unable to absorb any concession payment delays under RAM's stressed analysis without compromising future FSCRs required for its current rating.

For so long as AC payments continue to be timely, the transaction's FSCR performance should remain in line with its current performance. Nonetheless, we caution that financial discipline and prudence around future distributions will be crucial to avoid compromising TRIplc Medical's future debt coverages and credit strength. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=6675>

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

BNM likely to keep OPR at 3% this Thursday, says StanChart

Bank Negara Malaysia (BNM) is likely to keep the overnight policy rate (OPR) unchanged at 3% at its upcoming monetary policy meeting on July 11 despite the recent implementation of diesel subsidy rationalisation, said Standard Chartered Bank (Singapore) Ltd (StanChart Singapore). However, the bank stated it would watch for any tweaks to BNM's inflation outlook, given that the diesel subsidy rationalisation was implemented on June 10.

“Our initial estimate is a modest 0.1 percentage point (ppt) impact on inflation given the targeted nature of the subsidy cut. However, we will keep an eye out for second-round effects, especially as there may be further subsidy rationalisation amid Malaysia's growth recovery,” it said in its global research note.

StanChart Singapore said it would also monitor changes in BNM's assessment of the ringgit, following the central bank's note in May 2024 stating that “the ringgit currently does not reflect Malaysia's economic fundamentals and growth prospects”.

“We view this as an upgrade to the central bank's view from March 2024 when it said ‘the ringgit is currently undervalued, given Malaysia's economic fundamentals and growth prospects’,” it added. – Free Malaysia Today

Read full publication <https://www.freemalaysiatoday.com/category/business/2024/07/09/bnm-likely-to-keep-opr-at-3-this-thursday-says-stanchart/>

NEWS UPDATE

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

Treasury yields bounce even as Powell notes progress on inflation

Treasury yields rose Tuesday as investors digested comments from Federal Reserve Chair Jerome Powell. The yield on the 10-year Treasury added 2.7 basis points to 4.295%. The 2-year Treasury yield advanced less than one basis point to 4.62%.

Before the Senate Banking Committee, Powell teased in his testimony that the central bank was thinking about getting less restrictive with its monetary policy.

“Reducing policy restraint too late or too little could unduly weaken economic activity and employment,” Powell said in prepared remarks. “More good data would strengthen our confidence that inflation is moving sustainably toward 2 percent.”

Bond yields have been falling in recent months with the benchmark 10-year rate declining nearly 40 basis points since May.

Markets expect the Fed to begin cutting rates in September and likely following up with another quarter-percentage-point reduction by the end of the year. CME Group’s FedWatch Tool showed that traders were last pricing in about a 77% chance of rates being cut in September. – CNBC

Read full publication at <https://www.cnbc.com/2024/07/09/us-treasurys-ahead-of-fresh-data-testimony-from-fed-chair-powell.html>

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