

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US NFP came in slightly stronger than expected, but not hot enough to take a Fed rate cut off the table in the December FOMC meeting. In fact, we saw Fed fund futures penciling in higher probability of rate cuts in both the December and January FOMC meetings, boosting demand for Treasuries and sending the **benchmark 2Y yield down 4bps to 4.10%**, while the **benchmark 10Y yield dipped 2bps to 4.15%**. It will be a relatively quiet day, with an absence of Fed speak as we enter the pre-FOMC blackout period, and with only the New York Fed 1Y inflation expectations as well as wholesale inventories and sales data on deck.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.10	-4
5-yr UST	4.04	-4
10-yr UST	4.15	-2
30-yr UST	4.34	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	1	3.34	-1
5-yr	3.56	-1	3.60	2
7-yr	3.73	0	3.73	0
10-yr	3.79	1	3.79	0
15-yr	3.93	0	3.94	0
20-yr	4.05	0	4.08	0
30-yr	4.18	0	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	-1
3-yr	3.47	-1
5-yr	3.49	1
7-yr	3.57	0
10-yr	3.68	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were better offered in trading on Thursday in a slightly busier session, amidst a notable 2bps rise seen in the domestic 3m KLIBOR fixing. Secondary market volume inched up by 3% to RM5.02bn from the RM4.87bn that traded on Thursday. Overall benchmark yields ended the day mixed by between -1 and +2bps across the curve (prior: -3 to +1bp). **The benchmark 5Y MGS 8/29 yield fell 1bps to 3.56% while the yield on the benchmark 10Y MGS 7/34 rose by 1bps to 3.79%**. Trading activity for the day was led by the off-the-run MGS 3/25, while decent interest was also seen in the benchmark 5Y MGS and 10Y MGS/GII. The share of GII trading for the day declined to 34% of overall govovies trading from the 41% seen the previous session.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading on Thursday as activity declined sharply. Secondary market volume for the day fell by 62% to RM274 versus the RM711m that changed hands on Thursday. Trading for the day was led by the GG segment of the market, where activity was led by PRASA 12/32, settling the day at 3.85%, 3bps lower versus where it last traded. In the AAA space, trading interest was seen in TNB 8/38, 8/40 and 6/42, which closed at 4.06% (-3bps), 4.09% (-3bps) and 4.11% (unchanged) respectively. In the AA-rated universe, interest was led by PKNS 1/32, which settled the day at 4.19% (-1bps).

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.115	890	3.085	12/05/2024	3
MGS	09/25	3.270	231	3.230	12/05/2024	4
MGS	04/26	3.326	30	3.326	12/04/2024	0
MGS	07/26	3.360	103	3.354	12/05/2024	1
MGS	11/26	3.371	150	3.372	12/05/2024	0
MGS	05/27	3.455	14	3.442	12/05/2024	1
MGS	11/27	3.493	81	3.452	12/05/2024	4
MGS	04/28	3.499	71	3.480	12/05/2024	2
MGS	06/28	3.538	7	3.533	12/05/2024	0
MGS	08/29	3.557	184	3.569	12/05/2024	-1
MGS	04/30	3.626	26	3.606	12/05/2024	2
MGS	04/31	3.729	34	3.725	12/05/2024	0
MGS	06/31	3.718	11	3.747	12/05/2024	-3
MGS	11/33	3.782	305	3.798	12/05/2024	-2
MGS	07/34	3.787	764	3.781	12/05/2024	1
MGS	05/35	3.805	131	3.811	12/05/2024	-1
MGS	04/37	3.934	11	3.929	12/04/2024	1
MGS	06/38	3.958	91	3.957	12/05/2024	0
MGS	04/39	3.934	22	3.934	12/05/2024	0
MGS	05/40	3.975	30	3.967	12/05/2024	1
MGS	07/48	4.134	1	4.117	12/05/2024	2
MGS	06/50	4.148	111	4.145	12/05/2024	0
MGS	03/53	4.175	4	4.173	12/05/2024	0
GII	10/25	3.225	60	3.246	12/05/2024	-2
GII	09/26	3.344	30	3.354	12/05/2024	-1
GII	07/27	3.422	35	3.415	12/05/2024	1
GII	09/27	3.451	5	3.436	12/05/2024	2
GII	07/28	3.548	162	3.533	12/04/2024	2
GII	07/29	3.604	66	3.583	12/05/2024	2
GII	10/30	3.661	1	3.666	12/05/2024	0
GII	10/31	3.733	160	3.736	12/05/2024	0
GII	10/32	3.768	50	3.769	12/05/2024	0
GII	06/33	3.797	10	3.799	12/04/2024	0
GII	08/33	3.802	170	3.802	12/05/2024	0
GII	11/34	3.791	380	3.786	12/05/2024	0
GII	10/35	3.837	10	3.837	12/05/2024	0
GII	07/36	3.914	42	3.908	12/05/2024	1
GII	08/37	3.921	40	3.932	12/03/2024	-1
GII	09/39	3.944	100	3.944	12/05/2024	0
GII	09/41	4.030	30	4.025	12/05/2024	0
GII	08/43	4.079	150	4.083	12/05/2024	0
GII	11/49	4.120	78	4.121	12/04/2024	0
GII	05/52	4.220	81	4.181	12/05/2024	4
GII	03/54	4.179	60	4.177	12/05/2024	0
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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	11/32	GG	3.869	10	3.900	2/4/2024	-3	12
Prasarana Malaysia Berhad	12/32	GG	3.854	40	3.888	2/12/2024	-3	10
Pengurusan Air SPV Berhad	06/33	GG	3.908	10	3.946	11/6/2024	-4	14
DanaInfra Nasional Berhad	03/34	GG	3.889	20	3.878	8/10/2024	1	12
Prasarana Malaysia Berhad	06/34	GG	3.889	10	3.919	3/12/2024	-3	11
DanaInfra Nasional Berhad	09/34	GG	3.889	20	3.980	20/11/2024	-9	11
Prasarana Malaysia Berhad	01/36	GG	3.950	15	3.909	8/8/2024	4	17
Prasarana Malaysia Berhad	06/39	GG	4.021	5	4.041	28/11/2024	-2	9
Tenaga Nasional Berhad	08/32	AAA	3.978	10	3.978	4/12/2024	0	23
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.038	5	4.038	27/11/2024	0	29
Sarawak Energy Berhad	07/33	AAA	3.949	10	3.959	2/12/2024	-1	18
Danum Capital Berhad	08/34	AAA	4.009	4	4.009	3/12/2024	0	23
Tenaga Nasional Berhad	08/38	AAA	4.059	10	4.089	29/10/2024	-3	12
Tenaga Nasional Berhad	08/40	AAA	4.089	10	4.116	29/11/2024	-3	15
Tenaga Nasional Berhad	06/42	AAA	4.109	10	4.108	5/11/2024	0	5
Genting Capital Berhad	06/27	AA1	4.752	4	4.800	27/11/2024	-5	130
GENM Capital Berhad	05/29	AA1	4.545	1	4.588	5/11/2024	-4	103
UEM Olive Capital Berhad	10/31	AA1	4.008	1	4.009	5/12/2024	0	28
edotco Malaysia Sdn Berhad	09/29	AA+	3.914	20	3.827	10/10/2024	9	35
Press Metal Aluminium Holdings Berhad	09/28	AA2	3.976	10	3.936	5/11/2024	4	46
AmBank Islamic Berhad	05/31	AA2	4.039	10	4.048	5/12/2024	-1	39
Malayan Cement Berhad (fka Lafarge Malaysia Bt	10/28	AA3	4.049	10	4.047	5/12/2024	0	53
Perbadanan Kemajuan Negeri Selangor	01/32	AA3	4.189	30	4.199	5/12/2024	-1	46
AmBank (M) Berhad	10/32	AA3	4.254	1	4.018	26/11/2024	24	50
				274				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bintulu Port Holdings	Corporate credit rating	AAA/Stable/P1	Upgrade
Golden Assets International Finance Limited	RM5.0bn Islamic Medium-Term Notes (IMTN) Programme (2012/2027)	AA2/Stable	Affirm
Samalaju Industrial Port Sdn Bhd	RM950m Sukuk Murabahah Programme (2015/2036) (the Sukuk)	AAA/stable	Upgrade

Source: RAM, MARC

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