

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries advanced on Monday, just a day before the US election, as a poll showed Harris gaining marginal grounds in Iowa (a reliable Republican state), reversing some of the so-called Trump trades. Last Friday's tepid and distorted NFP gains which is just a blip in our view, also continued to reverberate through the markets. The curve bull flattened with yields falling 5-11bps across the curve, led by the long ends. **The benchmark 2Y note yields fell 5bps to 4.16% while the 10Y bond yields retreated 10bps to 4.29%.** The US Treasury also sold \$58bn 3Y note at a high yield of 4.152% amid soft demand (BTC of 2.6x), as investors preferred to stay on the sideline. Next up will be the sale of \$42bn 10Y notes which we believe will be another soft auction eclipsed by the presidential election. On the data front, ISM and PMI services, as well as trade balance are due tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.16	-5
5-yr UST	4.15	-8
10-yr UST	4.29	-10
30-yr UST	4.47	-11

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.55	1	3.45	-1
5-yr	3.69	1	3.66	0
7-yr	3.89	-1	3.89	-2
10-yr	3.93	1	3.94	1
15-yr	4.01	4	4.06	5
20-yr	4.13	-1	4.15	0
30-yr	4.21	-1	4.21	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	-1
3-yr	3.53	0
5-yr	3.57	-2
7-yr	3.66	-1
10-yr	3.77	-1

Source : Bloomberg

MGS/GII

- Local govies continued to trade mixed with a weaker bias to start the eventful week on Monday as market sentiments remained fragile in the wake of uncertainties surrounding the neck-to-neck race in the US presidential election. Overall benchmark yields closed mixed between -2 to +5bps (prior -6 to +2bps). **The benchmark 5Y MGS 8/29 yields inched up 1bp for the day to 3.69% while the yield on the benchmark 10Y MGS 7/34 also edged up 1bp to 3.93%.** Secondary market volume pulled back for the first trading day in three, to RM1.87bn (prior RM3.83bn), where GII trade accounted for a tepid 9% (prior 27%) of overall volume transacted on Monday. We noticed substantial trading interests in off the run MGS 3/25 and MGS 7/32, and benchmark 7Y MGS 4/31 and 10Y MGS 11/33. We expect markets to remain cautious pending US election outcome before BNM OPR announcement on Wednesday, followed by FOMC decision on Friday. We do not expect any change in the OPR and continue to expect a 25bps cut by the FOMC this week.

Corp Bonds/Sukuk

- Trading activities in the corporate bond/sukuk market remained super light on Monday, with secondary market volume dwindling further to RM104m (prior RM192m), with only 13 names being traded. Again, there were no GG papers changed hands, and focus was on the AAA- to AA-rated space. Infracap '4/31 and Danum '2/34 took the lead with RM30m changed hands each, higher by 12bps at 4.02% and 4.05% respectively. In the AA-rated space, DRB-Hicom '8/25 saw RM20m being dealt 1bp wider at 3.83% while other issuances saw rather sporadic trades especially the banking names.

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.18	333	3.13	11/01/2024	4
MGS 09/25	3.32	13	3.34	11/01/2024	-3
MGS 04/26	3.39	22	3.39	11/01/2024	1
MGS 07/26	3.40	116	3.44	11/01/2024	-4
MGS 11/26	3.49	9	3.44	11/01/2024	5
MGS 05/27	3.55	40	3.54	11/01/2024	1
MGS 11/27	3.57	132	3.58	11/01/2024	-2
MGS 04/28	3.63	5	3.61	11/01/2024	1
MGS 06/28	3.64	5	3.64	11/01/2024	0
MGS 04/29	3.72	1	3.65	11/01/2024	7
MGS 08/29	3.69	11	3.68	11/01/2024	1
MGS 04/30	3.75	6	3.74	11/01/2024	1
MGS 04/31	3.89	303	3.90	11/01/2024	-1
MGS 06/31	3.90	38	3.91	11/01/2024	0
MGS 04/32	3.92	7	3.89	10/29/2024	4
MGS 07/32	3.92	272	3.92	11/01/2024	0
MGS 11/33	3.98	217	3.98	11/01/2024	0
MGS 07/34	3.93	67	3.92	11/01/2024	1
MGS 05/35	4.00	3	3.95	11/01/2024	4
MGS 04/37	4.04	1	4.03	11/01/2024	1
MGS 06/38	4.09	5	4.03	11/01/2024	6
MGS 04/39	4.01	3	3.97	11/01/2024	4
MGS 05/40	4.10	0	4.07	11/01/2024	3
MGS 10/42	4.12	0	4.11	11/01/2024	1
MGS 09/43	4.15	0	4.12	11/01/2024	3
MGS 05/44	4.13	10	4.14	11/01/2024	-1
MGS 03/46	4.19	7	4.18	11/01/2024	2
MGS 07/48	4.25	37	4.20	11/01/2024	5
MGS 06/50	4.09	6	4.09	11/01/2024	0
MGS 03/53	4.21	31	4.22	11/01/2024	-1
GII 08/25	3.27	2	3.27	11/01/2024	-1
GII 10/25	3.32	11	3.31	11/01/2024	1
GII 03/26	3.43	3	3.39	11/01/2024	4
GII 09/26	3.45	30	3.45	11/01/2024	-1
GII 09/27	3.55	3	3.53	11/01/2024	2
GII 07/29	3.66	3	3.66	11/01/2024	0
GII 10/30	3.77	1	3.77	11/01/2024	0
GII 10/31	3.89	65	3.91	11/01/2024	-2
GII 10/32	3.95	8	3.93	11/01/2024	2
GII 08/33	3.96	1	3.96	11/01/2024	0
GII 11/34	3.94	24	3.93	11/01/2024	1
GII 09/39	4.06	0	4.01	11/01/2024	5
GII 09/41	3.97	0	4.10	11/01/2024	-13
GII 08/43	4.15	13	4.15	11/01/2024	0
GII 05/52	4.24	2	4.23	11/01/2024	1
GII 03/54	4.21	1	4.22	11/01/2024	-1
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Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (mm/dd/yyyy)		
Danum Capital Berhad	05/30	AAA	3.92	5	3.80	09/24/2024	13	15
Infracap Resources Sdn Berhad	04/31	AAA	4.02	30	3.90	10/22/2024	12	24
Danum Capital Berhad	02/34	AAA	4.05	30	3.93	09/27/2024	12	13
GENM Capital Berhad	05/28	AA1	4.48	4	4.30	08/14/2024	17	87
GENM Capital Berhad	06/29	AA1	4.59	4	4.58	06/12/2024	1	91
GENM Capital Berhad	05/30	AA1	4.68	4	4.59	10/21/2024	9	100
Johor Plantations Group Berhad	09/31	AA1	4.05	5	4.03	10/24/2024	2	15
United Overseas Bank (Malaysia) Berhad	10/32	AA1	3.48	0	3.48	11/01/2024	0	-43
Affin Islamic Bank Berhad	12/27	AA3	4.17	0	4.17	10/24/2024	0	63
DRB-Hicom Berhad	08/25	AA-	3.83	20	3.82	10/16/2024	1	53
Alliance Bank Malaysia Berhad	10/32	A2	4.42	0	4.10	10/01/2024	32	52
Alliance Bank Malaysia Berhad	10/35	A2	4.49	1	4.09	10/02/2024	40	56
Eco World Capital Services Berhad	03/26	-	5.16	0	4.70	09/20/2024	-	187
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* The spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Standard Chartered Bank Malaysia Berhad; Standard Chartered Saadiq Berhad	Financial institution ratings	AAA/Stable/P1	Affirmed
IJM Land Berhad	RM2.0 bil Perpetual Sukuk Programme	A2(s)/Stable	Affirmed
Berapit Mobility Sdn Bhd	RM1.5 billion Sustainability Islamic Medium-Term Notes (IMTN) Programme	AA _{1s} / Stable	Affirmed
Northport (Malaysia) Bhd	RM1.5 billion Sukuk Musharakah Programme	AA _{1s} / Stable	Affirmed
Point Zone (M) Sdn Bhd	Sukuk Wakalah Programme	AAIS(cg)/ Stable	Upgraded

Source: RAM, MARC

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