



NEWS UPDATE

22 October 2024

MARKET SUMMARY

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

US Treasury	Yield 21 October 24	Daily Change bps	Yield 18 October 24	Weekly Change bps	Yield 11 October 24*	Monthly Change bps	Yield 20 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.95	9	3.86	10	3.85	49	3.46	-6	4.01
5 YEAR	3.98	10	3.88	10	3.88	50	3.48	14	3.84
7 YEAR	4.07	10	3.97	10	3.97	48	3.59	19	3.88
10 YEAR	4.19	11	4.08	11	4.08	46	3.73	31	3.88

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

MGS	Yield 21 October 24	Daily Change bps	Yield 18 October 24	Weekly Change bps	Yield 14 October 24	Monthly Change bps	Yield 20 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.42	0	3.42	-1	3.43	10	3.32	-7	3.49
5 YEAR	3.56	0	3.56	0	3.56	8	3.48	-2	3.58
7 YEAR	3.75	0	3.75	0	3.75	7	3.68	4	3.71
10 YEAR	3.79	2	3.77	-1	3.80	8	3.71	5	3.74

GII	Yield 21 October 24	Daily Change bps	Yield 18 October 24	Weekly Change bps	Yield 14 October 24	Monthly Change bps	Yield 20 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.35	0	3.35	-1	3.36	4	3.31	-14	3.49
5 YEAR	3.56	0	3.56	0	3.56	8	3.48	-5	3.61
7 YEAR	3.76	2	3.74	-1	3.77	7	3.69	-1	3.77
10 YEAR	3.85	2	3.83	1	3.84	12	3.73	8	3.77

AAA	Yield 21 October 24	Daily Change bps	Yield 18 October 24	Weekly Change bps	Yield 14 October 24	Monthly Change bps	Yield 20 September 24	YTD Change bps	Yield 29 Dec 23
3 YEAR	3.77	1	3.76	1	3.76	5	3.72	-6	3.83
5 YEAR	3.84	1	3.83	0	3.84	3	3.81	-6	3.90
7 YEAR	3.90	0	3.90	-1	3.91	-1	3.91	-7	3.97
10 YEAR	3.99	0	3.99	-2	4.01	0	3.99	-6	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.

Govt should open bond market to retail investors, backbencher says

A government backbencher has called on Putrajaya to open the government bond market to retail investors to boost market activity and provide safer investment options for Malaysians.

"This will increase participation, broaden the funding base, enhance market liquidity, and offer citizens a secure investment option," Datuk Mohd Shahar Abdullah (BN-Paya Besar) said during a debate on the Supply Bill 2025 in the Dewan Rakyat on Monday.

Currently, retail investors can only invest in unit trusts and exchange-traded funds (ETFs), he noted. Citing an increase in retail participation on Bursa Malaysia from 20.8% in 2019 to 32.4% in 2020, with retail purchases amounting to RM14.3 billion, Mohd Shahar said retail investors' interest could be harnessed to support government bonds.

"We once issued the Prihatin Sukuk worth RM666 million, which saw strong interest from retail investors, indicating potential for government bonds," he said, adding that the country could follow the example of Singapore and Indonesia, where government bonds are available to retail investors. – The Edge Malaysia

Read full publication at <https://theedgemaalaysia.com/node/730976>

NEWS UPDATE

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

MARC Ratings revises Kenanga Investment Bank's rating outlook to positive from stable

MARC Ratings has affirmed its long-term and short-term financial institution (FI) ratings of A+/MARC-1 on Kenanga Investment Bank Berhad (Kenanga). Concurrently, the long-term rating outlook has been revised to positive from stable.

The outlook revision reflects the positive outcome from Kenanga's revenue diversification strategy that has improved its overall profitability metrics and provides headroom against volatility of its core stockbroking business.

The ratings affirmation incorporates Kenanga's strong market position and lengthy experience in the domestic stockbroking industry. The long-term FI rating would be upgraded if Kenanga's stronger business profile leads to a resilient financial performance.

Kenanga's key businesses include investment and wealth management, investment banking and money lending, besides stockbroking. Its asset size stood at RM7.1 billion as at end-June 2024, equivalent to 13.0% of total domestic investment banking industry assets. – MARC Ratings

Read full publication <https://www.marc.com.my/rating-announcements/marc-ratings-revises-kenanga-investment-banks-rating-outlook-to-positive-from-stable/>

NEWS UPDATE

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

Treasury 10-Year Yields Will Test 5% in Six Months, T. Rowe Says

Benchmark Treasury yields may soon hit a key level on the back of rising inflation expectations and concerns over US fiscal spending, according to T. Rowe Price.

“The 10-year Treasury yield will test the 5% threshold in the next six months, steepening the yield curve,” according to Arif Husain, chief investment officer of fixed-income, who helps oversee about \$180 billion of assets at the firm. The fastest path to 5% “would be in the scenario that features shallow Fed rate cuts,” he wrote in a note.

The call stands out against market expectations of lower yields, after the Federal Reserve cut rates for the first time in four years last month. It also underscores the increasing debate in the world’s biggest bond market, following strong economic data that has raised questions about the likely pace of cuts.

Yields on 10-year Treasuries most recently traded at 5% last October, hitting their highest level since 2007 as fears of a prolonged period of high interest rates gripped markets. Turbulent repricing could be on the cards if Husain’s prediction proves accurate, with strategists currently expecting yields to fall to an average 3.67% in the second quarter. – Yahoo Finance

Read full publication at <https://finance.yahoo.com/news/treasury-10-yields-may-hit-063041035.html>

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