

TARIKH : 22 FEBRUARI 2023
AKHBAR : NEW STRAITS TIMES
MUKA SURAT : 20

Foreign investors remain net buyers of MGS with RM2.7b

JANUARY DATA

Foreign investors remain net buyers of MGS with RM2.7b

KUALA LUMPUR: Foreign investors remained net buyers of the Malaysian Government Securities (MGS) and Government Investment Issues for the third consecutive month at RM2.7 billion last month.

RAM Rating Services Bhd said the strong and sustained foreign buying occurred amid softer United States Federal Reserve (Fed) message on further rate hikes.

"However, the overall fund inflow into ringgit bonds, amounting to RM498.3 million, was moderated by outflows in shorter-term Malaysian Treasury Bills and Malaysian Islamic Treasury Bills," it said in a statement yesterday.

It added that the healthy investor sentiment seemed to have reversed course this month, as

strong US economic data fuelled the Fed's defensive mode and pushed back investors' bets that the central bank would stop raising rates in the near term.

The bond selloff caused the 10-year US Treasury yield to surge to 3.82 per cent up to Feb 17 after hitting 3.52 per cent at end of last month, said the rating agency.

"The benchmark 10-year MGS yield tracked this development with a quick climb back to 3.93 per cent up to Feb 17, after dropping 23.9 basis points month-on-month to 3.83 per cent up to the end of last month.

"With the Fed holding on to its hawkish stance, the next few weeks may see bond yields staying elevated as foreign investors remain on the sidelines, although local investor appetite should still be strong." **Bernama**