

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were weaker in trading on Monday, with shorter dated maturities leading the move lower after comments by Fed Chair Powell where he reiterated that the economy and labour market remain solid and cast some doubt on market pricing of aggressive reductions by the Fed going forward. Benchmark yields closed higher by between 1 and 5bps for the day, with the UST curve bear flattening. **The benchmark 2yr UST yield was 5bps higher for the session at 3.61%, while the benchmark 10yr UST yield advanced by 2bps for the day to 3.77%.** Tonight sees the start of some key data in the run up to the all-important US monthly jobs report this Friday, with the ISM Manufacturing index for September and the JOLTS report for August both scheduled for release.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.61	5
5-yr UST	3.54	3
10-yr UST	3.77	2
30-yr UST	4.11	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	0	3.31	0
5-yr	3.50	0	3.47	2
7-yr	3.68	0	3.70	1
10-yr	3.71	-1	3.75	0
15-yr	3.88	-2	3.90	-1
20-yr	4.04	1	4.05	0
30-yr	4.18	0	4.04	-16

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	1
3-yr	3.40	0
5-yr	3.45	1
7-yr	3.53	0
10-yr	3.62	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were generally firmer in trading on Monday in a busy trading session to start the week, with secondary market volume rising by 43% to RM7.12bn versus the RM4.99bn that changed hands on Friday. Benchmark yields closed mixed between -2 and +2 bps for the day, except for the benchmark 30Y GII which was skewed by a late odd-lot trade. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day to 3.50% while the yield on the benchmark 10Y MGS 7/34 was 1bp lower for the session at 3.71%.** Trading interest was led by the off-the-run MGS 9/25, while interest was also seen in the off-the-run MGS 3/25, MGS 11/27 and MGS 6/38, as well as in the benchmark 3Y MGS/GII, 7Y MGS and 10Y MGS. Trading in GIIs as a proportion of total govovies trading plunged to 22% versus the 32% share seen on Friday. The day ahead sees the release of S&P Global Malaysia PMI Manufacturing reading for September.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Monday in a quiet start to the week, with secondary market volume for the day receding by 30% to RM388m versus the RM554m that traded on Friday. Trading for the day was dominated by the AA-rated segment. In the GG universe, activity was seen in PRASA 12/32 and PRASA 7/45, which closed at 3.79% (-1bp from last print) and 4.10% (-2bps) respectively. Over in the AAA space, interest was led by DANUM 6/29 and PASB 2/34, which settled the day at 3.75% (-8bps) and 3.95% (+8bps) respectively. Meanwhile in the AA-rated universe, activity was led by OSK 4/28, which closed at 3.85%, higher by 2bps compared to where it last traded. Strong interest was also seen in DRBH 12/29 (unchanged) and DRBH 8/30 (-42bps), which settled for the day at 4.03% and 4.08% respectively.

Daily Trades: Government Bond

Securities	Closing		Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.088	788	3.104	09/27/2024	-2
MGS	09/25	3.189	1171	3.158	09/27/2024	3
MGS	04/26	3.269	81	3.249	09/27/2024	2
MGS	07/26	3.265	147	3.294	09/27/2024	-3
MGS	11/26	3.255	96	3.271	09/27/2024	-2
MGS	03/27	3.332	5	3.338	09/25/2024	-1
MGS	05/27	3.334	528	3.335	09/27/2024	0
MGS	11/27	3.384	283	3.375	09/27/2024	1
MGS	04/28	3.449	64	3.449	09/27/2024	0
MGS	06/28	3.451	59	3.468	09/27/2024	-2
MGS	04/29	3.505	2	3.521	09/27/2024	-2
MGS	08/29	3.501	220	3.506	09/27/2024	0
MGS	04/30	3.590	121	3.598	09/27/2024	-1
MGS	04/31	3.684	657	3.680	09/27/2024	0
MGS	07/32	3.735	50	3.731	09/27/2024	0
MGS	04/33	3.748	43	3.761	09/27/2024	-1
MGS	11/33	3.749	208	3.759	09/27/2024	-1
MGS	07/34	3.707	407	3.717	09/27/2024	-1
MGS	05/35	3.785	22	3.810	09/27/2024	-2
MGS	04/37	3.884	50	3.883	09/27/2024	0
MGS	06/38	3.909	284	3.913	09/27/2024	0
MGS	04/39	3.877	35	3.900	09/27/2024	-2
MGS	05/40	3.955	60	3.964	09/27/2024	-1
MGS	10/42	4.017	24	4.019	09/27/2024	0
MGS	09/43	4.045	1	3.931	09/24/2024	11
MGS	05/44	4.042	24	4.028	09/27/2024	1
MGS	07/48	4.127	16	4.114	09/27/2024	1
MGS	06/50	4.138	87	4.147	09/27/2024	-1
MGS	03/53	4.177	31	4.176	09/27/2024	0
GII	10/24	3.157	119	3.157	09/27/2024	0
GII	08/25	3.184	22	3.176	09/27/2024	1
GII	10/25	3.205	11	3.219	09/27/2024	-1
GII	03/26	3.274	54	3.291	09/27/2024	-2
GII	09/26	3.310	308	3.312	09/27/2024	0
GII	07/27	3.384	7	3.394	09/27/2024	-1
GII	09/27	3.387	4	3.404	09/27/2024	-2
GII	07/28	3.469	6	3.452	09/27/2024	2
GII	10/28	3.467	65	3.471	09/27/2024	0
GII	07/29	3.502	30	3.521	09/27/2024	-2
GII	09/30	3.628	92	3.624	09/27/2024	0
GII	10/30	3.636	22	3.645	09/27/2024	-1
GII	10/31	3.698	42	3.690	09/27/2024	1
GII	10/32	3.763	157	3.763	09/27/2024	0
GII	06/33	3.772	20	3.910	09/27/2024	-14
GII	08/33	3.779	90	3.795	09/27/2024	-2
GII	11/34	3.749	28	3.750	09/27/2024	0
GII	07/36	3.864	3	3.870	09/27/2024	-1
GII	03/38	3.885	31	3.883	09/27/2024	0
GII	09/39	3.898	119	3.907	09/27/2024	-1
GII	09/41	3.999	72	3.995	09/26/2024	0
GII	08/43	4.047	99	4.047	09/27/2024	0
GII	11/49	4.136	66	4.139	09/27/2024	0
GII	05/52	4.195	51	4.195	09/27/2024	0
GII	03/54	4.035	40	4.197	09/27/2024	-16
			7122			

Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	12/32	GG	3.785	10	3.791	23/9/2024	-1	8
Prasarana Malaysia Berhad	07/45	GG	4.104	10	4.121	13/9/2024	-2	6
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.604	5	3.555	5/9/2024	5	42
Petroleum Sarawak Exploration & Production Sdr	05/29	AAA	3.799	10	3.848	21/6/2024	-5	30
Danum Capital Berhad	06/29	AAA	3.748	20	3.825	9/7/2024	-8	25
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.843	10	3.842	26/9/2024	0	34
Pengurusan Air SPV Berhad	02/34	AAA	3.949	20	3.872	6/8/2024	8	23
Danum Capital Berhad	02/35	AAA	4.191	1	3.967	25/9/2024	22	48
Johor Plantations Group Berhad	09/39	AA1	4.129	10	4.188	25/9/2024	-6	23
Sime Darby Property Berhad	12/25	AA+	3.746	10	3.750	26/9/2024	0	57
Benih Restu Berhad	07/34	AA2	3.984	30	3.989	25/9/2024	0	27
OSK Rated Bond Sdn Berhad	04/28	AA	3.848	80	3.826	30/8/2024	2	42
IJM Corporation Berhad	08/28	AA3	3.757	30	3.906	31/5/2024	-15	33
Johor Port Berhad	10/29	AA-	3.855	10	4.128	26/3/2024	-27	35
DRB-Hicom Berhad	12/29	AA-	4.026	60	4.027	25/9/2024	0	52
DRB-Hicom Berhad	08/30	AA-	4.075	60	4.499	10/9/2024	-42	48
Johor Port Berhad	10/32	AA-	3.976	10	4.186	31/5/2024	-21	27
JB Cocoa Sdn Berhad	03/27	A+	5.612	1	5.709	2/8/2024	-10	235
Tropicana Corporation Berhad	04/26	A	5.408	1	7.595	18/9/2024	-219	214
Alliance Bank Malaysia Berhad	11/17	BBB1	4.596	1	4.302	27/9/2024	29	56
Yinson Holdings Berhad	11/22	NR(LT)	6.610	1	6.017	19/9/2024	59	257
				388				

* The spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
State of Kuwait	Sovereign credit rating	AAA/Stable	Affirmed
AME Capital Sdn Bhd	Proposed RM1.5bn Islamic Medium-Term Notes Programme (2024/2123) and RM300m Islamic Commercial Papers Programme (2024/2031)	AA3(s)/Stable/P1	Assigned Preliminary Ratings

Source: RAM, MARC

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