

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries plunged on Wednesday, amidst a surge of risk appetite and fears that higher deficit spending will boost inflation, after Donald Trump won re-election to the White House. The curve steepened significantly with yields closing higher between 8 to 18bps for the day, with a strong auction of USD25bn of 30Y USTs having little impact against this bear steepening backdrop, as the market priced out some Fed cuts for the following year. **The benchmark 2Y UST note yield rose 8bps to 4.26% while the benchmark 10Y UST bond yield advanced by 16bps to 4.43%.** The focus of the markets tonight shifts over to the FOMC decision, where we still expect a 25bps reduction to be delivered by the central bank, and what they say will be closely watched after the events overnight and the implications on the growth and inflation outlook going forward,

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.26	8
5-yr UST	4.28	12
10-yr UST	4.43	16
30-yr UST	4.61	18

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.56	4	3.47	4
5-yr	3.68	3	3.67	1
7-yr	3.87	3	3.90	3
10-yr	3.93	2	3.93	2
15-yr	4.02	1	4.02	-4
20-yr	4.15	3	4.17	2
30-yr	4.22	0	4.12	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	3
3-yr	3.55	4
5-yr	3.61	4
7-yr	3.71	6
10-yr	3.81	5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were softer in trading on Wednesday in a slightly more active session, after the results of the US presidential election which saw Donald Trump reelected to the White House spurred a marked decline in US Treasuries. On the domestic front, BNM stood pat on policy as expected for a ninth straight meeting and continued to remain neutral in their statement. Secondary market volume inched higher by 10% to RM3.11bn versus the RM2.83bn that changed hands on Tuesday. Overall benchmark yields closed mixed between -4 to +4bps (prior: -7 to +1bps). **The benchmark 5Y MGS 8/29 yield rose by 3bps for the day to 3.68% while the yield on the benchmark 10Y MGS 7/34 advanced by 2bps to 3.93%.** GII trades accounted for 24% (prior: 25%) of overall volume transacted for the day. Trading for the day was led by the off-the-run MSG 9/25, while interest was also seen in the off-the-run MGS 3/25 and MGS 11/33, as well as in the benchmark 3Y MGS, 5Y MGS, 7Y MGS/GII and 10Y GII.

Corp Bonds/Sukuk

- Activity in the corporate bond/sukuk market halted to a trickle on Wednesday as the market went into a wait and see mode as the results of the US presidential election trickled in during the day. Secondary market volume plunged by 79% to RM168m from the RM789m that traded on Tuesday. Activity for the day was again led by the AA-rated segment of the market, and the GG market did not register any trades. In the AAA-space, interest was led by ALR 10/35, which closed the day at 4.22%, higher by 14bps versus where the bond last traded. In the AA-rated segment, activity was led by Benih Restu 6/25 and AEONC 4/29, which settled the day at 3.65% (unchanged versus last print) and 4.07% (+2bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.178	315	3.129	11/05/2024	5
MGS	09/25	3.344	467	3.316	11/05/2024	3
MGS	11/26	3.478	122	3.494	11/04/2024	-2
MGS	05/27	3.563	151	3.526	11/05/2024	4
MGS	11/27	3.586	77	3.561	11/05/2024	2
MGS	04/28	3.674	10	3.613	11/05/2024	6
MGS	06/28	3.634	54	3.628	11/05/2024	1
MGS	04/29	3.672	35	3.722	11/04/2024	-5
MGS	08/29	3.684	239	3.656	11/05/2024	3
MGS	04/30	3.749	123	3.727	11/05/2024	2
MGS	04/31	3.871	127	3.839	11/05/2024	3
MGS	06/31	3.898	35	3.868	11/05/2024	3
MGS	07/32	3.920	61	3.893	11/05/2024	3
MGS	04/33	3.977	17	3.942	11/05/2024	3
MGS	11/33	3.964	221	3.970	11/05/2024	-1
MGS	07/34	3.925	110	3.903	11/05/2024	2
MGS	04/37	4.044	21	4.014	11/05/2024	3
MGS	06/38	4.044	30	4.031	11/05/2024	1
MGS	04/39	4.017	40	4.008	11/04/2024	1
MGS	05/40	4.018	11	4.075	11/05/2024	-6
MGS	10/42	4.079	1	4.109	11/05/2024	-3
MGS	05/44	4.150	54	4.124	11/05/2024	3
MGS	06/50	4.154	28	4.199	11/05/2024	-4
MGS	03/53	4.220	10	4.217	11/05/2024	0
GII	10/25	3.374	30	3.323	11/04/2024	5
GII	03/26	3.472	44	3.391	11/05/2024	8
GII	09/26	3.474	70	3.439	11/05/2024	4
GII	07/29	3.671	20	3.659	11/05/2024	1
GII	10/31	3.903	162	3.870	11/05/2024	3
GII	11/34	3.931	252	3.913	11/05/2024	2
GII	10/35	4.003	60	3.992	11/05/2024	1
GII	09/39	4.021	7	4.059	11/04/2024	-4
GII	08/43	4.168	20	4.148	11/05/2024	2
GII	11/49	4.236	7	4.093	10/28/2024	14
GII	05/52	4.257	80	4.240	11/04/2024	2
			3108			

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*
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	4.021	20	3.927	24/10/2024	9	24
Amanat Lebuhraya Rakyat Berhad	10/35	AAA	4.220	40	4.084	10/9/2024	14	28
TNB Power Generation Sdn Berhad	03/43	AAA	4.159	10	4.070	17/10/2024	9	0
Benih Restu Berhad	06/25	AA2	3.650	40	3.649	5/11/2024	0	32
Edra Energy Sdn Berhad	01/29	AA3	4.097	2	4.974	15/8/2024	-88	47
AEON Credit Service (M) Berhad	04/29	AA3	4.069	40	4.047	1/11/2024	2	44
Malayan Banking Berhad	02/17	AA3	4.072	1	4.057	25/10/2024	1	-8
Malaysian Resources Corporation Berhad	10/28	AA-	4.307	5	4.248	23/9/2024	6	68
Malakoff Power Berhad	12/30	AA-	4.768	10	4.898	14/2/2024	-13	98
Bank Muamalat Malaysia Berhad	09/22	BBB	5.213	1	5.229	2/10/2024	-2	106
				168				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Besraya (M) Sdn Bhd	RM700m Sukuk Mudharabah Issuance Facility (2011/2028)	AA2/Stable	Affirmed
Bakun Hydro Power Generation Sdn Bhd	RM5.54bn Sukuk Murabahah (2016/2031)	AAA/Stable	Affirmed
IJM Land Berhad	RM2bn Perpetual Sukuk Programme	A2/Stable	Affirmed

Source: RAM, MARC

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