

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were firmer in trading on Friday amidst the August employment report revealing a slight shortfall in the number of jobs reported with some downward revisions to the previous months' data, leading to speculation that the Federal Reserve could be more aggressive when it comes to reducing rates. Benchmark yields were lower by between 0 and 10 bps for the day, with the UST curve bull steepening and resulting in the 2s10s slope moving back into positive territory. **The benchmark 2yr UST yield was 10bps lower for the session at 3.65%, while the benchmark 10yr UST yield declined by 2bps for the day to 3.71%.** It's rather light on the US economic data front this evening, with the next key release being the August CPI numbers due on Wednesday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.65	-10
5-yr UST	3.49	-5
10-yr UST	3.71	-2
30-yr UST	4.02	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	1	3.32	0
5-yr	3.50	-1	3.47	0
7-yr	3.68	-1	3.70	0
10-yr	3.73	-2	3.77	-1
15-yr	3.90	-2	3.93	1
20-yr	4.05	0	4.08	0
30-yr	4.19	-1	4.20	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.42	0
3-yr	3.33	0
5-yr	3.38	-1
7-yr	3.47	-1
10-yr	3.57	0

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 govovies were slightly stronger in trading on Friday, amidst a more active trading session ahead of key US data and impending bond supply. Secondary market volume rose by 12% to RM4.12bn compared to the RM3.69bn that traded on Thursday. Benchmark yields closed mixed between -2 and +1 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield fall by 1bp for the day to 3.50% while the yield on the benchmark 10Y MGS 7/34 was 2bps lower for the session at 3.73%.** Trading interest for the day was led by benchmark 5Y MGS, while interest was also seen in the benchmark 3Y MGS and 10Y MGS, as well as in the off-the-run MGS 9/24, GII 10/24, MGS 3/25, MGS 4/30 and GII 9/30. Trading in GIIs as a proportion of total govovies trading receded to 38% versus the 55% share seen the previous session. There are no economic data releases for the day ahead, but the reopening auction of RM3bn of the benchmark 20Y GII 8/43 takes place later this morning.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was slightly better bid in trading in a quieter session on Friday, with secondary market volume plunging by 43% to RM670m versus the RM1,167m that changed hands on Thursday. Trading activity for the day was again led by the AAA-rated segment. In the GG universe, interest was seen in DANA 4/35 and LPPSA 8/35, which closed the day at 3.84% and 3.86% respectively, both bonds being little changed from their last prints. Over in AAA space, trading interest was led by Putrajaya 4/25, which settled the day at 3.52%, 3bps lower compared to where the bond last traded. Interest was also seen in BPMB 11/35, which closed at 4.01%, little changed versus its previous trade. Meanwhile in the AA-rated segment, trading interest was seen in HLA 12/25 and SCC 4/25, which settled the day at 4.02% (-43bps versus last print) and 3.67% (+2bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.096	200	2.958	09/05/2024	14
MGS	03/25	3.134	301	3.106	09/05/2024	3
MGS	05/27	3.342	411	3.330	09/05/2024	1
MGS	11/27	3.380	2	3.388	09/04/2024	-1
MGS	04/28	3.441	115	3.444	09/05/2024	0
MGS	06/28	3.437	2	3.475	09/05/2024	-4
MGS	04/29	3.491	63	3.498	09/05/2024	-1
MGS	08/29	3.495	630	3.491	09/05/2024	0
MGS	04/30	3.591	214	3.608	09/05/2024	-2
MGS	04/31	3.680	91	3.686	09/05/2024	-1
MGS	06/31	3.685	10	3.687	09/05/2024	0
MGS	07/32	3.749	10	3.746	09/05/2024	0
MGS	04/33	3.782	22	3.802	09/02/2024	-2
MGS	11/33	3.763	77	3.772	09/05/2024	-1
MGS	07/34	3.732	302	3.750	09/05/2024	-2
MGS	05/35	3.790	11	3.802	09/05/2024	-1
MGS	04/37	3.910	2	3.908	09/04/2024	0
MGS	06/38	3.930	2	3.921	09/05/2024	1
MGS	10/42	4.030	21	4.002	09/05/2024	3
MGS	05/44	4.050	42	4.054	09/05/2024	0
MGS	07/48	4.146	4	4.177	09/05/2024	-3
MGS	06/50	4.125	33	4.048	09/05/2024	8
GII	10/24	3.137	272	3.100	09/05/2024	4
GII	10/25	3.218	42	3.217	09/05/2024	0
GII	07/27	3.386	20	3.400	09/05/2024	-1
GII	09/27	3.387	16	3.453	09/05/2024	-7
GII	07/28	3.474	10	3.476	09/05/2024	0
GII	08/28	3.476	100	3.479	09/05/2024	0
GII	07/29	3.516	81	3.530	09/05/2024	-1
GII	09/30	3.640	163	3.642	09/05/2024	0
GII	10/30	3.658	10	3.649	09/05/2024	1
GII	10/31	3.698	70	3.695	09/05/2024	0
GII	10/32	3.780	110	3.776	09/05/2024	0
GII	06/33	3.810	50	3.817	09/04/2024	-1
GII	08/33	3.802	140	3.804	09/05/2024	0
GII	11/34	3.770	106	3.780	09/05/2024	-1
GII	07/36	3.877	10	3.871	09/05/2024	1
GII	08/37	3.891	70	3.891	09/05/2024	0
GII	09/39	3.934	80	3.921	09/05/2024	1
GII	08/43	4.078	10	4.079	09/04/2024	0
GII	05/52	4.200	60	4.228	09/05/2024	-3
GII	03/54	4.203	141	4.203	09/05/2024	0
			4124			

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*
GovCo Holdings Berhad	06/31	GG	3.781	5	3.820	23/8/2024	-4	10
GovCo Holdings Berhad	09/32	GG	3.862	5	3.949	15/12/2023	-9	16
DanaInfra Nasional Berhad	04/35	GG	3.839	10	3.839	5/9/2024	0	10
Lembaga Pembiayaan Perumahan Sektor Awam	08/35	GG	3.861	10	3.858	6/8/2024	0	12
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.524	70	3.556	26/8/2024	-3	36
Small Medium Enterprise Development Bank Mal.	08/25	AAA	3.596	10	3.741	28/2/2024	-15	43
Pengurusan Air SPV Berhad	06/26	AAA	3.677	10	3.693	21/8/2024	-2	42
CIMB Islamic Bank Berhad	03/27	AAA	3.760	10	n/a	n/a	376	42
Pengurusan Air SPV Berhad	11/27	AAA	3.805	10	3.736	15/8/2024	7	46
Toyota Capital Malaysia Sdn Berhad	01/28	AAA	3.775	10	3.818	14/8/2024	-4	43
Danga Capital Berhad	01/28	AAA	3.701	10	3.803	15/5/2024	-10	36
Toyota Capital Malaysia Sdn Berhad	07/28	AAA	3.827	5	3.829	4/9/2024	0	40
Toyota Capital Malaysia Sdn Berhad	08/28	AAA	3.828	5	3.847	3/9/2024	-2	40
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.751	10	3.752	3/9/2024	0	32
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.752	6	3.887	14/6/2024	-14	32
Toyota Capital Malaysia Sdn Berhad	03/29	AAA	3.843	20	3.839	5/9/2024	0	35
Rantau Abang Capital Berhad	03/29	AAA	3.791	10	3.790	3/9/2024	0	30
CIMB Islamic Bank Berhad	07/29	AAA	3.881	10	n/a	n/a	388	39
Pelaburan Hartanah Berhad	08/29	AAA	3.761	10	n/a	n/a	376	27
Petroleum Sarawak Exploration & Production Sdr	11/29	AAA	3.825	20	3.826	5/9/2024	0	33
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.862	10	3.874	3/9/2024	-1	37
CIMB Islamic Bank Berhad	11/30	AAA	3.930	30	3.919	12/7/2024	1	34
CIMB Islamic Bank Berhad	03/34	AAA	3.999	10	3.999	22/8/2024	0	26
Cagamas Berhad	06/34	AAA	3.931	5	3.951	4/9/2024	-2	19
CIMB Islamic Bank Berhad	07/35	AAA	4.028	10	4.027	3/9/2024	0	28
Bank Pembangunan Malaysia Berhad	11/35	AAA	4.009	40	4.008	3/9/2024	0	27
TNB Power Generation Sdn Berhad	06/37	AAA	3.994	5	3.996	5/9/2024	0	9
TNB Power Generation Sdn Berhad	03/38	AAA	4.014	10	4.016	5/9/2024	0	11
Sabah Credit Corporation	04/25	AA1	3.673	45	3.656	5/9/2024	2	50
Genting RMTN Berhad	03/27	AA1	4.326	4	4.328	5/9/2024	0	98
GENM Capital Berhad	07/28	AA1	4.447	5	4.450	5/9/2024	0	102
Malayan Banking Berhad	08/31	AA1	3.849	20	3.823	30/8/2024	3	17
YTL Corporation Berhad	09/33	AA1	4.109	20	4.113	28/8/2024	0	38
YTL Power International Berhad	08/39	AA1	4.184	20	4.180	5/9/2024	0	28
Press Metal Aluminium Holdings Berhad	12/28	AA2	4.070	1	4.340	5/9/2024	-27	64
AEON Co. (M) Berhad	08/29	AA2	3.889	10	n/a	n/a	389	40
SP Setia Berhad	06/30	AA	3.908	30	4.001	19/8/2024	-9	32
Hong Leong Assurance Berhad	12/25	AA3	4.016	60	4.450	23/6/2023	-43	85
Malayan Cement Berhad (fka Lafarge Malaysia B	06/28	AA3	3.927	4	3.924	5/9/2024	0	50
AmBank (M) Berhad	11/33	AA3	3.997	30	4.084	5/4/2024	-9	27
Edra Energy Sdn Berhad	01/37	AA3	4.168	10	4.169	5/9/2024	0	42
Edra Energy Sdn Berhad	07/37	AA3	4.187	10	4.187	16/8/2024	0	28
UEM Sunrise Berhad	01/26	AA-	3.786	5	4.434	26/8/2024	-65	62
7-Eleven Malaysia Holdings Berhad	06/28	AA-	4.317	4	4.547	15/2/2024	-23	89
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	11/29	AA-	4.311	10	4.560	13/6/2023	-25	82
Tan Chong Motor Holdings Berhad	03/25	A+	6.158	4	6.133	5/9/2024	3	299
DRB-Hicom Berhad	08/25	A+	4.110	1	4.116	2/9/2024	-1	94
				670				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.hongleong.com.my**DISCLAIMER**

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