

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries were stronger in trading on Wednesday, after a much weaker than expected ISM Services index for June reignited concerns that the economy is ending 2Q on a soft note. Longer dated maturities outperformed in the rally, leading to a bull flattening in the UST curve. Benchmark yields closed lower across the curve by between 3 and 8bps for the day. **The benchmark 2yr UST yield was 3bps lower for the session at 4.71%, while the benchmark 10yr UST yield fell by 7bps for the day to 4.36%.** US markets will be shut today for the Fourth of July holiday with the monthly US employment report for June due the following day.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.71	-3
5-yr UST	4.33	-7
10-yr UST	4.36	-7
30-yr UST	4.53	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.53	-1	3.46	0
5-yr	3.66	-1	3.62	-1
7-yr	3.82	-1	3.76	0
10-yr	3.87	-1	3.88	-1
15-yr	3.97	-4	4.00	-2
20-yr	4.12	0	4.13	0
30-yr	4.23	0	4.25	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.59	0
3-yr	3.58	0
5-yr	3.65	0
7-yr	3.76	0
10-yr	3.88	0

Source : Bloomberg

MGS/GII

- Local government bonds were stronger today in an active session on Wednesday, with particular interest seen in the benchmark 15Y MGS 4/39. Secondary market volume for the day climbed by 29% to RM4.26bn versus the RM3.30bn that traded on Tuesday. Benchmark yields closed lower by between 0 to 4bps for the day. **The benchmark 5Y MGS 8/29 yield was lower by 1bp for the session at 3.66% while the benchmark 10Y MGS 11/33 was also 1bp lower in yield at 3.87%.** Trading interest for the day was led by benchmark 15Y MGS, while interest was also seen in the off-the-run GII 8/25, MGS 9/25 and GII 8/28, as well as in the benchmark 3Y MGS, 5Y MGS, 7Y MGS and 10Y GII. The market share of GII trading for the day receded to 29% versus the 43% share seen the day before. There are no economic data releases domestically scheduled for today, but we may get an announcement of more bond supply, with the reopening of the GII 10/34 next on the auction calendar.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid as activity climbed in trading on Wednesday, with secondary market volume for the day rising by 33% to RM409m, compared to the RM308m that changed hands the day before. Trading interest for the day was led by AA-rated segment of the market. In the GG universe, trading was led by PRASA 9/47, which settled at 4.20%, 1bp higher versus its last print. In the AAA space, trading for the day was led by PSEP 2/30 and CAGA 10/30, which closed the day at 3.85% (unchanged versus last print) and 3.92% (-3bps) respectively. In AA territory, trading interest was led by YTLP 3/36 and GAMUDA 8/30, which settled for the day at 4.16% (+1bp) and 4.09% (-21bps) respectively. In the A-rated segment of the market, YHB 12/26 drew interest, closing at 4.67%, 33bps lower compared to where the bond last traded.

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.279	34	3.273	07/02/2024	1
MGS	09/25	3.327	517	3.627	07/02/2024	-30
MGS	04/26	3.382	53	3.398	07/02/2024	-2
MGS	07/26	3.401	85	3.433	07/02/2024	-3
MGS	11/26	3.440	60	3.436	07/02/2024	0
MGS	03/27	3.537	23	3.519	07/01/2024	2
MGS	05/27	3.527	143	3.534	07/02/2024	-1
MGS	11/27	3.536	86	3.552	07/02/2024	-2
MGS	04/28	3.617	61	3.603	07/02/2024	1
MGS	06/28	3.636	112	3.637	07/02/2024	0
MGS	08/29	3.662	162	3.673	07/02/2024	-1
MGS	04/30	3.756	104	3.778	07/02/2024	-2
MGS	04/31	3.815	135	3.826	07/02/2024	-1
MGS	07/32	3.864	43	3.867	07/02/2024	0
MGS	04/33	3.866	2	3.871	06/28/2024	0
MGS	11/33	3.866	92	3.872	07/02/2024	-1
MGS	05/35	3.950	108	3.963	07/02/2024	-1
MGS	04/37	4.001	23	4.012	07/02/2024	-1
MGS	06/38	4.010	72	4.006	07/02/2024	0
MGS	04/39	3.972	876	4.013	07/02/2024	-4
MGS	05/40	4.082	2	4.084	07/02/2024	0
MGS	10/42	4.119	30	4.143	07/02/2024	-2
MGS	05/44	4.121	87	4.124	07/02/2024	0
MGS	07/48	4.219	2	4.227	07/02/2024	-1
MGS	06/50	4.160	14	4.224	07/02/2024	-6
MGS	03/53	4.229	86	4.227	07/02/2024	0
GII	08/25	3.304	203	3.333	07/02/2024	-3
GII	10/25	3.302	70	3.312	07/02/2024	-1
GII	03/26	3.413	30	3.419	07/02/2024	-1
GII	09/26	3.455	95	3.455	07/02/2024	0
GII	09/27	3.534	10	3.543	07/02/2024	-1
GII	07/28	3.620	101	3.633	07/02/2024	-1
GII	08/28	3.644	140	3.640	06/28/2024	0
GII	10/28	3.641	91	3.662	07/02/2024	-2
GII	07/29	3.661	42	3.650	06/28/2024	1
GII	09/30	3.758	65	3.760	07/02/2024	0
GII	10/30	3.773	5	3.771	07/02/2024	0
GII	10/32	3.861	20	3.850	07/02/2024	1
GII	06/33	3.870	30	3.874	07/01/2024	0
GII	08/33	3.879	190	3.890	07/02/2024	-1
GII	03/38	3.990	1	3.990	07/01/2024	0
GII	09/39	3.998	91	4.018	07/02/2024	-2
GII	09/41	4.077	10	4.087	07/02/2024	-1
GII	08/43	4.131	1	4.135	07/02/2024	0
GII	05/52	4.251	51	4.265	07/02/2024	-1
			4257			

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*
DanaInfra Nasional Berhad	02/33	GG	3.898	10	3.858	25/6/2024	4	5
Prasarana Malaysia Berhad	02/40	GG	4.060	5	4.076	24/6/2024	-2	5
DanaInfra Nasional Berhad	04/40	GG	4.065	5	4.075	21/6/2024	-1	5
DanaInfra Nasional Berhad	05/40	GG	4.065	5	4.075	21/6/2024	-1	5
Prasarana Malaysia Berhad	09/47	GG	4.200	30	4.189	26/6/2024	1	7
DanaInfra Nasional Berhad	04/48	GG	4.220	10	4.219	27/5/2024	0	9
Cagamas Berhad	09/24	AAA	3.475	15	3.670	29/9/2023	-20	16
TM Technology Services Sdn Berhad (fka Webe Di	10/28	AAA	3.862	5	3.931	9/5/2024	-7	25
Bank Pertanian Malaysia Berhad	11/28	AAA	3.818	10	3.881	2/7/2024	-6	21
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.854	20	3.857	24/6/2024	0	10
Cagamas Berhad	10/30	AAA	3.920	20	3.950	20/12/2023	-3	17
Tenaga Nasional Berhad	08/37	AAA	4.079	10	4.058	10/6/2024	2	6
Tenaga Nasional Berhad	06/47	AAA	4.275	5	4.281	2/7/2024	-1	15
GENM Capital Berhad	05/29	AA1	4.620	1	4.689	1/7/2024	-7	95
YTL Power International Berhad	08/32	AA1	4.001	5	4.001	2/7/2024	0	17
YTL Power International Berhad	03/36	AA1	4.163	60	4.152	28/6/2024	1	29
Sime Darby Property Berhad	12/30	AA+	4.009	10	4.177	4/9/2023	-17	26
Imtiaz Sukuk II Berhad	05/29	AA2	4.153	1	4.043	6/3/2024	11	48
AmBank Islamic Berhad	05/31	AA2	4.023	20	4.029	18/6/2024	-1	22
SP Setia Berhad	06/28	AA	3.918	20	3.919	28/6/2024	0	31
SP Setia Berhad	06/28	AA	3.918	10	3.944	11/6/2024	-3	31
SP Setia Berhad	06/30	AA	3.982	30	3.984	28/6/2024	0	23
BGSM Management Sdn Berhad	03/26	AA3	3.873	10	3.903	19/4/2024	-3	44
Gamuda Land (T12) Sdn Berhad	08/27	AA3	3.935	15	4.003	10/1/2024	-7	40
Gamuda Land (T12) Sdn Berhad	08/30	AA3	4.088	40	4.299	23/8/2023	-21	34
IJM Treasury Management Sdn Berhad	03/39	AA3	4.219	5	4.229	26/6/2024	-1	21
UEM Sunrise Berhad	02/26	AA-	3.866	15	3.863	27/6/2024	0	43
MMC Corporation Berhad	11/27	AA-	3.964	10	4.001	24/5/2024	-4	43
Tan Chong Motor Holdings Berhad	03/25	A+	5.662	1	4.976	26/3/2024	69	235
Yinson Holdings Berhad	12/26	A+	4.674	3	5.001	20/6/2024	-33	124
MCIS Insurance Berhad	12/31	A2	4.786	1	4.064	28/6/2024	72	98
Tropicana Corporation Berhad	06/25	A	5.301	1	5.347	27/6/2024	-5	199
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.362	1	5.010	1/7/2024	-65	56
Affin Bank Berhad	06/18	A3	4.997	1	5.001	25/6/2024	0	87
DRB-Hicom Berhad	12/14	A-	5.185	1	5.337	2/7/2024	-15	106
Yinson Holdings Berhad	11/22	NR(LT)	6.229	1	7.089	11/10/2023	-86	210
				409				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Deutsche Bank (Malaysia) Berhad	Long-term Financial Institution Rating	AAA/Stable	Upgraded
SPR Energy (M) Sdn Bhd	Senior Sukuk Ijarah of RM580m	B1/Negative	Affirmed

Source: RAM, MARC

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