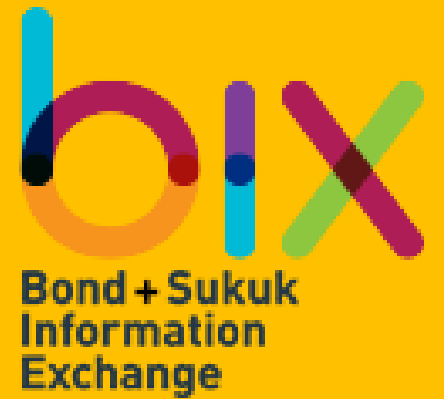


BOND+SUKUK INFORMATION EXCHANGE

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NEWS UPDATE

17 August 2022



MARKET SUMMARY

US Treasury	Yield 16 Aug 22	Daily Change bps	Yield 15 Aug 22	Weekly Change bps	Yield 9 Aug 22	Monthly Change bps	Yield 15 July 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.19	5	3.14	-1	3.20	5	3.14	222	0.97
5 YEAR	2.95	4	2.91	-2	2.97	-10	3.05	169	1.26
7 YEAR	2.90	4	2.86	1	2.89	-13	3.03	146	1.44
10 YEAR	2.82	3	2.79	2	2.80	-11	2.93	130	1.52

MGS	Yield 16 Aug 22	Daily Change bps	Yield 15 Aug 22	Weekly Change bps	Yield 9 Aug 22	Monthly Change bps	Yield 15 July 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.47	0	3.47	-4	3.51	-1	3.48	66	2.81
5 YEAR	3.73	-2	3.75	-5	3.78	-4	3.77	57	3.16
7 YEAR	3.90	-2	3.92	-2	3.92	-9	3.99	51	3.39
10 YEAR	3.95	1	3.94	1	3.94	-11	4.06	35	3.60

GII	Yield 16 Aug 22	Daily Change bps	Yield 15 Aug 22	Weekly Change bps	Yield 9 Aug 22	Monthly Change bps	Yield 15 July 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.51	-1	3.52	1	3.50	0	3.51	61	2.90
5 YEAR	3.79	0	3.79	-2	3.81	-2	3.81	58	3.21
7 YEAR	3.93	-1	3.94	1	3.92	-8	4.01	50	3.43
10 YEAR	4.00	-2	4.02	1	3.99	-11	4.11	38	3.62

AAA	Yield 16 Aug 22	Daily Change bps	Yield 15 Aug 22	Weekly Change bps	Yield 9 Aug 22	Monthly Change bps	Yield 15 July 22	YTD Change bps	Yield 31 Dec 21
3 YEAR	3.99	1	3.98	0	3.99	-3	4.02	74	3.25
5 YEAR	4.20	-1	4.21	-3	4.23	-12	4.32	60	3.60
7 YEAR	4.38	-1	4.39	-4	4.42	-17	4.55	44	3.94
10 YEAR	4.51	0	4.51	-5	4.56	-14	4.65	57	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

Johor Port plans RM1b Islamic bond scheme

Johor Port Bhd is planning to issue Islamic commercial papers and start an Islamic medium-term programme with a combined value of RM1 billion.

MARC Ratings has assigned preliminary ratings of MARC-1IS/AA-IS to the port operator's bond scheme with a stable outlook, it wrote on its website on Tuesday.

The company operates a gateway port in Pasir Gudang, under a concession agreement expiring on Dec 31, 2052.

According to MARC, the assigned ratings are mainly driven by Johor Port's established position as an integral port for southern Malaysia and its long operating track record in conventional and container cargo services, adding that its ability to generate strong and steady operating cash flows is a key rating consideration.

"The rating is moderated by its exposure to the vagaries of regional trade activities, and uncertain timelines on tariff revisions," said the rating agency.

Johor Port has been able to generate a steady performance as it posted higher revenue and operating profit of RM326.9 million and RM123 million respectively in the first half of this year (1H22) due to improved economic activities following the lifting of pandemic restrictions and a revised tariff implementation effective Oct 1, 2021, said the rating agency.

NEWS UPDATE

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

THE MALAYSIAN RESERVE

Malaysia sees robust growth in Islamic fintech

THE presence of 47 Islamic financial technology (fintech) is a sure sign that Malaysia is fast becoming a major centre for Islamic fintech.

Another sure sign is the growth in Islamic fintech transactions which are expected to reach US\$128 billion (RM572.16 billion) by 2025, up from US\$49 billion in 2020.

“Accelerated adoption of fintech applications has been one of the unexpected consequences of Covid-19 pandemic.

“The sector leverages technological advances to provide alternative and affordable financial solutions that help to bridge the financial inclusion gap,” Sultan of Perak, Sultan Nazrin Muizzuddin Shah (picture), told an Islamic finance forum in Kuala Lumpur (KL) today.

He said there are 41 Islamic fintech companies in Indonesia, 29 in the United Arab Emirates and 25 in Saudi Arabia.

The Perak ruler said the “robust growth” for Islamic fintech transactions will be driven by the provision of financial services to currently unbanked and underserved populations and sectors, including micro, small and medium enterprises.

NEWS UPDATE

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

MARKET WATCH

Treasury yields edge higher, pushing 10-year rate above 2.8%, ahead of Wednesday's Fed minutes report

U.S. bond yields nudged higher on Tuesday on diminished demand for fixed-income assets as investors prepared for this week's release of minutes from the Federal Reserve's July meeting.

Bond buyers were on the back foot, pushing yields a touch higher, as a rally in the previous session — bolstered by a very weak U.S. East Coast manufacturing survey and signs of a slowing Chinese economy — showed signs of fading.

“After U.S. activity and inflation data last week had an air of ‘goldilocks’ feel to them, economic data out of China and the U.S. to start the week came in clearly on the ‘too cold’ side for global growth,” said Brian Daingerfield, head of G10 FX strategy at NatWest Markets.

The 10-year to 2-year spread of about negative 43 basis points means the yield remains deeply inverted, suggesting a looming economic downturn.

In U.S. data released on Tuesday, construction on new U.S. homes fell a seasonally adjusted 9.6% in July to 1.45 million, while building permits also dropped 1.3% to 1.67 million. U.S. industrial production was up sharply that month, rising 0.6%.

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