

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were higher in trading on Thursday amidst yet more signs of a cooling labour market, with the ADP reporting that employment change for August came in lower than what the market expected. The ISM services index inched higher in August, indicating that the services sector continues to expand. Benchmark yields were lower by between 1 and 4 bps for the day, with the UST curve bull flattening. **The benchmark 2yr UST yield was 1bp lower for the session at 3.74%, while the benchmark 10yr UST yield declined by 3bps for the day to 3.73%.** The monthly US jobs report takes center stage later tonight, and the outcome will be closely watched ahead of the impending FOMC meet in a fortnight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.74	-1
5-yr UST	3.54	-1
10-yr UST	3.73	-3
30-yr UST	4.02	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.33	-3	3.32	0
5-yr	3.49	-2	3.48	0
7-yr	3.69	0	3.70	-1
10-yr	3.75	-2	3.78	-2
15-yr	3.91	0	3.92	-1
20-yr	4.05	-1	4.08	0
30-yr	4.19	0	4.20	16

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.42	2
3-yr	3.33	0
5-yr	3.39	-1
7-yr	3.47	-2
10-yr	3.57	-2

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 20Y GII 8/43 on Monday, 9 September (with an additional RM2bn to be privately placed)

MGS/GII

- Local govies were firmer in trading on Thursday, amidst BNM standing pat on rates for an eighth straight MPC meet and continuing to maintain a neutral tone in their monetary policy statement. Secondary market volume inched lower by 6% to RM3.69bn compared to the RM3.94bn that changed hands on Wednesday. Benchmark yields closed lower between 0 and 3bps 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 fall by 2bps for the day to 3.49% while the yield on the benchmark 10Y MGS 7/34 was also 2bps lower for the session at 3.75%.** Trading interest for the day was led by off-the-run MGS 11/33, while interest was also seen in the benchmark 5Y MGS/GII and 10Y MGS/GII, as well as in the off-the-run MGS 3/25, GII 8/25 and GII 10/25. Trading in GIIs as a proportion of total govies trading climbed to 55% versus the 43% share seen the day before. Supply kicked off for the month with the announcement of the RM3bn reopening of the benchmark 20Y GII 8/43, with the auction to take place on Monday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading in an active session on Thursday, with secondary market volume rising by 25% to RM1,167m versus the RM931m that traded on Wednesday. Trading activity for the day was again led by the AAA-rated segment. In the GG universe, DANA 11/28 led trading and closed the day at 3.53%, little changed from its last print. Over in AAA space, trading interest was led by CAGA 7/29, which settled the day at 3.78%, in a secondary market debut for the bond. Meanwhile in the AA-rated segment, trading was led by MCEMENT 10/28, which closed at 3.94%, 3bps higher compared to where the bond last traded. In the A-rated space, interest was seen in DRBH 8/30, which settled the day at 4.58%, 37bps lower versus where it last printed.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	2.958	7	3.133	09/04/2024	-18
MGS	03/25	3.106	279	3.164	09/04/2024	-6
MGS	09/25	3.149	53	3.171	09/04/2024	-2
MGS	04/26	3.194	23	3.255	09/04/2024	-6
MGS	07/26	3.241	6	3.257	09/04/2024	-2
MGS	11/26	3.280	5	3.261	09/04/2024	2
MGS	03/27	3.324	1	3.309	09/03/2024	1
MGS	05/27	3.330	12	3.359	09/04/2024	-3
MGS	04/28	3.444	90	3.450	09/04/2024	-1
MGS	06/28	3.475	2	3.460	09/04/2024	2
MGS	04/29	3.498	3	3.496	09/04/2024	0
MGS	08/29	3.491	182	3.514	09/04/2024	-2
MGS	04/30	3.608	178	3.605	09/04/2024	0
MGS	04/31	3.686	23	3.689	09/04/2024	0
MGS	06/31	3.687	40	3.694	09/04/2024	-1
MGS	07/32	3.746	22	3.752	09/04/2024	-1
MGS	11/33	3.772	362	3.780	09/04/2024	-1
MGS	07/34	3.750	250	3.762	09/04/2024	-1
MGS	05/35	3.802	40	3.811	09/04/2024	-1
MGS	06/38	3.921	1	3.943	09/04/2024	-2
MGS	05/40	3.958	17	3.985	09/04/2024	-3
MGS	10/42	4.002	31	4.007	09/04/2024	0
MGS	07/48	4.177	1	4.156	09/03/2024	2
MGS	06/50	4.048	14	4.201	09/04/2024	-15
MGS	03/53	4.087	2	4.191	09/04/2024	-10
GII	10/24	3.100	96	3.111	09/04/2024	-1
GII	08/25	3.199	200	3.217	09/04/2024	-2
GII	10/25	3.217	190	3.223	09/04/2024	-1
GII	09/26	3.319	90	3.322	09/04/2024	0
GII	07/27	3.400	3	3.402	09/04/2024	0
GII	09/27	3.453	64	3.411	09/04/2024	4
GII	07/28	3.476	110	3.471	09/02/2024	0
GII	08/28	3.479	65	3.540	07/29/2024	-6
GII	10/28	3.487	60	3.481	09/04/2024	1
GII	07/29	3.530	216	3.524	09/04/2024	1
GII	09/30	3.642	94	3.657	09/04/2024	-2
GII	10/30	3.649	130	3.673	09/04/2024	-2
GII	10/31	3.695	50	3.707	09/04/2024	-1
GII	10/32	3.776	80	3.786	09/04/2024	-1
GII	08/33	3.804	60	3.812	09/04/2024	-1
GII	11/34	3.780	276	3.798	09/04/2024	-2
GII	07/36	3.871	20	3.892	09/03/2024	-2
GII	08/37	3.891	60	3.888	09/04/2024	0
GII	03/38	3.915	50	3.931	09/04/2024	-2
GII	09/39	3.921	71	3.934	09/04/2024	-1
GII	09/41	4.021	30	3.900	09/02/2024	12
GII	03/54	4.203	31	4.047	09/04/2024	16
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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*
Turus Pesawat Sdn Berhad	11/27	GG	3.484	5	3.631	15/7/2024	-15	14
Turus Pesawat Sdn Berhad	03/28	GG	3.510	25	3.717	20/5/2024	-21	8
Pelabuhan Tanjung Pelepas Sdn Berhad	11/28	GG	3.548	45	2.748	26/10/2020	80	12
DanaInfra Nasional Berhad	11/28	GG	3.530	100	3.527	6/8/2024	0	10
DanaInfra Nasional Berhad	02/29	GG	3.549	20	3.548	6/8/2024	0	12
DanaInfra Nasional Berhad	09/29	GG	3.590	5	3.613	23/8/2024	-2	10
Prasarana Malaysia Berhad	10/32	GG	3.789	10	3.799	28/8/2024	-1	8
DanaInfra Nasional Berhad	04/35	GG	3.839	10	3.869	27/8/2024	-3	10
DanaInfra Nasional Berhad	10/36	GG	3.888	20	3.899	23/8/2024	-1	14
DanaInfra Nasional Berhad	05/46	GG	4.119	20	4.159	18/7/2024	-4	7
DanaInfra Nasional Berhad	04/52	GG	4.219	30	4.223	8/8/2024	0	17
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.555	10	3.580	23/8/2024	-2	39
Danum Capital Berhad	05/25	AAA	3.521	10	3.568	23/8/2024	-5	35
Cagamas Berhad	08/25	AAA	3.534	60	3.620	21/5/2024	-9	37
Cagamas Berhad	11/25	AAA	3.562	70	3.646	20/5/2024	-8	39
Cagamas Berhad	08/26	AAA	3.653	60	3.672	21/5/2024	-2	40
Toyota Capital Malaysia Sdn Berhad	03/29	AAA	3.839	20	3.835	14/8/2024	0	35
Cagamas Berhad	07/29	AAA	3.778	190	n/a	n/a	378	29
Petroleum Sarawak Exploration & Production Sdr	11/29	AAA	3.826	10	3.851	4/9/2024	-2	33
TNB Power Generation Sdn Berhad	03/33	AAA	3.880	25	3.990	12/7/2024	-11	15
Tenaga Nasional Berhad	08/33	AAA	3.931	30	3.848	27/8/2024	8	20
TNB Power Generation Sdn Berhad	06/37	AAA	3.996	50	4.035	23/7/2024	-4	9
TNB Power Generation Sdn Berhad	03/38	AAA	4.016	20	4.019	29/7/2024	0	11
Tenaga Nasional Berhad	08/38	AAA	4.039	30	4.039	4/9/2024	0	13
Pengurusan Air Selangor Sdn Berhad	08/49	AAA	4.189	30	4.195	3/9/2024	-1	14
Sabah Credit Corporation	04/25	AA1	3.656	5	3.679	23/8/2024	-2	49
Genting RMTN Berhad	03/27	AA1	4.328	10	4.428	4/7/2024	-10	99
GENM Capital Berhad	07/28	AA1	4.450	10	4.581	4/9/2024	-13	102
Malayan Banking Berhad	01/34	AA1	3.974	20	3.977	3/9/2024	0	24
YTL Power International Berhad	08/39	AA1	4.180	5	4.186	29/8/2024	-1	27
Press Metal Aluminium Holdings Berhad	09/28	AA2	3.866	10	3.930	31/5/2024	-6	43
Press Metal Aluminium Holdings Berhad	12/28	AA2	4.340	1	4.453	18/3/2024	-11	91
reNIKOLA Solar II Sdn Berhad	09/38	AA2	4.172	5	4.439	20/12/2023	-27	26
reNIKOLA Solar II Sdn Berhad	09/39	AA2	4.211	5	4.482	8/1/2024	-27	30
reNIKOLA Solar II Sdn Berhad	09/41	AA2	4.289	10	4.489	15/1/2024	-20	38
OSK Rated Bond Sdn Berhad	03/29	AA	3.858	10	3.916	18/7/2024	-6	37
OSK Rated Bond Sdn Berhad	09/33	AA	4.039	10	4.097	10/7/2024	-6	31
Gamuda Land (T12) Sdn Berhad	08/25	AA3	3.726	10	3.737	28/8/2024	-1	56
Malayan Cement Berhad (fka Lafarge Malaysia B	06/28	AA3	3.924	10	4.038	26/6/2024	-11	49
Malayan Cement Berhad (fka Lafarge Malaysia B	10/28	AA3	3.944	60	3.917	7/8/2024	3	51
Edra Energy Sdn Berhad	01/30	AA3	3.925	10	4.308	5/12/2023	-38	43
BGSM Management Sdn Berhad	06/34	AA3	4.022	5	4.063	21/8/2024	-4	28
Edra Energy Sdn Berhad	01/37	AA3	4.169	10	4.231	19/7/2024	-6	43
UEM Sunrise Berhad	05/26	AA-	3.794	10	3.874	1/7/2024	-8	54
Tan Chong Motor Holdings Berhad	03/25	A+	6.133	5	5.662	3/7/2024	47	296
DRB-Hicom Berhad	08/30	A+	4.578	40	4.946	12/3/2024	-37	99
Alliance Bank Malaysia Berhad	10/30	A2	4.302	1	4.379	4/9/2024	-8	71
Bank Muamalat Malaysia Berhad	09/22	BBB	5.229	1	4.902	28/8/2024	33	118
				1167				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas Berhad	Proposed Conventional/Islamic Medium-Term Notes (MTN/IMTN) Programmes with a combined limit of up to RM80bn	AAA/Stable	Assigned Preliminary Rating
	Conventional/Islamic Commercial Papers (CCP/ICP) Programmes with a combined limit of RM20bn	MARC-1/Stable	Affirmed
	Conventional/Islamic Medium-Term Notes (MTN/IMTN) Programmes of up to RM60bn	AAA/Stable	Affirmed

Source: RAM, MARC

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