

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were stronger in trading on Tuesday amidst the August ISM manufacturing index recovering by less than expected, renewing fears about the prospects of the US economy. Equity markets tumbling the most since the Aug 05 selloff added to the bid tone for Treasuries. Benchmark yields were lower by between 5 and 7 bps for the day, with the UST curve bull flattening. **The benchmark 2yr UST yield was 5bps lower for the session at 3.87%, while the benchmark 10yr UST yield declined by 7bps for the day to 3.83%.** Today sees the release of JOLTS data, trade balance and factory orders for July, ahead of the all-important US August monthly jobs report on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.87	-5
5-yr UST	3.64	-6
10-yr UST	3.83	-7
30-yr UST	4.12	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.37	2	3.33	1
5-yr	3.52	0	3.47	0
7-yr	3.71	0	3.72	1
10-yr	3.77	0	3.80	1
15-yr	3.92	0	3.94	0
20-yr	4.06	1	4.09	1
30-yr	4.15	0	4.20	11

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.44	-2
3-yr	3.39	0
5-yr	3.44	-2
7-yr	3.53	0
10-yr	3.64	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were mixed in trading on Tuesday, with secondary market volume inching lower by 4% to RM4.28bn compared to the RM4.48bn that changed hands on Monday. Benchmark yields closed higher between 0 and 2bps for the day, except for the benchmark 30Y GII which corrected from previous skewed odd-lot trades. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.52% while the yield on the benchmark 10Y MGS 7/34 was also unchanged for the session at 3.77%.** Trading interest for the day was led by the off-the-run MGS 9/25, while interest was also seen in the benchmark 3Y GII, 5Y MGS and 10Y MGS, as well as in the off-the-run MGS 3/25, MGS 4/28, MGS 4/29 and MGS 11/33. Trading in GIIs as a proportion of total govies trading fell to 30% versus the 44% share seen the previous day. There are no economic data releases scheduled for the day ahead, with BNM set to decide on monetary policy on Thursday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was mixed in trading as activity picked up on Tuesday, with secondary market volume climbing by 71% to RM478m versus the RM280m that traded the previous session. Trading activity for the day was led by the AAA-rated segment. In the GG universe, DANA 8/32 saw interest and closed the day at 3.80%, in what was a secondary market debut for the two year old bond. Over in AAA space, trading interest was led by CAGA 10/25, which settled the day at 3.56%, lower by 1bp compared to its last print. Interest was also seen in TOYOTA 8/30, which closed at 3.94% in a secondary market debut for the recently issued bond. Meanwhile in the AA-rated segment, trading was led by Benih Restu 7/34, which settled the day at 4.00%, little changed compared to where the bond last traded. Interest was also seen in MBB 1/34, which closed at 3.98%, unchanged from the last print seen in the financial.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	2.461	8	3.028	08/30/2024	-57
MGS	03/25	3.144	292	3.148	09/02/2024	0
MGS	09/25	3.206	444	3.159	09/02/2024	5
MGS	07/26	3.261	104	3.268	09/02/2024	-1
MGS	11/26	3.262	48	3.258	09/02/2024	0
MGS	03/27	3.309	4	3.331	09/02/2024	-2
MGS	05/27	3.357	27	3.351	09/02/2024	1
MGS	11/27	3.392	92	3.405	09/02/2024	-1
MGS	04/28	3.453	165	3.445	09/02/2024	1
MGS	06/28	3.469	142	3.476	09/02/2024	-1
MGS	04/29	3.500	166	3.509	09/02/2024	-1
MGS	08/29	3.522	377	3.525	09/02/2024	0
MGS	04/30	3.602	118	3.610	09/02/2024	-1
MGS	04/31	3.709	160	3.710	09/02/2024	0
MGS	06/31	3.714	143	3.716	09/02/2024	0
MGS	07/32	3.763	24	3.747	09/02/2024	2
MGS	11/33	3.783	326	3.789	09/02/2024	-1
MGS	07/34	3.769	256	3.772	09/02/2024	0
MGS	05/35	3.832	3	3.825	09/02/2024	1
MGS	04/37	3.906	3	3.920	09/02/2024	-1
MGS	06/38	3.943	41	3.949	09/02/2024	-1
MGS	04/39	3.920	1	3.921	09/02/2024	0
MGS	05/40	4.016	13	3.970	09/02/2024	5
MGS	10/42	3.993	26	3.988	09/02/2024	0
MGS	05/44	4.064	5	4.054	09/02/2024	1
MGS	06/50	4.096	3	4.015	09/02/2024	8
MGS	03/53	4.150	22	4.150	09/02/2024	0
GII	10/24	3.088	125	3.118	09/02/2024	-3
GII	08/25	3.247	50	3.099	09/02/2024	15
GII	10/25	3.247	10	3.258	09/02/2024	-1
GII	09/26	3.333	220	3.324	09/02/2024	1
GII	07/27	3.410	31	3.415	09/02/2024	0
GII	09/27	3.408	21	3.406	09/02/2024	0
GII	07/29	3.530	130	3.529	09/02/2024	0
GII	09/30	3.661	4	3.665	09/02/2024	0
GII	10/30	3.686	10	3.649	09/02/2024	4
GII	10/31	3.715	88	3.707	09/02/2024	1
GII	10/32	3.792	130	3.795	09/02/2024	0
GII	06/33	3.815	78	3.811	09/02/2024	0
GII	08/33	3.816	50	3.816	09/02/2024	0
GII	11/34	3.804	124	3.797	09/02/2024	1
GII	07/36	3.903	50	3.892	09/02/2024	1
GII	08/37	3.888	50	3.889	09/02/2024	0
GII	03/38	3.939	1	3.784	09/02/2024	16
GII	08/43	4.085	70	4.077	09/02/2024	1
GII	11/49	4.185	5	4.282	09/02/2024	-10
GII	05/52	4.207	20	4.202	09/02/2024	0
GII	03/54	4.197	2	4.087	09/02/2024	11
			4282			

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	08/32	GG	3.798	20	n/a	n/a	380	6
Prasarana Malaysia Berhad	01/37	GG	3.924	20	3.925	21/8/2024	0	15
Prasarana Malaysia Berhad	09/42	GG	4.049	20	4.119	27/6/2024	-7	-1
Prasarana Malaysia Berhad	02/50	GG	4.189	20	4.209	26/6/2024	-2	13
Cagamas Berhad	09/24	AAA	3.371	10	3.446	30/7/2024	-8	20
Cagamas Berhad	10/25	AAA	3.555	50	3.562	22/8/2024	-1	39
Cagamas Berhad	12/27	AAA	3.725	20	3.792	22/7/2024	-7	37
Toyota Capital Malaysia Sdn Berhad	07/28	AAA	3.848	10	3.890	29/7/2024	-4	41
Toyota Capital Malaysia Sdn Berhad	08/28	AAA	3.847	5	3.844	21/8/2024	0	40
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.752	1	3.914	18/4/2024	-16	31
Rantau Abang Capital Berhad	03/29	AAA	3.790	1	3.797	22/8/2024	-1	27
UniTapah Sdn Berhad	06/29	AAA	3.929	1	4.249	8/6/2023	-32	41
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.874	20	3.828	27/8/2024	5	35
Toyota Capital Malaysia Sdn Berhad	08/30	AAA	3.938	35	n/a	n/a	394	32
CIMB Islamic Bank Berhad	07/35	AAA	4.027	20	4.029	22/8/2024	0	26
Bank Pembangunan Malaysia Berhad	11/35	AAA	4.008	10	4.009	29/8/2024	0	24
Amanat Lebuhraya Rakyat Berhad	10/37	AAA	4.311	1	4.470	8/4/2024	-16	39
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/38	AAA	4.047	10	4.039	19/8/2024	1	13
Tenaga Nasional Berhad	11/41	AAA	4.128	20	4.049	6/8/2024	8	21
TNB Power Generation Sdn Berhad	06/42	AAA	4.070	1	4.024	1/8/2024	5	1
Pengurusan Air Selangor Sdn Berhad	08/49	AAA	4.195	10	4.189	29/8/2024	1	14
Malayan Banking Berhad	01/34	AA1	3.977	40	3.981	21/8/2024	0	22
YTL Power International Berhad	03/37	AA1	4.129	20	4.040	2/8/2024	9	21
Press Metal Aluminium Holdings Berhad	12/27	AA2	3.841	1	3.929	19/6/2024	-9	49
Imtiaz Sukuk II Berhad	05/29	AA2	3.827	10	3.877	8/8/2024	-5	31
Benih Restu Berhad	07/34	AA2	3.999	80	4.001	28/8/2024	0	23
Gamuda Berhad	06/33	AA3	4.009	20	4.088	27/6/2024	-8	25
Tan Chong Motor Holdings Berhad	03/27	A+	5.821	1	5.239	27/8/2024	58	247
DRB-Hicom Berhad	08/31	A+	4.707	1	4.699	29/8/2024	1	100
WCT Holdings Berhad	03/19	A-	5.375	1	5.375	29/8/2024	0	132
WCT Holdings Berhad	09/19	A-	5.298	1	5.837	21/8/2024	-54	124
				478				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tadau Energy Sdn Bhd	RM250m SRI Sukuk Programme	AA3/Stable	Affirmed
Power Root Berhad	RM500m Islamic Medium-Term Notes (IMTN) Programme	AA-/Stable	Assigned Preliminary Rating
Evyap Sabun Malaysia Sdn Bhd	RM500m Sukuk Wakalah Programme	AA/Stable	Upgraded

Source: RAM, MARC

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