



# NEWS UPDATE

23 May 2024

# MARKET SUMMARY

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

US Treasury	Yield 22 May 24	Daily Change bps	Yield 21 May 24	Weekly Change bps	Yield 15 May 24	YTD Change bps	Yield 22 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	4.64	3	4.61	13	4.51	-17	4.81	63	4.01
5 YEAR	4.47	4	4.43	12	4.35	-19	4.66	63	3.84
7 YEAR	4.44	2	4.42	9	4.35	-21	4.65	56	3.88
10 YEAR	4.43	2	4.41	7	4.36	-19	4.62	55	3.88

MGS	Yield 21 May 24*	Daily Change bps	Yield 20 May 24	Weekly Change bps	Yield 14 May 24	YTD Change bps	Yield 19 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.57	3	3.54	-2	3.59	-4	3.61	8	3.49
5 YEAR	3.68	1	3.67	-5	3.73	-5	3.73	10	3.58
7 YEAR	3.80	-1	3.81	-3	3.83	-9	3.89	9	3.71
10 YEAR	3.88	1	3.87	-3	3.91	-8	3.96	14	3.74

\*Malaysia Market closed on 22 May in observance of Wesak Day Holiday

GII	Yield 21 May 24*	Daily Change bps	Yield 20 May 24	Weekly Change bps	Yield 14 May 24	YTD Change bps	Yield 19 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.52	1	3.51	-1	3.53	3	3.49	3	3.49
5 YEAR	3.65	-4	3.69	-5	3.70	-6	3.71	4	3.61
7 YEAR	3.80	3	3.77	-2	3.82	-7	3.87	3	3.77
10 YEAR	3.88	0	3.88	-2	3.90	-6	3.94	11	3.77

AAA	Yield 21 May 24*	Daily Change bps	Yield 20 May 24	Weekly Change bps	Yield 14 May 24	YTD Change bps	Yield 19 April 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.82	0	3.82	1	3.81	2	3.80	-1	3.83
5 YEAR	3.94	0	3.94	-3	3.97	2	3.92	4	3.90
7 YEAR	4.03	-1	4.04	-2	4.05	-1	4.04	6	3.97
10 YEAR	4.09	-1	4.10	-3	4.12	-4	4.13	4	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 affirms AFFIN Group's AA3 financial institution ratings**

RAM Ratings has affirmed the AA3/Stable/P1 financial institution ratings of AFFIN Bank Berhad (AFFIN Bank or the Group) and its banking subsidiaries, AFFIN Islamic Bank Berhad (AFFIN Islamic) and Affin Hwang Investment Bank Berhad (Affin Hwang).

Concurrently, the existing issue ratings of these entities have been affirmed. We have also assigned respective P1 ratings to AFFIN Bank's and AFFIN Islamic's proposed Commercial Papers Programmes and AA3/Stable/P1 ratings to Affin Hwang's proposed Commercial Papers/Medium Term Notes Programme.

AFFIN Bank's ratings currently benefit from our expectations of extraordinary parental support. Its existing major shareholder, Lembaga Tabung Angkatan Tentera (LTAT or the Fund) – the pension fund for members of the Malaysian Armed Forces – owns a combined direct and indirect stake of 48.8% in the Group.

The Sarawak state government has stated an intention to increase its shareholding in AFFIN Bank from the present 4.8%. Regulatory approval for the transaction is pending. The affirmation of the ratings considers the potential change in AFFIN Bank's shareholding structure and the stated intentions expressed by the Sarawak government, which lead us to believe that AFFIN Bank will likely receive extraordinary support from its new major shareholder – if the transaction is approved and completed. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=6624>

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

## **Sunway Healthcare issues RM400m rated sustainable sukuk**

SUNWAY Healthcare Group has issued its first rated sustainable sukuk, raising RM400 million to fund hospital expansions in Malaysia. The initiative aims for green building accreditation and a capacity of up to 3,000 beds by 2030.

The sukuk, based on Islamic principles of Wakalah Bi Al-Istithmar, received an AA<sub>15</sub>(CG) rating with a stable outlook from MARC Ratings Bhd, the highest ever for a Malaysian and Asean healthcare issuer. Maybank Investment Bank Bhd acted as the sole principal adviser, lead arranger, and sustainability structuring adviser, with Maybank Islamic Bhd serving as the shariah adviser.

Sunway Healthcare's sustainability financing framework earned a "Gold" rating from MARC, recognizing its impact on healthcare access, green buildings, energy efficiency, and renewable energy. The issuance saw strong demand from institutional investors, reflecting high interest in sustainable finance.

Sunway Healthcare president, Datuk Lau Beng Long (picture), noted the group's dedication to sustainability and plans to build more hospitals by 2030, enhancing clinical excellence and patient care. – The Malaysian Reserve

Read full publication at <https://themalaysianreserve.com/2024/05/21/sunway-healthcare-issues-rm400m-rated-sustainable-sukuk/>

# NEWS UPDATE

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

## Treasury yields inch higher as Fed still sees no rate cuts soon

U.S. Treasury yields ticked up Wednesday after the latest Federal Reserve meeting minutes suggested a lack of confidence by policymakers that they will be able to lower interest rates anytime soon. The 10-year Treasury yield rose one basis points to 4.426%, while the 2-year Treasury yield was last at 4.873%, up nearly 4 basis points.

Fed officials at their most recent April 30-May 1 policy meeting grew more concerned about the lack of progress on inflation, according to minutes released Wednesday. The minutes showed a willingness from “various participants” to hike rates if inflation didn’t keep moving lower toward the Fed’s 2% goal.

The meeting minutes come after a series of Fed officials this week urged patience when it comes to rate cuts as inflation remains above the Fed’s 2% target. Fed Governor Christopher Waller on Tuesday said he would need to see more data showing that inflation and the economy is easing before cutting rates. Fellow Fed officials echoed that view, with Boston Fed President Susan Collins saying patience “really matters” right now, and Atlanta Fed President Raphael Bostic saying he was “not in a hurry to cut rates.”

Elsewhere, UK inflation came in higher than expected on Wednesday at 2.3% on an annual basis, which prompted markets to slash the probability of a June rate cut by the Bank of England. – CNBC

Read full publication at <https://www.cnbc.com/2024/05/22/us-treasurys-investors-weigh-fed-speaker-comments.html>

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