



NEWS UPDATE

20 December 2024

MARKET SUMMARY

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

US Treasury	Yield 19 December 24	Daily Change bps	Yield 18 December 24	Weekly Change bps	Yield 12 December 24	Monthly Change bps	Yield 19 November 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.35	0	4.35	21	4.14	11	4.24	34	4.01
5 YEAR	4.43	3	4.40	25	4.18	18	4.25	59	3.84
7 YEAR	4.51	6	4.45	26	4.25	19	4.32	63	3.88
10 YEAR	4.57	7	4.50	25	4.32	18	4.39	69	3.88

MGS	Yield 19 December 24	Daily Change bps	Yield 18 December 24	Weekly Change bps	Yield 12 December 24	Monthly Change bps	Yield 19 November 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.49	2	3.47	3	3.46	1	3.48	0	3.49
5 YEAR	3.66	4	3.62	6	3.60	3	3.63	8	3.58
7 YEAR	3.79	2	3.77	2	3.77	0	3.79	8	3.71
10 YEAR	3.83	2	3.81	3	3.80	-2	3.85	9	3.74

GII	Yield 19 December 24	Daily Change bps	Yield 18 December 24	Weekly Change bps	Yield 12 December 24	Monthly Change bps	Yield 19 November 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.40	3	3.37	5	3.35	-1	3.41	-9	3.49
5 YEAR	3.66	4	3.62	5	3.61	3	3.63	5	3.61
7 YEAR	3.77	0	3.77	1	3.76	-3	3.80	0	3.77
10 YEAR	3.85	2	3.83	4	3.81	-1	3.86	8	3.77

AAA	Yield 19 December 24	Daily Change bps	Yield 18 December 24	Weekly Change bps	Yield 12 December 24	Monthly Change bps	Yield 19 November 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.84	2	3.82	3	3.81	-3	3.87	1	3.83
5 YEAR	3.95	1	3.94	5	3.90	-2	3.97	5	3.90
7 YEAR	4.01	1	4.00	1	4.00	-1	4.02	4	3.97
10 YEAR	4.06	1	4.05	0	4.06	-2	4.08	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.

Foreign interest in local bonds to remain subdued: RAM

Recent changes over the US interest rate outlook are expected to keep UST yields elevated. The US Federal Reserve (Fed)'s latest projection indicates a median federal funds rate (FFR) of 3.9% by the end of 2025, up from the previous projection of 3.4% in September.

Leading up to the Fed's meeting, the 10-year UST yield rose sharply in the first half of December, reaching 4.50% as of the 18th of the month compared to 4.18% as at end-November, reflecting market expectations that Fed rate cuts may not be as forthcoming heading into 2025.

This shift in investor expectations mirrors trends seen in 1H November. The 10-year UST yield jumped to 4.43% as of 15 November from 4.28% as at end-October, before retracing to 4.18% as at end-November following the dovish tone in the Fed's September meeting minutes.

Foreign demand for Malaysian bonds, however, remained soft last month, leading to a net foreign outflow of RM1.1 bil (October: RM11.4 bil). Outflows were primarily driven by foreign selling of MGS and GII, amounting to RM1.8 bil. – Business Today

Read full publication at <https://www.businesstoday.com.my/2024/12/19/foreign-interest-in-local-bonds-to-remain-subdued-ram/>

NEWS UPDATE

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

ISP Group launches Malaysia's first RM2b sustainability ABS sukuk

ISP Group has introduced Malaysia's first sustainability-focused industrial asset-backed securitisation (ABS) sukuk Wakalah, valued at RM2 billion. The landmark initiative, registered with the Securities Commission (SC), marks a major step in sustainable Islamic financing within the industrial property sector.

The programme, developed by Visionary Heritage Bhd (VHB), is designed to fund ISP's expansion in logistics warehouses, manufacturing hubs, and purpose-built workers accommodation (PBWA), while promoting community-focused infrastructure and sustainability projects.

ISP Holding's founder and CEO, Eric Ng, called the programme a "transformative milestone," emphasizing its role in ethical financing and alignment with the company's strategic goals.

The ABS sukuk offers flexibility with perpetual tenure, multi-currency options, and potential for future ASEAN green and sustainable sukuk issuances. The first issuance, expected to be an ASEAN green sukuk Wakalah, will be backed by high-value industrial properties in Johor valued at approximately RM110 million. – The Malaysian Reserve

Read full publication <https://themalaysianreserve.com/2024/12/19/isp-group-launches-malaysias-first-rm2b-sustainability-abs-sukuk/>

NEWS UPDATE

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

10-year Treasury yield climbs to 4.57% one day after Fed signals slower rate cutting cycle

The 10-year Treasury yield continued to charge higher Thursday, one day after the Federal Reserve changed its outlook for how many times it will lower rates in 2025, and as the latest economic numbers confirmed that the economy remains robust even with today's borrowing costs.

The yield on the 10-year Treasury jumped more than seven basis points to 4.57% after topping 4.50% on Wednesday, signaling investors' pessimism over the inflation backdrop and the amount of room there is for easier monetary policy. The 2-year Treasury yield fell 3.6 basis points to 4.32%.

On Thursday, investors weighed the latest weekly claims for unemployment benefits and the final numbers for third quarter U.S. gross domestic product growth. Jobless claims dropped to 220,000 in the week ended Dec. 14, below the 230,000 that economists polled by Dow Jones had forecast.

GDP grew at a 3.1% clip in the third quarter, 0.3 percentage point above what economists had estimated. Both reports painted a picture of an economy that isn't in need of much stimulus from the Federal Reserve. – CNBC

Read full publication at <https://www.cnbc.com/2024/12/19/10-year-treasury-yield-above-4point5percent-after-fed-rate-cutting-cycle-signals.html>

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