



NEWS UPDATE

22 January 2025

MARKET SUMMARY

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

| US Treasury | Yield 21 January 25 | Daily Change bps | Yield 17 January 25* | Weekly Change bps | Yield 14 January 25 | Monthly Change bps | Yield 20 December 24 | YTD Change bps | Yield 31 Dec 24 |
|-------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|----------------------|--------------------|
| 3 YEAR | 4.33 | 0 | 4.33 | -13 | 4.46 | 1 | 4.32 | 6 | 4.27 |
| 5 YEAR | 4.40 | -2 | 4.42 | -19 | 4.59 | 3 | 4.37 | 2 | 4.38 |
| 7 YEAR | 4.49 | -3 | 4.52 | -21 | 4.70 | 4 | 4.45 | 1 | 4.48 |
| 10 YEAR | 4.57 | -4 | 4.61 | -21 | 4.78 | 5 | 4.52 | -1 | 4.58 |

*US Market closed on 20 January in observance of Martin Luther King Day Holiday

| MGS | Yield 21 January 25 | Daily Change bps | Yield 20 January 25 | Weekly Change bps | Yield 14 January 25 | Monthly Change bps | Yield 20 December 24 | YTD Change bps | Yield 31 Dec 24 |
|---------|------------------------|------------------------|------------------------|-------------------------|------------------------|--------------------------|-------------------------|----------------------|--------------------|
| 3 YEAR | 3.43 | -2 | 3.45 | -5 | 3.48 | -7 | 3.50 | -5 | 3.48 |
| 5 YEAR | 3.61 | 0 | 3.61 | -2 | 3.63 | -4 | 3.65 | -1 | 3.62 |
| 7 YEAR | 3.79 | 0 | 3.79 | -1 | 3.80 | 0 | 3.79 | 2 | 3.77 |
| 10 YEAR | 3.82 | 0 | 3.82 | -1 | 3.83 | -3 | 3.85 | 0 | 3.82 |

| GII | Yield 21 January 25 | Daily Change bps | Yield 20 January 25 | Weekly Change bps | Yield 14 January 25 | Monthly Change bps | Yield 20 December 24 | YTD Change bps | Yield 31 Dec 24 |
|---------|------------------------|------------------------|------------------------|-------------------------|------------------------|--------------------------|-------------------------|----------------------|--------------------|
| 3 YEAR | 3.32 | -1 | 3.33 | -3 | 3.35 | -7 | 3.39 | -1 | 3.33 |
| 5 YEAR | 3.63 | 1 | 3.62 | -1 | 3.64 | -2 | 3.65 | 1 | 3.62 |
| 7 YEAR | 3.78 | 1 | 3.77 | -1 | 3.79 | -2 | 3.80 | 4 | 3.74 |
| 10 YEAR | 3.84 | 0 | 3.84 | -1 | 3.85 | -2 | 3.86 | 1 | 3.83 |

| AAA | Yield 21 January 25 | Daily Change bps | Yield 20 January 25 | Weekly Change bps | Yield 14 January 25 | Monthly Change bps | Yield 20 December 24 | YTD Change bps | Yield 31 Dec 24 |
|---------|------------------------|------------------------|------------------------|-------------------------|------------------------|--------------------------|-------------------------|----------------------|--------------------|
| 3 YEAR | 3.83 | 0 | 3.83 | -1 | 3.84 | -1 | 3.84 | 0 | 3.83 |
| 5 YEAR | 3.91 | 0 | 3.91 | -2 | 3.93 | -5 | 3.96 | -4 | 3.95 |
| 7 YEAR | 3.97 | -1 | 3.98 | -3 | 4.00 | -5 | 4.02 | -2 | 3.99 |
| 10 YEAR | 4.03 | -1 | 4.04 | -2 | 4.05 | -4 | 4.07 | -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.

Corporate bonds to hit RM120b this year, says RAM Ratings

Corporate bond issuance, which grew 5% year-on-year to RM124.2 billion last year, is expected to hit up to RM120 billion this year, according to RAM Ratings Services Bhd. In a statement today, it said it anticipated some of last year's strength spilling over into 2025, seeing corporate bond issuance remaining healthy at RM110 billion to RM120 billion.

"Infrastructure financing and businesses' funding needs should also support steady corporate bond issuance activity in 2025," it said. For 2024, it said the financial (RM51.7 billion) and real estate (RM19.9 billion) sectors continued to be the primary drivers of issuance, mirroring trends observed in 2023.

It noted that gross issuance of Malaysian Government Securities (MGS) and Government Investment Issue (GII) moderated to RM176.7 billion in 2024, down from the high of RM190.9 billion in 2023.

"Looking ahead, we project MGS and GII issuance to ease further to RM155 billion-RM165 billion in 2025. This takes into account the government's narrower deficit financing requirement in line with its commitment to fiscal consolidation, as well as more moderate needs in the refinancing of debts maturing this year," it said. – The Malaysian Reserve

Read full publication at <https://themalaysianreserve.com/2025/01/21/corporate-bonds-to-hit-rm120b-this-year-says-ram-ratings/>

NEWS UPDATE

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

Bank Negara to maintain OPR at 3pct, according to Standard Chartered

Standard Chartered Global Research expects Bank Negara Malaysia (BNM) to keep the overnight policy rate (OPR) unchanged at 3 per cent. The central bank will announce its monetary policy decision on January 22.

"With robust growth and manageable inflation, a status-quo decision would not be surprising. While fourth quarter (Q4) gross domestic product (GDP) growth slowed, it still remained decent at 4.8 per cent year-on-year (YoY)," it said in a note.

According to Standard Chartered, BNM's focus will be on the central bank's characterisation of the recent ringgit performance. The firm said the ringgit outperformed regional foreign exchange (FX) through the first nine months of 2024.

"BNM's assessment of the ringgit evolved towards becoming more comfortable—from 'undervalued' in March to 'does not reflect ... fundamentals' in May to simply noting that it is driven by external factors in July through November," it noted. Standard Chartered also said the ringgit has depreciated 8.3 per cent against the US dollar since the end of September and is the underperformer (ex-KRW) in the region. – New Straits Times

Read full publication <https://www.nst.com.my/business/corporate/2025/01/1163948/bank-negara-maintain-opr-3pct-according-standard-chartered>

NEWS UPDATE

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

10-year Treasury yield falls as investors digest Trump's return to the White House

The 10-year Treasury yield slid on Tuesday, as investors digested President Donald Trump's return to the White House and a slew of new executive orders. The 10-year Treasury yield dropped more than 4 basis points to 4.566%. The 2-year Treasury yield sat near flat at 4.272%.

Bond markets were closed on Monday for Martin Luther King Jr. Day. Investors watched closely as Trump was sworn in as the 47th president of the United States on Monday. After his inauguration at the Capitol, Trump signed over 40 executive orders at the Capital One Arena to an audience of 20,000 supporters.

Trump also made comments about tariffs as he was signing executive orders, saying he's thinking of imposing 25% tariffs on Mexico and Canada from February because of their border policies. He also mentioned China, saying the country will be hit with intensified tariffs if it doesn't approve a TikTok deal.

However, Trump said he's not ready to impose universal tariffs yet. Investors will be on the alert to see if Trump enacts some of the pro-business policies he promised throughout his campaign. – CNBC

Read full publication at <https://www.cnbc.com/2025/01/21/us-treasury-yields-trump-returns-to-the-white-house-.html>

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