Bond+Sukuk Information Exchange

NEWS UPDATE

14 April 2025

MARKET SUMMARY

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

US Treasury	Yield 11 April 25	Daily Change bps	Yield 10 April 25	Weekly Change bps	Yield 4 April 25	Monthly Change bps	Yield 11 March 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.98	13	3.85	32	3.66	6	3.92	-29	4.27
5 YEAR	4.15	11	4.04	43	3.72	12	4.03	-23	4.38
7 YEAR	4.32	11	4.21	48	3.84	16	4.16	-16	4.48
10 YEAR	4.48	8	4.40	47	4.01	20	4.28	-10	4.58

MGS	Yield 11 April 25	Daily Change bps	Yield 10 April 25	Weekly Change bps	Yield 4 April 25	Monthly Change bps	Yield 11 March 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.39	1	3.38	11	3.28	-1	3.40	-9	3.48
5 YEAR	3.51	8	3.43	10	3.41	-6	3.57	-11	3.62
7 YEAR	3.67	2	3.65	11	3.56	-4	3.71	-10	3.77
10 YEAR	3.74	3	3.71	7	3.67	-2	3.76	-8	3.82

GII	Yield 11 April 25	Daily Change bps	Yield 10 April 25	Weekly Change bps	Yield 4 April 25	Monthly Change bps	Yield 11 March 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.48	6	3.42	7	3.41	-6	3.54	15	3.33
5 YEAR	3.56	2	3.54	12	3.44	-3	3.59	-6	3.62
7 YEAR	3.67	4	3.63	11	3.56	-4	3.71	-7	3.74
10 YEAR	3.74	1	3.73	9	3.65	-3	3.77	-9	3.83

AAA	Yield 11 April 25	Daily Change bps	Yield 10 April 25	Weekly Change bps	Yield 4 April 25	Monthly Change bps	Yield 11 March 25	YTD Change bps	Yield 31 Dec 24
3 YEAR	3.71	0	3.71	1	3.70	-4	3.75	-12	3.83
5 YEAR	3.77	0	3.77	3	3.74	-5	3.82	-18	3.95
7 YEAR	3.84	1	3.83	4	3.80	-6	3.90	-15	3.99
10 YEAR	3.90	1	3.89	4	3.86	-7	3.97	-14	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.

US Fed's potential monetary easing to draw capital to Malaysia's debt market

The yield on the 10-year Malaysian Government Securities (MGS) may drop to 3.60 per cent from the current level of about 3.80 per cent by year-end, according to MIDF Research.

The firm said due to the historically strong correlation between MGS and US Treasury (UST) yield movements, the Federal Reserve's expected monetary easing is likely to attract foreign capital into Malaysia's debt market.

"This expectation is predicated on the narrowing interest rate differential between emerging markets and developed economies. Furthermore, Malaysia's ongoing commitment to structural reforms, fiscal consolidation efforts, and a positive economic outlook are expected to further incentivize foreign investment. However, emerging risks to this forecast warrant consideration," the firm said in a note.

MIDF Research said a delay in the Fed's rate cuts, prolonged strength in the US dollar and renewed inflationary pressures could maintain yields at the current levels for an extended period, particularly in the short term. – New Straits Times

Read full publication https://www.nst.com.my/business/corporate/2025/04/1201003/us-feds-potential-monetary-easing-draw-capital-malaysias-debt

NEWS UPDATE

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

BNM more likely mulling cut to banks' statutory reserves than policy rate — Nomura

Malaysia's central bank is more likely to consider cutting the statutory reserve requirement (SRR) than the overnight policy rate if global trade tensions worsen, said Nomura.

A reduction in the reserve ratio — the proportion of deposits that lenders have to set aside at Bank Negara Malaysia (BNM) — is plausible if the tightening liquidity is affected further by capital outflows due to US sweeping tariffs, the Japanese investment bank said in a note.

"If global trade tensions worsen, instead of a policy rate cut, we think BNM is more likely to consider an SRR cut to boost liquidity conditions," Nomura said. The SRR is currently at 2.0% after it was cut at the onset of the Covid-19 pandemic in March 2020 to ensure banks had sufficient liquidity to weather the crisis.

The central bank previously stressed that the SRR is an instrument to manage liquidity and should not be taken as a monetary policy signal. BNM maintained the policy rate at 3.00% during its latest review in March, drawing comfort from resilient growth and benign inflation even as trade tensions simmered. – The Edge Malaysia

Read full publication at https://theedgemalaysia.com/node/751191

NEWS UPDATE

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

Bond market moves raise fears of growing bets against America

Government bonds have been selling off while stocks have plunged. That's unusual, and it's raising concerns that global investors are losing some of their long-standing confidence in America.

Stocks are generally seen as a risky type of asset, while bonds are known as a "safe haven," with the two typically moving in opposite directions. That's because government bonds — a type of security sold to help finance expenditures, to be paid back to buyers with interest over a set period — are backed by the full faith and credit of the United States.

The same can't be said for publicly traded companies and their share prices. So when stock markets are booming and investors are excited to bet on the performance of American businesses, demand for lower-risk bonds dries up. During times of turbulence, the reverse usually happens.

Instead, the two markets have seen simultaneous sell-offs. The premier U.S. government bond, the 10-year Treasury note, saw its yield surge above 4.5% this week. – NBC News

Read full publication at https://www.nbcnews.com/business/markets/bond-market-moves-raise-fears-growing-bets-america-rcna200936

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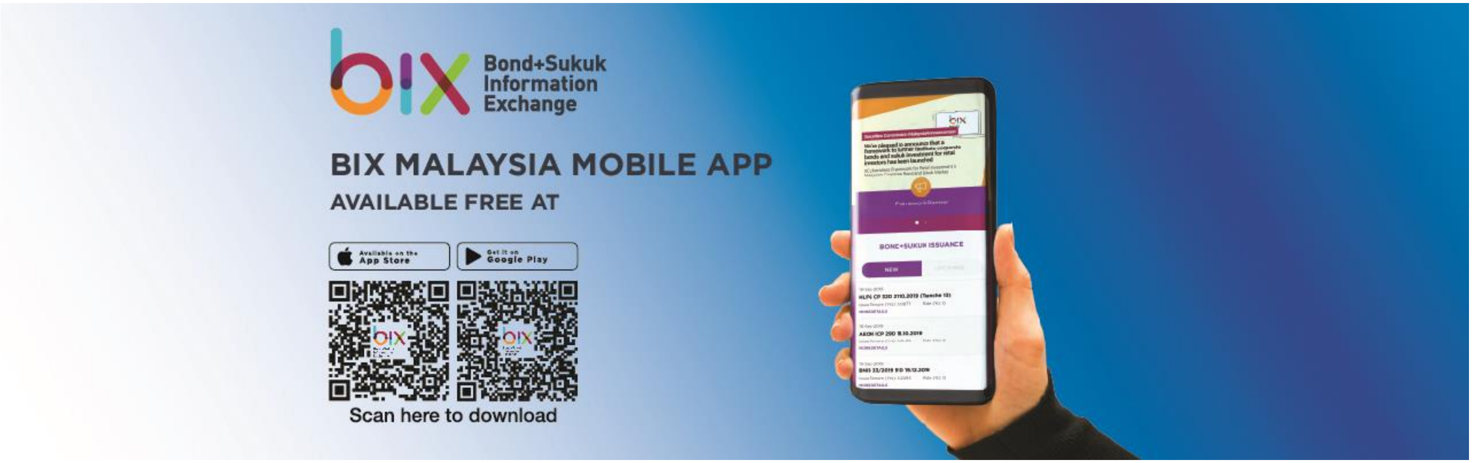

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