



NEWS UPDATE

15 October 2024

MARKET SUMMARY

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

US Treasury	Yield 11 October 24*	Daily Change bps	Yield 10 October 24	Weekly Change bps	Yield 4 October 24	Monthly Change bps	Yield 11 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.85	-3	3.88	1	3.84	40	3.45	-16	4.01
5 YEAR	3.88	-3	3.91	7	3.81	43	3.45	4	3.84
7 YEAR	3.97	-2	3.99	9	3.88	43	3.54	9	3.88
10 YEAR	4.08	-1	4.09	10	3.98	43	3.65	20	3.88

*US Market closed on 14 October in observance of Columbus Day Holiday

MGS	Yield 14 October 24	Daily Change bps	Yield 11 October 24	Weekly Change bps	Yield 7 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.43	0	3.43	0	3.43	11	3.32	-6	3.49
5 YEAR	3.56	0	3.56	1	3.55	9	3.47	-2	3.58
7 YEAR	3.75	0	3.75	0	3.75	9	3.66	4	3.71
10 YEAR	3.80	1	3.79	3	3.77	8	3.72	6	3.74

GII	Yield 14 October 24	Daily Change bps	Yield 11 October 24	Weekly Change bps	Yield 7 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.36	1	3.35	1	3.35	5	3.31	-13	3.49
5 YEAR	3.56	1	3.55	1	3.55	6	3.50	-5	3.61
7 YEAR	3.77	2	3.75	2	3.75	9	3.68	0	3.77
10 YEAR	3.84	3	3.81	5	3.79	8	3.76	7	3.77

AAA	Yield 14 October 24	Daily Change bps	Yield 11 October 24	Weekly Change bps	Yield 7 October 24	Monthly Change bps	Yield 13 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.76	0	3.76	-3	3.79	4	3.72	-7	3.83
5 YEAR	3.84	0	3.84	-2	3.86	2	3.82	-6	3.90
7 YEAR	3.91	0	3.91	-2	3.93	1	3.90	-6	3.97
10 YEAR	4.01	1	4.00	0	4.01	2	3.99	-4	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.

MARC Ratings maintains JB Cocoa's outlook at negative

MARC Ratings has affirmed its rating of A+_{IS} on JB Cocoa Sdn Bhd's RM500.0 million Islamic Medium-Term Notes (Sukuk Wakalah) Programme. The rating outlook remains negative.

JB Cocoa is a wholly-owned key manufacturing subsidiary of Singapore-based JB Foods Limited, which has provided a corporate guarantee on the programme. Accordingly, the rating assessment considers the consolidated credit profile of JB Foods in view of operational and financial linkages within the group.

The negative outlook continues to reflect MARC Ratings' view that the prevailing volatile and high cocoa bean price environment has continued to weigh on JB Foods' group working capital requirements, leading to high borrowings.

Since the price of cocoa beans began escalating in 4Q2023, JB Foods' leverage has risen to 1.51x from around 1.0x between end-June 2024 and end-2022. Meanwhile, the rating affirmation reflects JB Foods' defensible market position as one of the key cocoa processors globally, and its longstanding experience in the cocoa industry. – MARC Ratings

Read full publication at <https://www.marc.com.my/rating-announcements/marc-ratings-maintains-jb-cocoas-outlook-at-negative/>

NEWS UPDATE

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

CIMB Securities: Malaysia's economy will grow more than BNM's 4-5pct forecast this year

CIMB Securities expects Malaysia's gross domestic product (GDP) to grow by 5.1 per cent year-on-year (YoY) in the third quarter of 2024 (3Q24), down from 5.9 per cent in 2Q24. For 2024, the firm has maintained its growth forecast at 5.2 per cent (2023: 3.6 per cent), slightly above the government's projection of four to five per cent.

"This is reflecting our expectation of the continued recovery in external demand driven by the global tech upcycle, along with strong domestic spending, supported by robust investments and resilient consumer spending," it said in a note today.

Meanwhile, Malaysia's industrial production index (IPI) growth expanded 4.7 per cent YoY in the first two months of 3Q24, which outpaced the 4.5 per cent pace in 2Q24. This was underpinned by an acceleration in manufacturing growth, electricity generation, but weighed down by a sharp decline in mining output.

Looking ahead, CIMB said the improvement in global trade activity and robust domestic demand are expected to sustain the momentum of Malaysia's industrial recovery. – New Straits Times

Read full publication <https://www.nst.com.my/business/corporate/2024/10/1119361/cimb-securities-malaysias-economy-will-grow-more-bnms-4-5pct>

NEWS UPDATE

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

Fed rate cuts were supposed to help ease U.S. debt costs, but it's not looking good so far

The start of the Federal Reserve's rate cuts last month was expected to bring bond yields down—and take some pressure off the spiraling U.S. debt burden. Last month, Apollo Global Management chief economist Torsten Sløk noted that with U.S. debt now at \$35.3 trillion, interest expenses average out to \$3 billion a day.

That's up from \$2 billion about two years ago, when the Fed began its rate-hiking campaign to rein in inflation. At the time, he had hope for the anticipated Fed rate cuts.

"If the Fed cuts interest rates by 1%-point and the entire yield curve declines by 1%-point, then daily interest expenses will decline from \$3 billion per day to \$2.5 billion per day," Sløk estimated.

So far, it's not working out that way. To be sure, Treasury yields tumbled ahead of the first rate cut as investors looked for an aggressive easing cycle to match its aggressive tightening cycle.

But since the Fed's policy meeting wrapped up, yields have jumped, and some Wall Street forecasters have warned that the central bank may even pause on further cuts. – Yahoo finance

Read full publication at <https://finance.yahoo.com/news/fed-rate-cuts-were-supposed-185353835.html>

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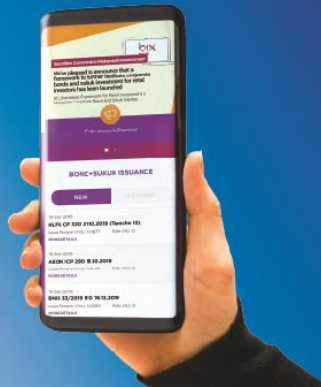
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