

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended the day on a firmer note on Thursday, as risk-off sentiments from US election anxiousness, bargain hunting and month-end repositioning that emerged towards afternoon trading helped erase sell-offs in early hours. The better than expected US job numbers (ADP and initial jobless claims) and sticky core PCE which stabilized at 2.7% y/y (consensus: +2.6% y/y) in September, all dampened the case for Fed rate cut. While there were little change in futures pricing for rate cuts this year, there has been notable dial-back in rate cut pricing for next year. Overall benchmark yields fell 0-3bps across the curve on Thursday, with the **front end 2-year note yields pulling back 1bp to 4.17% at close (off an intraday high of 4.21%) while the 10s shed 2bps to 4.28%, down from an intraday high of 4.33%**. We continue to expect markets to stay edgy as we approach the final leg of the US presidential election heading into next Tuesday. On top of that, nonfarm payroll and jobless rate data will be on deck tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.17	-1
5-yr UST	4.16	0
10-yr UST	4.28	-2
30-yr UST	4.48	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.53	3	3.45	-1
5-yr	3.67	-1	3.68	4
7-yr	3.90	-1	3.91	0
10-yr	3.92	-1	3.93	-2
15-yr	4.03	1	4.01	2
20-yr	4.13	-2	4.17	13
30-yr	4.24	0	4.22	2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	-1
3-yr	3.52	-2
5-yr	3.57	-2
7-yr	3.66	-1
10-yr	3.75	-1

Source : Bloomberg

MGS/GII

- Trading in local govies remained mixed on Wednesday as investors continued to err on the safe side ahead of key event risks and data releases in the US, in addition to the holiday closure in Malaysia on Thursday in observation of Deepavali. Overall benchmark yields closed mixed between -2 to +4bps (prior -2 to +5bps) save for the 13bps jump in benchmark 20Y GII. **The benchmark 5Y MGS 8/29 yields slipped 1bp for the day to 3.67% while the yield on the benchmark 10Y MGS 7/34 also inched 1bp lower to 3.92%**. Secondary market volume picked up steam and jumped 36.9% d/d to RM2.70bn (prior RM1.97bn), of which GII trade accounted for 38% (prior 54%) of the overall volume done on Wednesday. Newly reopened benchmark 7Y GII 10/31 continued to garner substantial trading interests, with RM231m changed hands and last traded flat at 3.91%. Other issuances of interests included benchmark 10Y MGS 11/33, and off the run MGS 11/26 and GII 11/34. Markets will take cue from UST and more political noises in the last few days in the run-up to US presidential election on 5-November.

Corp Bonds/Sukuk

- Tracking the govies space, the corporate bond/sukuk market also traded on a mixed note on Wednesday amid higher trading activities. Secondary market volume jumped to RM661m (prior RM380m) with a total of 21 issuances traded (prior 24), as trades were seen concentrated on a few papers. The AAA-rated segment continued to take center stage, accounting for RM485m or almost three quarters of total volume traded. PASB 9/32 saw led the pack with RM110m transacted, last dealt 14bps higher at 4.01%. TNB 6/29 and 6/32 followed with a combined RM180m done between 3.88-4.01% (8-13bps higher). On top of that, trading saw a good mixture of infra, energy, plantation, property and banking names, where AmBank 6/31 saw RM80m traded 11bps higher at 4.11%.

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.17	6	3.23	10/29/2024	-6
MGS 09/25	3.30	153	3.29	10/29/2024	1
MGS 04/26	3.39	43	3.34	10/28/2024	5
MGS 07/26	3.41	23	3.43	10/29/2024	-2
MGS 11/26	3.43	323	3.43	10/29/2024	-1
MGS 05/27	3.53	151	3.51	10/29/2024	3
MGS 11/27	3.55	15	3.54	10/29/2024	1
MGS 04/28	3.61	9	3.60	10/29/2024	1
MGS 06/28	3.61	13	3.62	10/29/2024	-1
MGS 04/29	3.66	35	3.65	10/29/2024	1
MGS 08/29	3.67	65	3.67	10/29/2024	-1
MGS 04/30	3.74	4	3.74	10/29/2024	0
MGS 04/31	3.90	133	3.91	10/29/2024	-1
MGS 06/31	3.89	99	3.88	10/28/2024	0
MGS 07/32	3.92	7	3.90	10/28/2024	2
MGS 04/33	3.96	4	3.92	10/29/2024	4
MGS 11/33	3.97	173	3.93	10/29/2024	4
MGS 07/34	3.92	69	3.93	10/29/2024	-1
MGS 05/35	3.95	2	3.97	10/29/2024	-2
MGS 04/37	4.03	12	4.01	10/29/2024	2
MGS 06/38	4.03	15	4.03	10/29/2024	0
MGS 04/39	4.03	103	4.02	10/29/2024	1
MGS 05/40	4.07	4	4.08	10/29/2024	0
MGS 10/42	4.10	11	4.09	10/29/2024	1
MGS 05/44	4.13	80	4.14	10/29/2024	-2
MGS 03/46	4.17	1	4.20	10/29/2024	-3
MGS 07/48	4.20	8	4.20	10/29/2024	0
MGS 06/50	4.22	76	4.20	10/29/2024	2
MGS 03/53	4.24	49	4.24	10/29/2024	0
GII 08/25	3.30	2	3.24	10/25/2024	5
GII 10/25	3.27	79	3.32	10/29/2024	-6
GII 03/26	3.39	19	3.37	10/29/2024	2
GII 09/26	3.45	11	3.47	10/29/2024	-1
GII 07/27	3.51	6	3.42	10/22/2024	9
GII 09/27	3.53	32	3.54	10/28/2024	-1
GII 10/28	3.64	4	3.58	10/25/2024	6
GII 12/28	3.64	5	3.49	10/18/2024	15
GII 07/29	3.68	22	3.64	10/25/2024	4
GII 09/30	3.75	3	3.72	10/25/2024	3
GII 10/31	3.91	231	3.92	10/29/2024	0
GII 10/32	3.95	32	3.93	10/29/2024	2
GII 08/33	3.97	100	3.91	10/25/2024	6
GII 11/34	3.93	184	3.95	10/29/2024	-2
GII 10/35	4.00	21	3.87	10/17/2024	14
GII 07/36	3.99	55	3.99	10/24/2024	0
GII 03/38	4.03	14	3.83	10/29/2024	20
GII 09/39	4.01	137	4.00	10/25/2024	2
GII 09/41	4.14	0	3.91	10/15/2024	23
GII 08/43	4.17	41	4.04	10/29/2024	13
GII 03/54	4.22	17	4.22	10/24/2024	0
		<u>2697</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Pengurusan Air SPV Berhad	06/26	GG	3.49	10	3.39	08/26/2024	9	9
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	3.83	60	3.80	10/09/2024	3	24
Pengurusan Air SPV Berhad	02/29	AAA	3.85	50	3.84	10/28/2024	1	26
Tenaga Nasional Berhad	06/29	AAA	3.88	90	3.80	09/11/2024	8	23
Tenaga Nasional Berhad	06/32	AAA	4.01	90	3.88	09/18/2024	13	10
Pengurusan Air Selangor Sdn Berhad	09/32	AAA	4.01	110	3.87	09/24/2024	14	10
Johor Corporation	07/33	AAA	4.07	10	4.00	10/22/2024	7	15
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.03	20	4.04	06/18/2024	-1	11
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.04	20	4.03	10/24/2024	1	11
TNB Power Generation Sdn Berhad	06/37	AAA	4.06	20	4.01	10/16/2024	5	4
Johor Corporation	07/38	AAA	4.15	10	4.13	10/22/2024	2	13
Tenaga Nasional Berhad	06/47	AAA	4.21	5	4.15	09/18/2024	6	6
YTL Corporation Berhad	11/26	AA1	3.74	10	3.76	10/16/2024	-2	34
Kuala Lumpur Kepong Berhad	09/29	AA1	3.91	20	3.86	10/23/2024	5	26
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.01	0	4.23	10/28/2024	-22	10
AmBank Islamic Berhad	05/31	AA2	4.10	30	4.06	10/29/2024	4	20
AmBank (M) Berhad	06/31	AA2	4.11	80	4.00	09/23/2024	11	21
IJM Treasury Management Sdn Berhad	03/39	AA3	4.24	10	4.18	08/20/2024	6	22
Malakoff Power Berhad	12/28	AA-	4.64	14	4.69	03/20/2024	-5	106
Alliance Bank Malaysia Berhad	10/30	A2	4.31	1	4.20	10/17/2024	11	55
WCT Holdings Berhad	09/19	A-	5.75	1	5.77	10/17/2024	-2	160
				<u>661</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Infracap Resources Sdn Berhad	RM15 billion Sukuk Murabahah Programme (2021-2041)	AAA (s)/ Stable	Affirmed
Aquasar Capital Sdn Berhad	RM1.5 billion Sukuk Murabahah Programme (2014-2029)	AAA (s)/ Stable	Affirmed
MTT Shipping Sdn Bhd	Corporate credit ratings Islamic Medium-Term Notes and Islamic Commercial Papers Programme with a combined aggregate limit of up to RM1.5 bil	AA3/Stable/P1	Affirmed
Tropicana Corporation Berhad	RM1.5 billion Islamic Medium-Term Notes (IMTN) (Sukuk Wakalah) Programme	A _{IS}	Assigned

Source: RAM, MARC

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