



NEWS UPDATE

25 August 2025

MARKET SUMMARY

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

US Treasury	Yield 22 August 25	Daily Change bps	Yield 21 August 25	Weekly Change bps	Yield 15 August 25	Monthly Change bps	Yield 22 July 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.64	-11	3.75	-9	3.73	-13	3.77	-63	4.27
5 YEAR	3.76	-10	3.86	-9	3.85	-12	3.88	-62	4.38
7 YEAR	3.98	-9	4.07	-9	4.07	-11	4.09	-50	4.48
10 YEAR	4.26	-7	4.33	-7	4.33	-9	4.35	-32	4.58

MGS	Yield 22 August 25	Daily Change bps	Yield 21 August 25	Weekly Change bps	Yield 15 August 25	Monthly Change bps	Yield 22 July 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	2.98	0	2.98	3	2.95	-10	3.08	-50	3.48
5 YEAR	3.08	0	3.08	4	3.04	-10	3.18	-54	3.62
7 YEAR	3.26	-1	3.27	0	3.26	-10	3.36	-51	3.77
10 YEAR	3.38	-1	3.39	2	3.36	-4	3.42	-44	3.82

GII	Yield 22 August 25	Daily Change bps	Yield 21 August 25	Weekly Change bps	Yield 15 August 25	Monthly Change bps	Yield 22 July 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.02	1	3.01	1	3.01	-11	3.13	-31	3.33
5 YEAR	3.13	0	3.13	0	3.13	-7	3.20	-49	3.62
7 YEAR	3.24	0	3.24	2	3.22	-11	3.35	-50	3.74
10 YEAR	3.40	-1	3.41	2	3.38	-7	3.47	-43	3.83

AAA	Yield 22 August 25	Daily Change bps	Yield 21 August 25	Weekly Change bps	Yield 15 August 25	Monthly Change bps	Yield 22 July 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.48	0	3.48	-2	3.50	-9	3.57	-35	3.83
5 YEAR	3.55	1	3.54	-1	3.56	-6	3.61	-40	3.95
7 YEAR	3.60	0	3.60	-1	3.61	-5	3.65	-39	3.99
10 YEAR	3.66	0	3.66	-1	3.67	-5	3.71	-38	4.04

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

Local bond yields may trend higher as tariff threat bites

Malaysian government bond yields ended the week mixed, with the 10-year Malaysian Government Securities (MGS) climbing 2.3 basis points (bps) to 3.386% and the 10-year Government Investment Issue (GII) up 2.2 bps to 3.404%, according to Kenanga.

Overall, MGS and GII yields shifted within a narrow -0.9 to +2.3 bps range across the curve. The uptick in longer-tenor bonds came as investor sentiment was rattled by former US president Donald Trump's threat to impose a sweeping 300% tariff on the global semiconductor industry, sparking fears of trade disruptions.

The pressure was partially cushioned by Malaysia's stronger-than-expected export performance, which bolstered confidence in the domestic outlook. However, a lack of tangible progress in Ukraine peace talks prompted investors to reduce exposure to emerging-market debt.

Looking ahead, Kenanga said domestic yields are likely to rise modestly as markets await clarity on Trump's tariff stance, particularly on the semiconductor sector. Investors will also be closely monitoring Federal Reserve Chair Jerome Powell's remarks at the Jackson Hole symposium, where he is expected to reiterate a data-dependent policy approach. – Business Today

Read full publication <https://www.businesstoday.com.my/2025/08/23/local-bond-yields-may-trend-higher-as-tariff-threat-bites/>

NEWS UPDATE

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

RAM Ratings upgrades MEX Capital's sukuk to AA2 on traffic and revenue outperformance

RAM Ratings has upgraded to AA2/Stable from A1/Positive the rating of MEX I Capital Berhad's (MEX Capital) RM1.13 bil Senior Sukuk Musharakah (2022/2040) (the Sukuk). MEX Capital is reliant on cash flows from its 96.8%-owned subsidiary, Maju Expressway Sdn Bhd (MESB) – the concessionaire for Maju Expressway (MEX or the Expressway) – to service the Sukuk.

The rating upgrade is based on MEX's sustained traffic and revenue outperformance since the Sukuk's issuance three years ago. The receipt of RM157 mil of compensation payments in early 2025 in lieu of a toll rate increase, further boosted its cash reserves. Consequently, MEX Capital's projected finance service coverage ratios are anticipated to perform above 2.5 times going forward.

The sukuk rating nevertheless incorporates downward adjustment for past governance lapses as well as concession restructuring risk. These could result in lower or flat toll rates and the discontinuation of any further government compensation payments in return for a concession extension. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=7028>

NEWS UPDATE

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

Powell's Jackson Hole signal on rates seen as good for one cut

At a divided Federal Reserve (Fed), policymakers pushing for lower interest rates look close to getting their way after Chair Jerome Powell on Friday opened the door to a cut in September.

The debate over what happens after that is likely to begin even before the Federal Open Market Committee meets Sept 16-17 in Washington. And there's no guarantee that more cuts will follow any time soon.

Some officials will want multiple cuts, a second group will only commit to one move and still others will object to any cuts at all, said Stephen Stanley, chief US economist at Santander US Capital Markets LLC. The result, Stanley concluded: "The September message will probably be, 'One cut and we'll see what happens.'"

In what was likely Powell's last speech at the US central bank's annual gathering in Jackson Hole, Wyoming, the Fed chief pointed to mounting risks to the labour market. "The shifting balance of risks," Powell said, "may warrant adjusting our policy stance."

That long-awaited signal for an approaching cut came amid unrelenting pressure from the White House for lower borrowing costs. – The Edge Malaysia

Read full publication at <https://theedgemaalaysia.com/node/767828>

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