

# **ABF MALAYSIA BOND INDEX FUND**

## **MONTHLY REVIEW**

**For the month of  
November 2024**

**By**



**AmInvest**

**AmFunds Management Berhad (154432-A)**  
*(A member of AMMB Holdings Berhad)*

- Investment Banking
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## A. BOND MARKET OVERVIEW

### Market Review & Outlook

MGS Benchmark Tenors	30-November-24 (%)	Net Change MoM (bps)	Net Change Year-To-Date (bps)
3Y	3.51	-8	-2
5Y	3.62	-8	-3
7Y	3.77	-15	+3
10Y	3.82	-11	+9
15Y	3.96	-6	-3
20Y	4.07	-9	-5
30Y	4.21	-5	-5

Source: Bond Pricing Agency Malaysia, 3 December 2024.

Malaysian bond market rallied in November as investors were influenced by similar bullish sentiment in US treasury ("UST") coupled with Bank Negara Malaysia ("BNM") announcement of the cancellation of the 3-year Government Investment Issue ("GII"). The lower government bond supply in the market resulted in a buoyant sentiment with Malaysian Government Securities ("MGS") yields fell between 5 and 15bps on MoM basis in November.

There were two sovereign bond auctions with total size of RM9.5 billion in November, namely the reopening of 15-year MGS and reopening of 5-year GII. These auctions received decent demand with 15-year MGS and 5-year GII saw decent bid-to-cover ("BTC") of 2.67 times and 2.00 times, respectively.

The local bond market saw trading volume of corporate bonds (including quasi-sovereign) fell by 17.5% MoM to RM13.1 billion in November (October: RM15.8 billion). In terms of foreign flows, Ringgit fixed income securities saw an outflow of MYR11.4 billion in October amid higher UST yields and broadly weaker Asia FX. MGS and GII saw outflow of RM10.6 billion during the month as compared to RM0.3 billion net outflow in September. Consequently, total share in government bond (MGS+GII) declined slightly from 22.6% in September to 21.7% in October.

With Bank Negara Malaysia ("BNM") expected to maintain the Overnight Policy Rate (OPR) at 3.0% throughout next year and inflation pressures remaining benign, we anticipate the bond market to stay resilient. Ample liquidity and strong demand will support this outlook. However, low yields and narrow credit spreads are likely to limit upside potential.

## B. PORTFOLIO ACTIVITY REVIEW

For the end of the month of November 2024, there is no inclusion and three exclusions in the ABF Malaysia Index.

The details of the exclusions:

<b>Maturity Date</b>	<b>Issuer</b>	<b>ISIN Code</b>	<b>Outstanding Amount</b>
06/11/2025	Lembaga Pembiayaan Perumahan Sektor Awam	MYBVI2002977	500,000,000
31/10/2025	Lembaga Pembiayaan Perumahan Sektor Awam	MYBVK1802969	500,000,000
26/11/2025	DanaInfra Nasional Bhd	MYBVK1803298	955,000,000

The portfolio had 89.17% of sovereign bonds, 10.20% of quasi-sovereign bonds and 0.63% in cash. As of 31 November 2024, the portfolio held 84 bonds versus the benchmark universe of 297 bonds.

### **C. PERFORMANCE EVALUATION REVIEW**

<b>As of 29 November, 2024</b>	<b>Modified Duration (years)</b>	<b>Weighted Market Yield (%)</b>	<b>Total Return (Net) for the Month of November 2024</b>
Benchmark	7.53	3.81	0.87%
Actual Portfolio	7.43	3.80	0.82%

The top 10 holdings of the portfolio as of 29 November 2024 are as shown below:

<b>Maturity Date</b>	<b>Issuer</b>	<b>ISIN Code</b>	<b>Nominal Value</b>	<b>Market Value</b>
7/4/2037	Malaysia Government Bond	MYBMX1700033	40,000,000	43,507,065.19
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	43,479,866.66
15/9/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	42,565,721.19
14/08/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	41,518,229.42
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,938,589.06
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	40,923,112.42
27/05/2039	1MDB	MYBVZ0902446	35,000,000	40,899,518.78
30/09/2026	Malaysia Government Investment Issue	MYBGO1600036	40,000,000	40,761,648.30
30/9/2027	Malaysia Government Investment Issue	MYBGL2000018	40,000,000	40,214,923.65
15/06/2050	Malaysia Government Bond	MYBMZ2000016	40,000,000	40,108,191.68

The tracking error based on gross return for the last 3 years (30 November 2020 – 29 November 2024) of the Fund was 10.86 basis points while the tracking error based on net return was 10.88 basis points.

Net asset value of the portfolio stood at RM 1,788,778,972.16 at end of November 2024.