

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- The US markets were closed in observation of Fourth of July holiday yesterday. The curve was last seen bull flattened on Wednesday, with the benchmark 2-year note yield easing 3bps to 4.71% while the 10s losing 7bps to 4.36%. All eyes will be on nonfarm payroll and jobless rate prints when markets reopen today, where fewer but still decent job creation is expected to reaffirm expectations that the Fed is still on track to cut rates later this year. Looking further out into next week, Fed Chair Powell's congressional testimony to the House and Senate will be scrutinized for more clues on the Fed's thoughts on policy direction.

MGS/GII

- Local government bonds were firmer today in another active session on Thursday, amidst interest seen in the shorter tenure benchmark bonds. Secondary market volume for the day inched lower by 3% to RM4.15bn versus the RM4.26bn that changed hands the day before. Benchmark yields closed lower by between 0 to 2bps for the day. **The benchmark 5Y MGS 8/29 yield was lower by 2bps for the session at 3.65% while the benchmark 10Y MGS 11/33 was 1bp lower in yield at 3.86%.** Trading interest for the day was led by benchmark 3Y MGS, while interest was also seen in the benchmark 3Y GII, 5Y MGS, 7Y MGS and 10Y GII, as well as in the off-the-run GII 8/24, GII 10/25 and GII 7/29. The market share of GII trading for the day surged to 50% versus the 29% share seen on Wednesday. There are no significant data releases for the next few days ahead of the BNM MPC meeting on July 11.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.71	0
5-yr UST	4.33	0
10-yr UST	4.36	0
30-yr UST	4.53	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	-1	3.44	-2
5-yr	3.65	-2	3.61	-1
7-yr	3.79	-2	3.75	-1
10-yr	3.86	-1	3.87	-1
15-yr	3.96	-1	3.99	-1
20-yr	4.12	0	4.12	-1
30-yr	4.23	0	4.25	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	-1
3-yr	3.57	-1
5-yr	3.62	-3
7-yr	3.73	-3
10-yr	3.86	-2

Source : Bloomberg

Note; UST levels as at 3 July 2024

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid in trading on Thursday, with secondary market volume for the day receding by 15% to RM350m, compared to the RM409m that traded on Wednesday. Trading interest for the day was led by AAA-rated segment of the market. In the GG universe, trading was seen in LPPSA 9/51 and DANA 3/52, which both settled the day at 4.26%, up 2bps and lower by 5bps from where the bonds previously traded respectively. In the AAA space, trading for the day led by PLUS 1/31 (VK240005), which closed the day at 3.95%, 3bps lower than its last traded level, while interest was also seen in two other PLUS 1/31 bonds (VM220508 and VM220495), which settled at 3.94% (-4bps versus last print) and 3.95% (-2bps) respectively. In AA territory, trading interest was led by SDPB 12/27, which closed the day at 3.88%, 4bps lower versus where it last traded. In the A-rated segment of the market, MBSB 12/31 garnered decent interest, with the bond settling at 4.17%, 19bps 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	09/24	3.206	150	3.216	07/02/2024	-1
MGS	03/25	3.202	71	3.279	07/03/2024	-8
MGS	09/25	3.266	139	3.327	07/03/2024	-6
MGS	04/26	3.385	133	3.382	07/03/2024	0
MGS	07/26	3.404	24	3.401	07/03/2024	0
MGS	11/26	3.406	22	3.440	07/03/2024	-3
MGS	05/27	3.520	678	3.527	07/03/2024	-1
MGS	11/27	3.532	1	3.536	07/03/2024	0
MGS	06/28	3.603	31	3.636	07/03/2024	-3
MGS	04/29	3.650	31	3.672	07/03/2024	-2
MGS	08/29	3.646	178	3.662	07/03/2024	-2
MGS	04/30	3.739	105	3.756	07/03/2024	-2
MGS	04/31	3.791	190	3.815	07/03/2024	-2
MGS	07/32	3.867	62	3.864	07/03/2024	0
MGS	04/33	3.864	6	3.866	07/03/2024	0
MGS	11/33	3.857	152	3.866	07/03/2024	-1
MGS	06/38	4.001	20	4.010	07/03/2024	-1
MGS	04/39	3.964	20	3.972	07/03/2024	-1
MGS	05/40	4.058	31	4.082	07/03/2024	-2
MGS	05/44	4.117	40	4.121	07/03/2024	0
MGS	06/50	4.096	7	4.160	07/03/2024	-6
GII	08/24	3.204	160	3.184	06/28/2024	2
GII	10/24	3.213	60	3.195	07/02/2024	2
GII	10/25	3.281	160	3.302	07/03/2024	-2
GII	09/26	3.438	360	3.455	07/03/2024	-2
GII	09/27	3.520	12	3.534	07/03/2024	-1
GII	07/28	3.612	70	3.620	07/03/2024	-1
GII	10/28	3.622	50	3.641	07/03/2024	-2
GII	12/28	3.643	140	3.649	06/27/2024	-1
GII	07/29	3.651	230	3.661	07/03/2024	-1
GII	09/30	3.745	65	3.758	07/03/2024	-1
GII	10/30	3.750	20	3.773	07/03/2024	-2
GII	10/31	3.768	70	3.794	07/02/2024	-3
GII	10/32	3.847	50	3.861	07/03/2024	-1
GII	08/33	3.869	230	3.879	07/03/2024	-1
GII	07/36	3.953	20	3.971	07/03/2024	-2
GII	03/38	3.971	110	3.990	07/03/2024	-2
GII	09/39	3.993	100	3.998	07/03/2024	-1
GII	09/41	4.065	40	4.077	07/03/2024	-1
GII	08/43	4.121	52	4.131	07/03/2024	-1
GII	05/47	4.196	10	4.099	07/02/2024	10
GII	05/52	4.254	52	4.251	07/03/2024	0
			4153			

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*
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.262	10	4.243	25/6/2024	2	14
DanaInfra Nasional Berhad	03/52	GG	4.256	10	4.310	13/5/2024	-5	13
Johor Corporation	06/27	AAA	3.937	10	4.160	2/7/2024	-22	42
Amanat Lebuhraya Rakyat Berhad	10/27	AAA	3.766	10	3.783	19/6/2024	-2	24
CIMB Islamic Bank Berhad	11/28	AAA	3.884	10	3.837	2/4/2024	5	28
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.951	70	3.979	4/6/2024	-3	15
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.939	30	3.979	4/6/2024	-4	14
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.949	30	3.964	24/6/2024	-2	15
Genting RMTN Berhad	03/27	AA1	4.428	10	4.457	11/6/2024	-3	91
Sime Darby Property Berhad	12/27	AA+	3.878	30	3.919	6/6/2024	-4	36
Pelabuhan Tanjung Pelepas Sdn Berhad	06/25	AA	3.776	10	3.781	25/6/2024	-1	47
Edra Energy Sdn Berhad	07/25	AA3	3.822	10	4.019	7/11/2023	-20	51
Affin Islamic Bank Berhad	12/25	AA3	3.875	10	3.872	24/6/2024	0	57
Gamuda Land (T12) Sdn Berhad	08/27	AA3	3.942	15	3.935	3/7/2024	1	42
RP Hydro (Kelantan) Sdn Berhad	01/31	AA3	4.869	10	n/a	n/a	487	107
RP Hydro (Kelantan) Sdn Berhad	07/31	AA3	4.890	10	n/a	n/a	489	109
Anih Berhad	11/24	AA-	4.176	10	4.400	16/4/2024	-22	87
Hong Leong Bank Berhad	11/17	A1	3.691	2	3.694	3/7/2024	0	-43
Alliance Bank Malaysia Berhad	10/30	A2	4.501	1	5.248	7/6/2024	-75	75
MCIS Insurance Berhad	12/31	A2	4.786	1	4.786	3/7/2024	0	98
Bank Muamalat Malaysia Berhad	06/31	A3	4.086	10	4.130	25/6/2024	-4	29
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.174	40	4.362	3/7/2024	-19	37
LBS Bina Group Berhad	03/20	NR(LT)	5.376	1	5.904	28/6/2024	-53	125
				350				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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