

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Thursday, after the ISM Services index for September rose more than expected to the highest level since Feb 2023, suggesting that the US economy remains buoyant as we closed out 3Q. Benchmark yields closed higher by between 2 and 5 bps for the day, with the UST curve bear flattening slightly. **The benchmark 2yr UST yield was 5bps higher for the session at 3.69%, while the benchmark 10yr UST yield advanced by 4bps for the day to 3.83%.** Tonight sees the release of the all-important US monthly jobs report for September, the results of which have a large bearing on the pace and timing of further rate reductions for this year and beyond.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.69	5
5-yr UST	3.61	6
10-yr UST	3.83	4
30-yr UST	4.16	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	1	3.32	-1
5-yr	3.49	-1	3.45	-2
7-yr	3.70	1	3.70	0
10-yr	3.72	0	3.76	1
15-yr	3.90	1	3.92	1
20-yr	4.05	1	4.05	0
30-yr	4.26	8	4.19	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	1
3-yr	3.43	-1
5-yr	3.48	2
7-yr	3.56	1
10-yr	3.66	1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM4.5bn of the benchmark 3Y MGS 5/27 on Monday, 07 Nov

MGS/GII

- Local govovies were mixed in trading on Thursday, amidst the announcement of more government bond supply, with RM4.5bn of the benchmark 3Y MGS 5/27 set to be auctioned in a reopening on Monday. Secondary market volume for the day receded by 26% to RM3.91bn compared to the RM5.32bn that traded on Wednesday. Benchmark yields closed mixed between -2 and +1 bps for the day, except for the 30Y MGS which was skewed by some off-market odd-lot trades. **The benchmark 5Y MGS 8/29 saw its yield fall by 1bp for the day to 3.49% while the yield on the benchmark 10Y MGS 7/34 was little changed for the session at 3.72%.** Trading interest was led by the benchmark 10Y MGS, while interest was also seen in benchmark 5Y MGS and 7Y MGS/GII, as well as in the off-the-run MGS 3/25, GII 10/32, GII 8/33 and MGS 4/37. Trading in GIIs as a proportion of total govovies trading climbed to 43% versus the 34% share seen the day before. There are no domestic economic releases scheduled for the day ahead.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Thursday in another active session, with secondary market volume for the day inching lower by 3% to RM1,023m versus the RM1,055m that changed hands on Wednesday. Trading for the day was led by the AAA segment of the market. In the GG universe, activity was led by PRASA 9/28, which closed at 3.53%, 3bps lower versus where it last traded. Over in the AAA space, interest was led by CAGA 10/26 and CAGA 10/28, which settled for the day at 3.61% (-8bps versus last print) and 3.80% (-3bps) respectively. Meanwhile in the AA-rated universe, activity was led by MBB 1/34 and PMAH 10/24, which settled for the day at 3.92% (unchanged) and 3.19% (-17bps) respectively. In the A-rated segment, trading was seen in TGE 3.95% Perps, which changed hands at 4.82%, a whopping 130bps lower versus its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.189	345	3.173	10/02/2024	2
MGS	09/25	3.180	1	3.210	10/02/2024	-3
MGS	07/26	3.275	28	3.297	10/02/2024	-2
MGS	11/26	3.269	22	3.255	10/02/2024	1
MGS	03/27	3.345	1	3.332	09/30/2024	1
MGS	05/27	3.338	130	3.329	10/02/2024	1
MGS	11/27	3.389	26	3.384	10/02/2024	0
MGS	06/28	3.499	49	3.444	10/02/2024	6
MGS	04/29	3.487	28	3.495	10/02/2024	-1
MGS	08/29	3.492	336	3.499	10/02/2024	-1
MGS	04/30	3.605	42	3.603	10/02/2024	0
MGS	04/31	3.699	347	3.690	10/02/2024	1
MGS	06/31	3.693	32	3.694	10/01/2024	0
MGS	07/32	3.731	8	3.731	10/02/2024	0
MGS	04/33	3.775	10	3.758	10/01/2024	2
MGS	11/33	3.773	20	3.766	10/02/2024	1
MGS	07/34	3.717	449	3.720	10/02/2024	0
MGS	05/35	3.816	11	3.787	10/02/2024	3
MGS	04/37	3.897	275	3.879	10/02/2024	2
MGS	06/38	3.916	11	3.916	10/02/2024	0
MGS	04/39	3.900	1	3.891	10/01/2024	1
MGS	05/40	3.974	23	3.962	10/02/2024	1
MGS	09/43	4.053	1	4.046	10/02/2024	1
MGS	05/44	4.053	3	4.042	09/30/2024	1
MGS	06/50	4.147	33	4.147	10/02/2024	0
MGS	03/53	4.262	7	4.185	10/02/2024	8
GII	10/24	2.827	67	3.168	10/02/2024	-34
GII	10/25	3.202	2	3.213	10/02/2024	-1
GII	03/26	3.300	20	3.290	10/01/2024	1
GII	09/26	3.315	91	3.321	10/02/2024	-1
GII	09/27	3.408	11	3.379	10/02/2024	3
GII	07/28	3.449	2	3.469	09/30/2024	-2
GII	10/28	3.472	130	3.472	10/01/2024	0
GII	07/29	3.505	35	3.504	10/02/2024	0
GII	09/30	3.645	12	3.636	10/01/2024	1
GII	10/30	3.639	68	3.636	10/02/2024	0
GII	10/31	3.699	403	3.695	10/02/2024	0
GII	10/32	3.755	200	3.756	10/02/2024	0
GII	06/33	3.780	10	3.772	09/30/2024	1
GII	08/33	3.787	230	3.782	10/02/2024	0
GII	11/34	3.758	81	3.749	10/02/2024	1
GII	09/39	3.915	53	3.909	10/02/2024	1
GII	09/41	4.002	20	4.000	10/02/2024	0
GII	08/43	4.054	130	4.050	10/02/2024	0
GII	03/54	4.191	110	4.191	10/02/2024	0
			<u>3915</u>			

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	09/28	GG	3.526	120	3.557	9/8/2024	-3	9
Prasarana Malaysia Berhad	06/39	GG	3.971	50	3.995	3/9/2024	-2	8
DanaInfra Nasional Berhad	07/44	GG	4.105	60	4.111	2/10/2024	-1	6
DanaInfra Nasional Berhad	09/45	GG	4.129	10	4.150	7/2/2024	-2	9
UniTapah Sdn Berhad	12/24	AAA	3.481	20	3.719	2/1/2024	-24	29
Pengurusan Air SPV Berhad	02/26	AAA	3.674	10	3.651	2/9/2024	2	49
Cagamas Berhad	10/26	AAA	3.608	140	3.692	18/7/2024	-8	34
CIMB Bank Berhad	05/27	AAA	3.769	10	3.747	31/7/2024	2	43
Pengurusan Air SPV Berhad	06/27	AAA	3.786	45	3.786	26/9/2024	0	44
Cagamas Berhad	01/28	AAA	3.752	120	3.715	22/8/2024	4	41
TM Technology Services Sdn Berhad (fka Webe Di	05/28	AAA	3.688	5	3.910	9/5/2024	-22	25
Cagamas Berhad	10/28	AAA	3.804	5	3.848	24/4/2024	-4	37
Cagamas Berhad	10/28	AAA	3.800	140	3.825	19/6/2024	-3	36
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.770	20	3.791	18/9/2024	-2	26
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.809	10	3.823	27/9/2024	-1	20
Pengurusan Air SPV Berhad	09/30	AAA	3.850	10	3.924	17/7/2024	-7	24
Pengerang LNG (Two) Sdn Berhad	10/30	AAA	3.833	5	4.249	8/5/2023	-42	23
Tenaga Nasional Berhad	08/40	AAA	4.096	1	3.997	24/9/2024	10	20
Samalaju Industrial Port Sdn Berhad	12/28	AA1	3.811	20	4.668	19/9/2022	-86	37
YTL Power International Berhad	08/29	AA1	3.868	10	3.895	18/7/2024	-3	36
YTL Power International Berhad	03/30	AA1	3.899	10	3.919	24/6/2024	-2	39
Malayan Banking Berhad	01/31	AA1	3.806	10	3.825	30/8/2024	-2	20
Johor Plantations Group Berhad	09/31	AA1	3.957	20	3.997	24/9/2024	-4	26
Malayan Banking Berhad	01/34	AA1	3.922	40	3.920	2/10/2024	0	20
Johor Plantations Group Berhad	09/39	AA1	4.129	10	4.129	30/9/2024	0	24
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.192	30	3.360	1/10/2024	-17	0
Benih Restu Berhad	06/25	AA2	3.608	25	3.696	16/5/2024	-9	42
Gamuda Berhad	11/29	AA3	3.890	20	3.897	2/9/2024	-1	38
UEM Sunrise Berhad	04/25	AA-	3.690	1	3.825	24/6/2024	-14	50
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	12/27	AA-	4.231	20	4.212	23/8/2024	2	89
Johor Port Berhad	10/32	AA-	3.975	10	3.976	30/9/2024	0	26
Dialog Group Berhad	11/20	A1	4.316	1	4.201	7/8/2024	12	27
WCT Holdings Berhad	04/26	A+	5.291	1	5.300	23/9/2024	-1	202
Alliance Bank Malaysia Berhad	10/30	A2	4.246	1	3.898	1/10/2024	35	64
DRB-Hicom Berhad	12/14	A	5.070	1	5.672	20/9/2024	-60	103
TG Excellence Berhad	02/20	A	4.822	10	6.122	1/10/2024	-130	78
Yinson Holdings Berhad	11/22	A-	6.815	1	5.679	10/9/2024	114	277
Alliance Bank Malaysia Berhad	11/17	BBB1	4.141	1	4.596	1/10/2024	-46	10
				<u>1023</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Power Root Berhad	RM500M Islamic Medium-Term Notes (Sukuk Wakalah) Programme	AA-/Stable	Assigned final rating
Tan Chong Motor Holdings Berhad	RM1.5bn Islamic Medium-Term Notes (Sukuk Murabahah) Programme	A/Negative	Downgraded

Source: RAM, MARC

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