



NEWS UPDATE

9 January 2025

MARKET SUMMARY

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

US Treasury	Yield 8 January 25	Daily Change bps	Yield 7 January 25	Weekly Change bps	Yield 31 December 24*	Monthly Change bps	Yield 6 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	4.31	-2	4.33	4	4.27	26	4.05	4	4.27
5 YEAR	4.45	-1	4.46	7	4.38	42	4.03	7	4.38
7 YEAR	4.56	-1	4.57	8	4.48	47	4.09	8	4.48
10 YEAR	4.67	0	4.67	9	4.58	52	4.15	9	4.58

*Malaysia and US Market closed on 1 January in observance of New Year's Day Holiday

MGS	Yield 8 January 25	Daily Change bps	Yield 7 January 25	Weekly Change bps	Yield 31 December 24*	Monthly Change bps	Yield 6 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.46	2	3.44	-2	3.48	0	3.46	-2	3.48
5 YEAR	3.60	0	3.60	-2	3.62	4	3.56	-2	3.62
7 YEAR	3.79	2	3.77	2	3.77	6	3.73	2	3.77
10 YEAR	3.82	0	3.82	0	3.82	5	3.77	0	3.82

GII	Yield 8 January 25	Daily Change bps	Yield 7 January 25	Weekly Change bps	Yield 31 December 24*	Monthly Change bps	Yield 6 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.33	-2	3.35	0	3.33	-1	3.34	0	3.33
5 YEAR	3.62	0	3.62	0	3.62	3	3.59	0	3.62
7 YEAR	3.76	1	3.75	2	3.74	3	3.73	2	3.74
10 YEAR	3.83	0	3.83	0	3.83	4	3.79	0	3.83

AAA	Yield 8 January 25	Daily Change bps	Yield 7 January 25	Weekly Change bps	Yield 31 December 24*	Monthly Change bps	Yield 6 December 24	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.82	0	3.82	-1	3.83	0	3.82	-1	3.83
5 YEAR	3.92	0	3.92	-3	3.95	1	3.91	-3	3.95
7 YEAR	3.99	0	3.99	0	3.99	0	3.99	0	3.99
10 YEAR	4.04	0	4.04	0	4.04	-1	4.05	0	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.

RAM Ratings affirms Al Rajhi Malaysia's AA1 rating

RAM Ratings has affirmed Al Rajhi Banking & Investment Corporation (Malaysia) Berhad's (ARBM or the Bank) financial institution ratings of AA1/Stable/P1. The ratings enjoy a rating uplift from its stand-alone credit strength and consider a "high likelihood" of parental support from Al Rajhi Banking and Investment Corporation SJSJ (the Group) – the world's largest Islamic bank by total assets – in view of the Bank's strategic importance to the Group.

As a wholly owned subsidiary of the Group and a key overseas operating unit, ARBM's business direction and operations are integral to the former's growth strategy. Parental support has come in the form of a RM541 mil equity infusion, subscription to SAR810 mil of the Bank's subordinated sukuk and the provision of a USD580 mil liquidity line, among others.

On its own, ARBM's healthy asset quality and sound funding and liquidity profile are positive credit factors. However, its smaller franchise, modest capitalisation level and softer profitability indicators compared to peers, continue to weigh on the ratings. Its modest domestic franchise accounts for a share of less than 1% of the industry's financing and deposits. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=6858>

NEWS UPDATE

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

Malaysia's Bond and Sukuk market is showing substantial growth in 2024 with outstanding of RM2.10 trillion

Malaysia's bond and sukuk market outstanding for year 2024 is RM2.10 trillion compared to RM2.00 trillion in 2023. During 2024, local yields were mixed even with the Fed's third rate cut of the year that reduces the Fed's target rate to between 4.25% and 4.5% in December'24, with reductions in borrowing costs now hinge on further progress in lowering stubbornly high inflation, remarks that showed policymakers are starting to reckon with the prospects for sweeping economic changes under a Trump administration.

As of December 2024, the outstanding amount of the Malaysian bond market stood at RM2.098 trillion, increased by 0.77% compared to the end of 3Q24 (September 2024: RM2.082 trillion).

The largest outstanding bonds were from government issuances which consist of 58.13% of total issuances at RM1.220 trillion, followed by corporate issuances of 25.62% at RM537.60 billion, and Quasi-government issuances of 16.24% at RM340.81 billion.

The MGS yields increased with 3-year up by 15 bps and 10-year surged by 11 bps q-o-q. The GII also raised by 2 bps for the 3-year and up by 8 bps for the 10-year q-o-q. – BIX Malaysia

Read full publication <https://www.bixmalaysia.com/learning-center/articles-tutorials/malaysia-bond-and-sukuk-quarterly-report-4q24>

NEWS UPDATE

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

US Fed's Waller supports further cuts, says inflation moving lower

Federal Reserve governor Christopher Waller said he believes inflation will continue to cool toward the central bank's 2% target, prompting his support for additional interest-rate cuts this year.

"As always, the extent of further easing will depend on what the data tell us about progress toward 2% inflation, but my bottom-line message is that I believe more cuts will be appropriate," Waller said Wednesday in prepared remarks for an Organization for Economic Cooperation and Development event in Paris.

Fed officials lowered the central bank's benchmark policy rate at three consecutive meetings, starting with an outsize half-point reduction in September. Updated projections showed the median policymaker expects two additional cuts in 2025, but views ranged widely — something Waller noted in his remarks.

"If the outlook evolves as I have described here, I will support continuing to cut our policy rate in 2025," Waller said. "The pace of those cuts will depend on how much progress we make on inflation, while keeping the labour market from weakening." – The Edge Malaysia

Read full publication at <https://theedgemaalaysia.com/node/740325>

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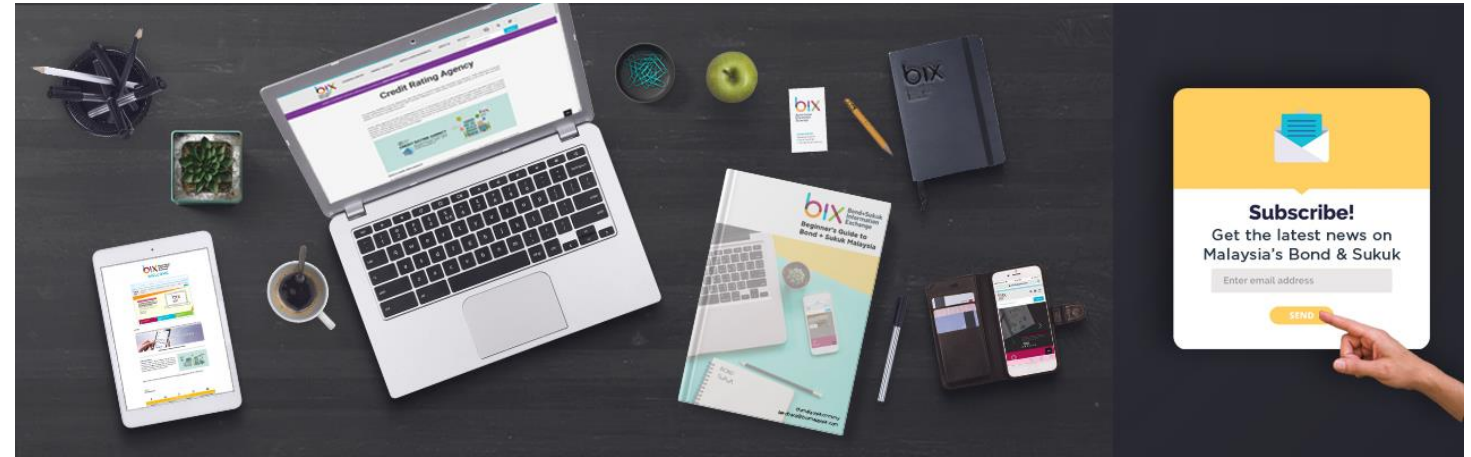
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