Bond+Sukuk Information Exchange

NEWS UPDATE

15 January 2025

MARKET SUMMARY

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

US Treasury	Yield 14 January 25	Daily Change bps	Yield 13 January 25	Weekly Change bps	Yield 7 January 25	Monthly Change bps	Yield 13 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	4.46	-3	4.49	13	4.33	25	4.21	19	4.27
5 YEAR	4.59	-2	4.61	13	4.46	34	4.25	21	4.38
7 YEAR	4.70	-1	4.71	13	4.57	37	4.33	22	4.48
10 YEAR	4.78	-1	4.79	11	4.67	38	4.40	20	4.58

MGS	Yield 14 January 25	Daily Change bps	Yield 13 January 25	Weekly Change bps	Yield 7 January 25	Monthly Change bps	Yield 13 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.48	0	3.48	4	3.44	2	3.46	0	3.48
5 YEAR	3.63	0	3.63	3	3.60	1	3.62	1	3.62
7 YEAR	3.80	-1	3.81	3	3.77	2	3.78	3	3.77
10 YEAR	3.83	-1	3.84	1	3.82	1	3.82	1	3.82

GII	Yield 14 January 25	Daily Change bps	Yield 13 January 25	Weekly Change bps	Yield 7 January 25	Monthly Change bps	Yield 13 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.35	-1	3.36	0	3.35	0	3.35	2	3.33
5 YEAR	3.64	0	3.64	2	3.62	1	3.63	2	3.62
7 YEAR	3.79	-1	3.80	4	3.75	2	3.77	5	3.74
10 YEAR	3.85	0	3.85	2	3.83	3	3.82	2	3.83

AAA	Yield 14 January 25	Daily Change bps	Yield 13 January 25	Weekly Change bps	Yield 7 January 25	Monthly Change bps	Yield 13 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.84	0	3.84	2	3.82	3	3.81	1	3.83
5 YEAR	3.93	0	3.93	1	3.92	2	3.91	-2	3.95
7 YEAR	4.00	0	4.00	1	3.99	0	4.00	1	3.99
10 YEAR	4.05	0	4.05	1	4.04	0	4.05	1	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.

BMI expects Malaysia’s economy to be resilient in 2024 at 5%

BMI, a Fitch Solutions company, projected Malaysia’s economy to be resilient in 2024, with a real gross domestic product (GDP) growth forecast of 5%, supported by robust investment and resilient consumption. Although the GDP growth is forecasted to slow down to about 4.7% in 2025, this will still be in line with its pre-pandemic times, said country risk analyst Caroline Wong.

“Key drivers to the outlook include robust investment and resilient consumption, despite potential inflationary pressures stemming from the upcoming withdrawal of subsidies,” she said. Wong said this during BMI’s webinar on "Asia macroeconomic update: Elevated uncertainty for 2025 economic outlook amid political and fiscal challenges".

While uncertainties surround the impact of new tariffs under the US resident-elect Donald Trump’s administration, she sees a potential double-edged effect on Malaysia.

“We think that while the nature of the protectionist shift is not yet clear, we assume that any new tariffs will focus on manufactured and industrial goods. Malaysia will not be spared from this, given that its exports to the US are about 11.4% of its own GDP,” she said. – The Edge Malaysia

Read full publication at https://theedgemalaysia.com/node/741015

NEWS UPDATE

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

RAM Ratings affirms PKPP's RM650 million Sukuk Wakalah at AA3(s)

RAM Ratings has affirmed the AA3(s)/Stable rating of Perbadanan Kemajuan Pertanian Negeri Pahang's (PKPP or the Agency) RM650 mil Sukuk Wakalah Programme (2020/2050).

The affirmation reflects PKPP's robust financial position and the financial flexibility it derives as a key statutory body driving Pahang's agricultural development while fulfilling social mandates, including plantation development for settlers and village resettlement programmes.

The sukuk rating benefits from a 'moderately high' likelihood of extraordinary support from the state government in the event of financial distress. The collateral package pledged to sukuk holders, comprising primarily plantation land provides a one-notch enhancement to result in the AA3(s).

As of end-December 2024, the security cover ratio improved to a solid 3.15 times, well above the minimum covenanted 1.67 times due to the gradual repayment of maturing sukuk tranches. – RAM Ratings

Read full publication *https://www.ram.com.my/pressrelease/?prviewid=6861*

NEWS UPDATE

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

BofA sees duration risk curbing demand for corporate bonds

Bank of America (BofA) strategists expect the prospect of fewer interest-rate cuts this year to weaken the demand for longer-duration, investment-grade bonds.

US Treasuries have sold off just a few days into 2025, with the 10-year rate jumping to 4.76% — up seven basis points from the day before. The 30-year rate, meanwhile, briefly topped 5%.

That has made longer-term notes riskier to hold, which could push investors toward bonds with shorter maturities, strategists including Yuri Seliger wrote in a note last Friday.

Corporate-bond funds may be in for a wave of outflows if Treasury yields continue to climb after highly anticipated inflation data later this week, according to a separate note from JPMorgan on Monday.

Investors will be watching closely the consumer price index and producer price index readings this week, as well as policy changes following President-elect Donald Trump's inauguration next week. – The Edge Malaysia

Read full publication at https://theedgemalaysia.com/node/740909

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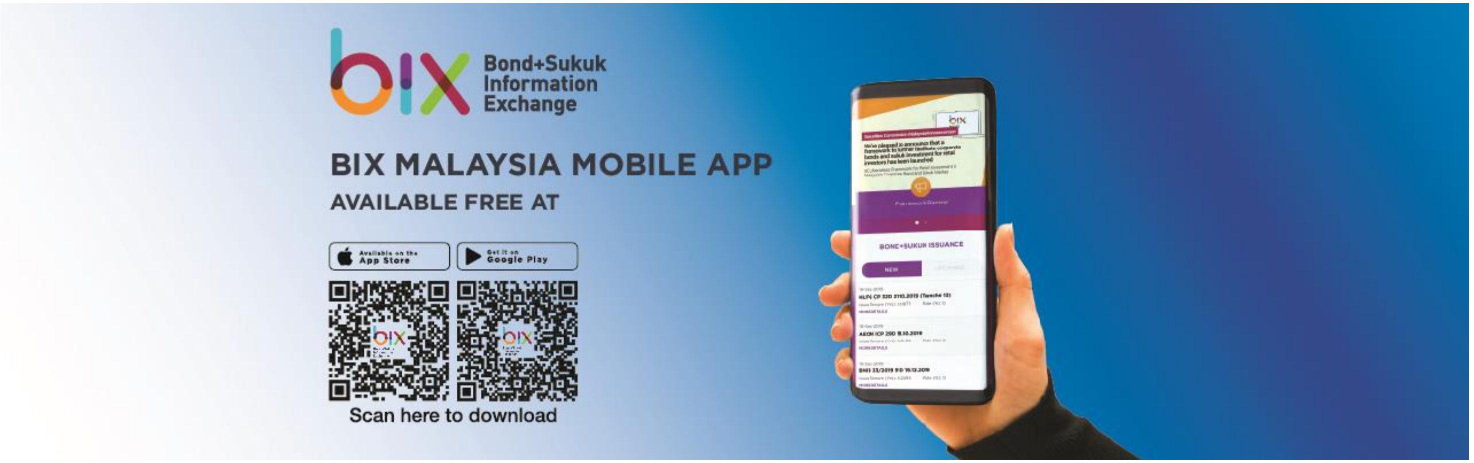

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