

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were lower in trading on Friday amidst core PCE prices and personal income and spending data for July coming in as per expectations, and a solid close for the month for US equity markets. Benchmark yields were higher by between 2 and 5 bps for the day, with the UST curve bear steepening. **The benchmark 2yr UST yield was 2bps higher for the session at 3.92%, while the benchmark 10yr UST yield advanced by 4bps for the day to 3.90%.** Equity and bond cash markets will be closed for the day ahead in observance of the US Labour Day holiday, but futures markets will be open on reduced hours, as the markets brace for the all-important US monthly jobs report for August on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.92	2
5-yr UST	3.70	4
10-yr UST	3.90	4
30-yr UST	4.20	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.35	2	3.32	1
5-yr	3.51	1	3.49	1
7-yr	3.70	0	3.70	0
10-yr	3.76	1	3.78	-1
15-yr	3.92	2	3.94	1
20-yr	4.05	2	4.08	1
30-yr	4.19	1	4.19	13

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.45	4
3-yr	3.37	2
5-yr	3.43	2
7-yr	3.50	2
10-yr	3.62	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were weaker in trading on Friday, with secondary market volume inching lower by 8% to RM4.39bn compared to the RM4.76bn that changed hands on Thursday. Benchmark yields closed mixed between -1 and +2 bps for the day, except for the benchmark 30Y GII which corrected from a previous late odd-lot trade. **The benchmark 5Y MGS 8/29 saw its yield rise 1bp for the day to 3.51% while the yield on the benchmark 10Y MGS 7/34 was also 1bp higher for the session at 3.76%.** Trading interest for the day was led by the benchmark 7Y MGS, while interest was also seen in the off-the-run GII 10/24, MGS 3/25, GII 8/25, MGS 9/25, GII 10/32 and MGS 11/33, as well as in the benchmark 10Y MGS. Trading in GII as a proportion of total govovies trading plunged to 33% versus the 47% share seen the previous day. The S&P Global PMI manufacturing reading for August is scheduled for release today, and we may also see supply kick off for the month with the possible announcement of the reopening auction of benchmark 20Y GII 8/43.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was mixed in trading in a lighter session on Friday, with secondary market volume receding by 20% to RM621m versus the RM778m that traded on Thursday. Trading activity for the day was led by the AA-rated segment. In the GG universe, DANA 6/38 and LPPSA 3/45 led trading, with the bonds settling at 3.96% (+1bp versus last print) and 4.13% (unchanged) respectively. Over in AAA space, trading interest was led by MAHB 11/27 and PLUS 1/38, which closed at 3.77% (unchanged) and 4.03% (+1bp) respectively. Meanwhile in the AA-rated segment, trading was led by MBB 1/31, which settled the day at 3.83%, 7bps higher compared to where it last traded. Interest was also seen in SCC 1/27 and AIBB 12/26, which closed the day at 3.83% (unchanged) and 3.81% (+1bp) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.028	63	3.002	08/29/2024	3
MGS	03/25	3.104	328	3.098	08/29/2024	1
MGS	09/25	3.100	274	3.120	08/29/2024	-2
MGS	04/26	3.241	16	3.239	08/29/2024	0
MGS	07/26	3.246	42	3.240	08/29/2024	1
MGS	11/26	3.245	48	3.208	08/29/2024	4
MGS	03/27	3.303	3	3.313	08/29/2024	-1
MGS	05/27	3.346	55	3.327	08/29/2024	2
MGS	11/27	3.381	68	3.350	08/29/2024	3
MGS	04/28	3.433	10	3.415	08/29/2024	2
MGS	06/28	3.462	16	3.459	08/29/2024	0
MGS	04/29	3.499	18	3.492	08/29/2024	1
MGS	08/29	3.507	64	3.497	08/29/2024	1
MGS	04/30	3.601	64	3.595	08/29/2024	1
MGS	04/31	3.701	636	3.697	08/29/2024	0
MGS	06/31	3.716	139	3.714	08/28/2024	0
MGS	07/32	3.759	144	3.752	08/29/2024	1
MGS	04/33	3.796	9	3.791	08/29/2024	0
MGS	11/33	3.790	253	3.784	08/29/2024	1
MGS	07/34	3.763	229	3.754	08/29/2024	1
MGS	05/35	3.813	133	3.811	08/29/2024	0
MGS	04/37	3.919	5	3.909	08/29/2024	1
MGS	06/38	3.948	44	3.940	08/29/2024	1
MGS	04/39	3.918	4	3.900	08/29/2024	2
MGS	05/40	3.969	24	3.976	08/29/2024	-1
MGS	10/42	4.021	11	4.017	08/29/2024	0
MGS	09/43	4.070	1	4.056	08/29/2024	1
MGS	05/44	4.054	56	4.039	08/29/2024	2
MGS	06/50	4.160	45	4.144	08/29/2024	2
MGS	03/53	4.189	157	4.182	08/29/2024	1
GII	10/24	3.044	450	3.087	08/29/2024	-4
GII	08/25	3.156	224	3.126	08/29/2024	3
GII	10/25	3.231	36	3.240	08/28/2024	-1
GII	03/26	3.271	39	3.219	08/29/2024	5
GII	09/26	3.320	63	3.313	08/28/2024	1
GII	07/27	3.397	10	3.364	08/28/2024	3
GII	09/27	3.387	36	3.386	08/29/2024	0
GII	07/28	3.485	40	3.470	08/29/2024	1
GII	10/28	3.488	8	3.472	08/28/2024	2
GII	07/29	3.519	42	3.505	08/29/2024	1
GII	09/30	3.657	40	3.658	08/29/2024	0
GII	10/30	3.671	1	3.656	08/29/2024	1
GII	10/31	3.699	33	3.694	08/29/2024	0
GII	10/32	3.231	186	3.788	08/29/2024	-56
GII	08/33	3.820	60	3.813	08/29/2024	1
GII	11/34	3.780	12	3.786	08/28/2024	-1
GII	07/36	3.897	4	3.887	08/29/2024	1
GII	08/37	3.916	11	3.854	08/28/2024	6
GII	03/38	3.930	2	3.916	08/28/2024	1
GII	09/39	3.943	40	3.936	08/29/2024	1
GII	09/41	4.029	6	4.025	08/29/2024	0
GII	08/43	4.081	83	4.074	08/29/2024	1
GII	05/47	4.126	1	4.007	08/27/2024	12
GII	11/49	4.167	1	4.161	08/29/2024	1
GII	05/52	4.203	1	4.199	08/29/2024	0
GII	03/54	4.191	3	4.058	08/28/2024	13
		4390				

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*
Jambatan Kedua Sdn Berhad	07/26	GG	3.371	10	3.610	28/5/2024	-24	12
DanaInfra Nasional Berhad	06/38	GG	3.959	30	3.951	14/8/2024	1	5
Lembaga Pembiayaan Perumahan Sektor Awam	03/45	GG	4.125	30	4.129	8/8/2024	0	7
DanaInfra Nasional Berhad	08/52	GG	4.238	5	4.253	24/6/2024	-1	18
Malaysia Airport Holdings Berhad	11/27	AAA	3.768	40	3.767	23/8/2024	0	43
Toyota Capital Malaysia Sdn Berhad	01/29	AAA	3.839	2	3.897	15/7/2024	-6	41
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.820	20	3.938	27/5/2024	-12	22
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.858	4	3.859	16/8/2024	0	15
Pengurusan Air Selangor Sdn Berhad	10/31	AAA	3.845	10	3.907	30/7/2024	-6	14
Pengurusan Air Selangor Sdn Berhad	09/32	AAA	3.861	5	3.904	9/8/2024	-4	13
Danum Capital Berhad	02/34	AAA	3.899	20	3.858	5/8/2024	4	15
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.030	40	4.019	28/8/2024	1	12
Westports Malaysia Sdn Berhad	05/39	AAA	4.049	1	4.019	14/8/2024	3	14
Pengurusan Air Selangor Sdn Berhad	10/41	AAA	4.082	5	4.199	16/7/2024	-12	17
Pengurusan Air Selangor Sdn Berhad	07/42	AAA	4.089	25	4.200	28/2/2024	-11	3
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.089	20	4.311	9/1/2024	-22	3
Pengurusan Air Selangor Sdn Berhad	04/43	AAA	4.102	10	4.325	22/8/2024	-22	5
Pengurusan Air Selangor Sdn Berhad	10/43	AAA	4.112	30	4.299	10/6/2024	-19	6
Pengurusan Air Selangor Sdn Berhad	08/44	AAA	4.120	20	4.198	15/8/2024	-8	6
Sabah Credit Corporation	01/27	AA1	3.829	30	3.825	28/8/2024	0	58
RHB Bank Berhad	11/28	AA1	3.848	10	3.858	23/8/2024	-1	42
Malayan Banking Berhad	01/31	AA1	3.825	60	3.751	20/6/2024	7	23
Malayan Banking Berhad	08/31	AA1	3.823	30	3.816	22/8/2024	1	12
YTL Power International Berhad	08/32	AA1	4.008	20	3.909	12/8/2024	10	28
YTL Power International Berhad	03/33	AA1	4.007	10	4.019	28/8/2024	-1	25
YTL Power International Berhad	08/35	AA1	4.068	10	4.068	20/8/2024	0	31
YTL Power International Berhad	08/39	AA1	4.186	5	n/a	n/a	419	28
Pac Lease Berhad	03/26	AA	3.898	20	3.898	23/8/2024	0	65
Fortune Premiere Sdn Berhad	09/26	AA	3.943	10	3.943	1/8/2024	0	69
OSK Rated Bond Sdn Berhad	04/28	AA	3.826	4	3.878	23/7/2024	-5	40
Affin Islamic Bank Berhad	12/26	AA3	3.809	30	3.801	16/8/2024	1	56
AEON Credit Service (M) Berhad	02/27	AA3	3.782	20	3.849	17/7/2024	-7	53
Tanjung Bin Energy Sdn Berhad	09/31	AA3	4.959	10	5.078	27/8/2024	-12	125
Edra Energy Sdn Berhad	07/32	AA3	4.009	10	4.069	24/7/2024	-6	28
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	12/24	AA-	4.002	10	4.048	28/5/2024	-5	85
UEM Edgenta Berhad	04/26	AA-	3.791	2	3.866	19/7/2024	-8	54
UMW Holdings Berhad	04/18	AA-	4.159	1	4.147	9/8/2024	1	10
TG Excellence Berhad	02/20	A	5.732	1	4.836	29/8/2024	90	168
DRB-Hicom Berhad	12/14	A-	5.249	1	5.300	28/8/2024	-5	119
Tropicana Corporation Berhad	09/19	A-	14.697	1	13.856	23/8/2024	84	1064
Tan Chong Motor Holdings Berhad	07/27	NR(LT)	5.309	1	n/a	n/a	531	198
				621				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Small Medium Enterprise Development Bank Malaysia Berhad	Financial Institution Ratings	AAA/Stable	Affirmed
	Islamic Medium-Term Notes Programme/ Islamic Commercial Papers Programme with a combined limit of RM3bn	AAA/Stable/MARC-1	Affirmed
OCBC Bank (Malaysia) Berhad	Financial Institution Ratings	AAA/Stable/P1	Affirmed
Indera Persada Sdn Bhd	RM280m Fixed Rate Serial Bonds (2013/2028) RM68m Medium-Term Notes (2023/2031)	AA1/Stable	Affirmed

Source: RAM, MARC

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