



# NEWS UPDATE

8 May 2024

# MARKET SUMMARY

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

US Treasury	Yield 7 May 24	Daily Change bps	Yield 6 May 24	Weekly Change bps	Yield 30 April 24	YTD Change bps	Yield 5 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.60	-4	4.64	-27	4.87	6	4.54	59	4.01
5 YEAR	4.48	0	4.48	-24	4.72	10	4.38	64	3.84
7 YEAR	4.47	-1	4.48	-24	4.71	8	4.39	59	3.88
10 YEAR	4.47	-2	4.49	-22	4.69	8	4.39	59	3.88

MGS	Yield 7 May 24	Daily Change bps	Yield 6 May 24	Weekly Change bps	Yield 30 April 24	YTD Change bps	Yield 5 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.59	1	3.58	-2	3.61	7	3.52	10	3.49
5 YEAR	3.74	2	3.72	-4	3.78	6	3.68	16	3.58
7 YEAR	3.82	-1	3.83	-7	3.89	2	3.80	11	3.71
10 YEAR	3.91	0	3.91	-6	3.97	4	3.87	17	3.74

GII	Yield 7 May 24	Daily Change bps	Yield 6 May 24	Weekly Change bps	Yield 30 April 24	YTD Change bps	Yield 5 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.53	0	3.53	-6	3.59	8	3.45	4	3.49
5 YEAR	3.70	1	3.69	-8	3.78	9	3.61	9	3.61
7 YEAR	3.80	0	3.80	-9	3.89	4	3.76	3	3.77
10 YEAR	3.92	0	3.92	-6	3.98	5	3.87	15	3.77

AAA	Yield 7 May 24	Daily Change bps	Yield 6 May 24	Weekly Change bps	Yield 30 April 24	YTD Change bps	Yield 5 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.83	-1	3.84	0	3.83	9	3.74	0	3.83
5 YEAR	3.96	-1	3.97	-1	3.97	10	3.86	6	3.90
7 YEAR	4.06	-2	4.08	-3	4.09	8	3.98	9	3.97
10 YEAR	4.13	-2	4.15	-3	4.16	6	4.07	8	4.05

Source: US Treasury, BNM & BIX Malaysia

# NEWS UPDATE

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

## **RAM Ratings assigns AA1/Stable rating to Hong Leong Investment Bank's proposed Tranche 3 subdebt issuance**

RAM Ratings has assigned an AA1/Stable rating to the proposed Tranche 3 issuance under Hong Leong Investment Bank Berhad's (HLIB or the Bank) RM1.0 billion Multi-Currency Tier-2 Subordinated Notes Programme (the Programme).

The Programme is an existing facility that is unrated. For added flexibility, the Bank is finalising revisions to the existing principal terms and conditions to allow for the issuance of rated or unrated ringgit-denominated tranches as well as sustainable bond issuances.

The one-notch differential between the rating of the proposed Tranche 3 issuance and HLIB's AAA long-term financial institution rating reflects the subordination of the subordinated notes to the Bank's senior obligations.

As the investment banking and stockbroking arm of Hong Leong Financial Group Berhad (HLFG or the Group, last rated AA1/Stable/P1 on 30 August 2023), HLIB is highly strategic to the Group and benefits from a very strong likelihood of support when needed.

The Bank can utilise the well-established customer network of Hong Leong Bank Berhad – the commercial banking subsidiary of HLFG – to capitalise on deal referrals and cross-selling opportunities. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=6611>

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

## **BNM likely to keep OPR unchanged at three per cent**

Standard Chartered Global Research expects Bank Negara Malaysia (BNM) to keep the overnight policy rate (OPR) unchanged at three per cent at the upcoming monetary policy meeting on May 9.

The research firm said it will watch for any tweaks to the central bank's inflation outlook to assess the possibility of a hike in late 2024.

"The first quarter gross domestic product (GDP) growth was resilient at 3.9 per cent year-on-year but was lower than we had anticipated as of end-2023.

"Inflation remained benign as of March, despite a two percentage point increase in the services tax, suggesting limited pass-through; this reflects subdued core inflation," it said in a research note today.

It said recent developments, however, may have increased the possibility of a hike in late 2024.

"First, the restructuring of the Employees' Provident Fund accounts - which could lead to an estimated RM25 billion (circa 1.3 per cent of GDP) of withdrawals - will likely add to demand-driven inflation. – Sinar Daily

Read full publication at <https://www.sinardaily.my/article/217809/focus/money/bnm-likely-to-keep-opr-unchanged-at-three-per-cent>

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

## **10-year Treasury yield falls as investors consider Fed policy path**

U.S. Treasury yields were mostly lower on Tuesday as investors considered the outlook for Federal Reserve monetary policy following the latest economic data and remarks from central bank officials.

The yield on the 10-year Treasury was down more than 3 basis points at 4.457%. The 2-year Treasury yield was up by less than 1 basis point at 4.828%. Investors have been on edge recently over when — and how many times — the Fed will cut interest rates.

Minneapolis Fed Reserve President Neel Kashkari on Tuesday said he expects the central bank to stay put on interest rates for an extended period of time until it gets further clarity on disinflation, and did not rule out the possibility of another rate hike.

On Monday, Richmond Federal Reserve President Tom Barkin indicated that the central bank had time to wait until policymakers were more confident about inflation easing before cutting rates. This was in line with guidance provided by the Fed after its latest meeting earlier this month.

Barkin's comments came after a weaker-than-expected April jobs report released at the end of last week had buoyed hopes about rate cuts. — CNBC

Read full publication at <https://www.cnbc.com/2024/05/07/us-treasurys-investors-consider-fed-policy-path-ahead.html>

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 [feedback@bixmalaysia.com](mailto:feedback@bixmalaysia.com)