BOND+SUKUK INFORMATION EXCHANGE

BIXMALAYSIA.COM

NEWS UPDATE

19 May 2022

MARKET SUMMARY

US Treasury	Yield 18 May 22	Daily Change bps	Yield 17 May 22	Weekly Change bps	Yield 11 May 22	Monthly Change bps	Yield 18 Apr 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	2.84	-5	2.89	3	2.81	17	2.67	187	0.97
5 YEAR	2.89	-7	2.96	-2	2.91	10	2.79	163	1.26
7 YEAR	2.91	-9	3.00	-8	2.99	7	2.84	147	1.44
10 YEAR	2.88	-10	2.98	-11	2.99	5	2.83	136	1.52

*Good Friday

MGS	Yield 18 May 22	Daily Change bps	Yield 17 May 22	Weekly Change bps	Yield 10 May 22	Monthly Change bps	Yield 15 Apr 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.67	-2	3.69	-4	3.71	33	3.34	86	2.81
5 YEAR	4.01	2	3.99	-8	4.09	44	3.57	85	3.16
7 YEAR	4.43	-1	4.44	-4	4.47	48	3.95	104	3.39
10 YEAR	4.38	-7	4.45	2	4.36	29	4.09	78	3.60

GII	Yield 18 May 22	Daily Change bps	Yield 17 May 22	Weekly Change bps	Yield 10 May 22	Monthly Change bps	Yield 15 Apr 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.64	2	3.62	-6	3.70	55	3.09	74	2.90
5 YEAR	4.21	0	4.21	-2	4.23	48	3.73	100	3.21
7 YEAR	4.44	0	4.44	-3	4.47	46	3.98	101	3.43
10 YEAR	4.58	0	4.58	2	4.56	38	4.20	96	3.62

AAA	Yield 18 May 22	Daily Change bps	Yield 17 May 22	Weekly Change bps	Yield 10 May 22	Monthly Change bps	Yield 15 Apr 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	4.17	2	4.15	2	4.15	57	3.60	92	3.25
5 YEAR	4.48	1	4.47	-1	4.49	45	4.03	88	3.60
7 YEAR	4.80	1	4.79	1	4.79	47	4.33	86	3.94
10 YEAR	4.88	-1	4.89	-4	4.92	36	4.52	94	3.94

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

Source: US Treasury, BNM & BIX Malaysia

NEWS UPDATE

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

THE EDGE

StanChart expects Malaysia's economy to grow 7% in 2022

The Malaysian economy is expected to return to above pre-Covid-19 pandemic levels with the 2022 gross domestic product (GDP) growth forecast up at 7% from 6.2% given stronger-than-expected growth in the first quarter (1Q22), said Standard Chartered Bank (StanChart).

The bank also maintained that overnight policy rate (OPR) hikes in 2022 will total 75 basis points, with two more hikes in July and September 2022 respectively, bringing the OPR up to 2.5% by end-2022.

StanChart said the “growth recovery was broad-based”, which saw all components expanding quarter-on-quarter (q-o-q), with the exception of investment and trade in services remaining below pre-pandemic levels as of 1Q22.

"In terms of industries, 18 out of 21 sectors expanded q-o-q, and we estimate that 74% of the economy is above pre-Covid-19 levels," StanChart said in a research note on Tuesday (May 17).

The bank noted that the labour market had also continued to recover, with strong employment growth and tighter conditions translating into higher wage growth.

NEWS UPDATE

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

THE MALAYSIAN RESERVE

Will rate hikes tame cost-push inflation effectively?

As Central Banks around the world are racing to raise interest rates to tame inflation, some quarters argue that an interest rate hike at this juncture is not an effective measure to address the current situation in which prices are driven up mainly by higher costs as a result of the sharp rise of commodity prices plus supply chain disruption.

Bank Negara Malaysia (BNM) has joined its peers to raise the overnight policy rate (OPR) by 25bps last Wednesday (May 11) to 2% after keeping a record low rate of 1.75% since July 2020.

When contacted MIER chief economist Dr Shankaran Nambiar told The Edge that the rate hike would not address rising costs, as inflation is being driven more by supply constraints amid the Ukraine conflict, China's Covid-19 containment policies and supply chain restrictions, rather than demand-pull factors.

"There is pent-up demand, but that is not likely the cause for the increase in the price of fertilisers, vegetables or oil. We are looking at inflation that is more generated by cost-push rather than burgeoning demand.

"That being the case, the rate hike will hardly be able to make a dent on cost-related pressures," said Shankaran.

NEWS UPDATE

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

CNBC

Treasury yields fall, prices rise as investors huddle in bonds for safety amid stock sell-off

U.S. Treasury yields fell Wednesday, as investors sought shelter from a blistering sell-off in the equities market.

The yield on the benchmark 10-year Treasury note fell 9 basis points to 2.88%, despite topping 3% earlier in the day. The yield on the 30-year Treasury bond traded down 10 basis points to 3.061%. Yields move inversely to prices and 1 basis point is equal to 0.01%.

The Dow Jones Industrial Average and S&P 500 were on track for their biggest daily declines since 2020, after a quarterly report from retailer Target stoked concern of rising inflation biting into corporate profits. The tech-heavy Nasdaq Composite also faltered, dropping 4.7%.

Those declines pushed the Nasdaq deeper into bear market territory. They also put the S&P 500 down more than 17.7% for 2022; the Dow was down 13.3% year to date.

Risk assets like stocks have been under pressure all year as worries over surging inflation and tighter Federal Reserve policy rattled investors. On Tuesday, Fed Chairman Jerome Powell said on Tuesday that the U.S. central bank would continue to raise interest rates until inflation starts to fall back to a healthy level.

DISCLAIMER

No Offer

The information provided and services described in the BIX website are of a general nature, are not offers for investment and are not intended to be personalised financial advice to investor. The information provided in the BIX website is not intended to be a substitute for professional advice. Reliance should not be placed on the BIX website, and you should seek appropriate personalised financial advice from a qualified professional to suit your individual circumstances and risk profile.

Website Information

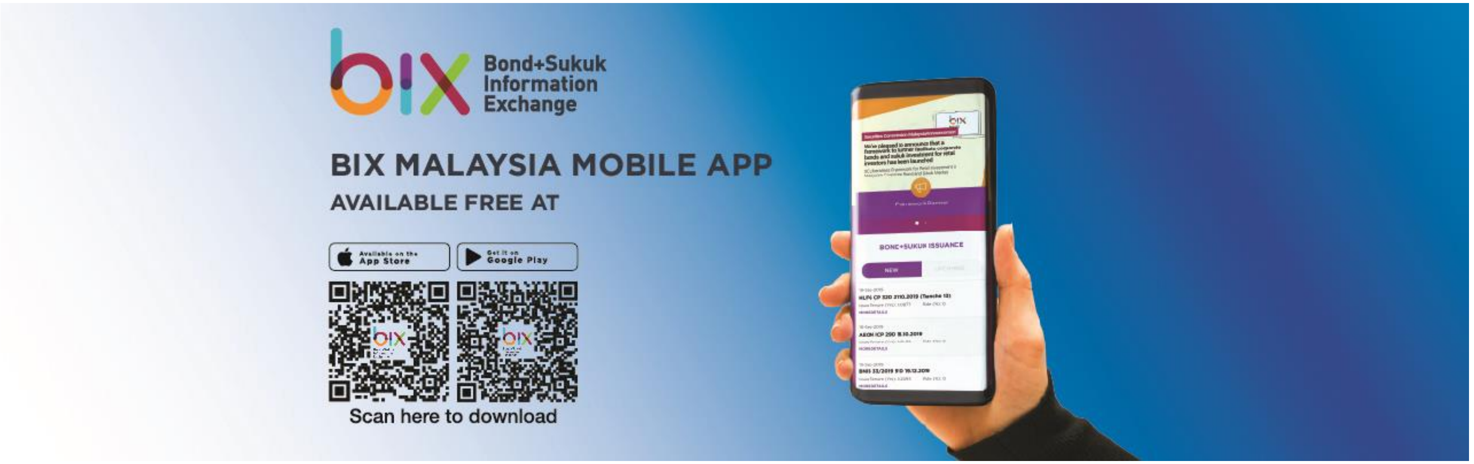
BIX website is a publisher of content supplied by third parties. While every effort is made to ensure the information on the BIX website is up-to-date and correct, the Company makes no representations or warranties of any kind, express or implied, about the accuracy, reliability, completeness, suitability or availability of the BIX website or the information provided on the BIX website from the sources. The information on the BIX website is subject to change at any time. Any reference on this BIX website to historical information and performance may not necessarily be a good guide to future performance. You are solely responsible for any actions you take or do not take by relying on such information. To the full extent legally allowable, the directors, associates, vendors and staff of the Company expressly disclaim all and any liability and responsibility to any person in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, upon the whole or any part of the contents of this BIX website.

Third party products and services

Through the BIX website you may be able to link to other websites which are not under the control of the Company. The Company has no knowledge of or control over the nature, content, and availability of those websites. The Company does not sponsor, recommend, or endorse anything contained on these linked websites. The Company does not accept any liability of any description for any loss suffered by you by relying on anything contained or not contained on these linked websites. The Company accept no responsibility or liability for the content, use or availability of such websites. The Company shall not be liable for any and all liability for the acts, omissions and conduct of any third parties in connection with or related to your use of this site and/or our services.

SUBSCRIBE NOW

Head on to our website at bixmalaysia.com to learn more about Malaysia's Bond & Sukuk



DOWNLOAD NOW

Receive updates on your bond and sukuk via BIX Malaysia mobile app

CONTACT US

AHMAD AL IZHAM BIN IZADIN
BIX Malaysia
Research & Business Development
izham@bixmalaysia.com