



NEWS UPDATE

7 February 2025

MARKET SUMMARY

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

US Treasury	Yield 6 February 25	Daily Change bps	Yield 5 February 25	Weekly Change bps	Yield 30 January 25	Monthly Change bps	Yield 6 January 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	4.23	4	4.19	-1	4.24	-7	4.30	-4	4.27
5 YEAR	4.28	4	4.24	-3	4.31	-14	4.42	-10	4.38
7 YEAR	4.36	3	4.33	-5	4.41	-16	4.52	-12	4.48
10 YEAR	4.45	2	4.43	-7	4.52	-17	4.62	-13	4.58

MGS	Yield 6 February 25	Daily Change bps	Yield 5 February 25	Weekly Change bps	Yield 28 January 25*	Monthly Change bps	Yield 6 January 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.44	-1	3.45	0	3.44	0	3.44	-4	3.48
5 YEAR	3.61	0	3.61	0	3.61	0	3.61	-1	3.62
7 YEAR	3.78	0	3.78	1	3.77	-1	3.79	1	3.77
10 YEAR	3.80	-1	3.81	0	3.80	-2	3.82	-2	3.82

*Malaysia Market closed on 29 & 30 January in observance of Chinese New Year Day Holiday

GII	Yield 6 February 25	Daily Change bps	Yield 5 February 25	Weekly Change bps	Yield 28 January 25*	Monthly Change bps	Yield 6 January 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.55	0	3.55	0	3.55	20	3.35	22	3.33
5 YEAR	3.61	0	3.61	0	3.61	-3	3.64	-1	3.62
7 YEAR	3.77	0	3.77	1	3.76	3	3.74	3	3.74
10 YEAR	3.82	-1	3.83	0	3.82	-2	3.84	-1	3.83

AAA	Yield 6 February 25	Daily Change bps	Yield 5 February 25	Weekly Change bps	Yield 28 January 25*	Monthly Change bps	Yield 6 January 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.80	0	3.80	-2	3.82	-2	3.82	-3	3.83
5 YEAR	3.88	0	3.88	-1	3.89	-4	3.92	-7	3.95
7 YEAR	3.94	0	3.94	0	3.94	-5	3.99	-5	3.99
10 YEAR	3.99	0	3.99	-1	4.00	-5	4.04	-5	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 upgrades MUFG Malaysia to AAA

RAM Ratings has upgraded MUFG Bank (Malaysia) Berhad's (MUFG Malaysia or the Bank) long-term financial institution rating to AAA/Stable from AA1/Stable. The short-term rating remains at P1.

The upgrade follows RAM's reassessment of the support from its ultimate parent Mitsubishi UFJ Financial Group (MUFG or the Group) – which we deem to be 'high' – under our new Master Criteria for Group Structure Support released in October 2024.

MUFG is one of the world's largest financial groups and Japan's leading banking group. Besides forming part of the Group's Southeast Asia presence to support customers' business expansion in the region, MUFG Malaysia is the Group's key touchpoint for clients seeking Islamic finance solutions.

The Bank's standalone ratings consider its robust capitalisation and superior asset quality balanced against its small presence, high borrower and depositor concentration, and relatively volatile profitability.

MUFG Malaysia's pre-tax profit rose to RM553 mil in FY Mar 2024 (FY Mar 2023: RM490 mil), translating to a return on risk-weighted assets of 4.5% (FY Mar 2023: 4.2%) following an improvement in net interest margin and investment income. – RAM Ratings

Read full publication at <https://www.ram.com.my/pressrelease/?prviewid=6869>

NEWS UPDATE

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

Sustained growth to cement Malaysia's established Islamic finance sector

Fitch Ratings expects Malaysia's Islamic banking sector to sustain its momentum in 2025, helped by the continued regulatory push to broaden Islamic banking adoption in the country.

The sector boasts assets worth more than USD260 billion, making it one of the largest globally and underscoring Malaysia's highly established Islamic banking market. The share of Islamic financing has steadily grown, comprising around 43% of domestic system loans, up from 42% at end-2023.

This does not include financing at development financial institutions, which lend largely at Sharia-compliant terms. However, deposit growth in the sector has failed to keep pace with financing expansion since early 2020.

This, coupled with Islamic banks' moderately weaker funding profiles than at conventional banks, has resulted in a more pronounced narrowing of margins in recent years amid keen deposit competition. Nevertheless, Fitch says many banks have enhanced Islamic transaction account offerings, raising the sector's CASA mix to 26%, from 19% in 2018. – Business Today

Read full publication <https://www.businesstoday.com.my/2025/02/06/sustained-growth-to-cement-malaysias-established-islamic-finance-sector/>

NEWS UPDATE

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

Treasury Secretary Scott Bessent wants to bypass the Fed to lower interest rates

Treasury Secretary Scott Bessent has a new plan in the fight to bring down historically high interest rates, and it's got nothing to do with the Federal Reserve.

Bessent, in two interviews this week, said the Trump administration wants to focus on lowering long-term interest rates, which are largely influenced by the yield on the 10-year US Treasury note.

The Fed's decisions, on the other hand, have a more direct effect on short-term interest rates, which control borrowing costs for Americans. On his fourth day in office, President Donald Trump said he will "demand that interest rates drop immediately" and that he understands monetary policy "much more" than the central bank and its leader, Chair Jerome Powell.

He has also advocated that Powell be fired, though he has walked that back in recent comments. Still, despite Trump's barrage of criticism against the Fed, Bessent is assuring Wall Street that the administration isn't trying to twist the Fed's arm, but rather carve out its own approach. – CNN

Read full publication at <https://edition.cnn.com/2025/02/06/economy/bessent-interest-rates-without-fed/index.html>

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