

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Monday, with gains seen in the longer dated maturities, but the shorter end of the curve gave up some ground as bets for a larger FOMC move next week were reduced slightly. For 2024 as a whole, 111bps worth of Fed cuts are still priced into the futures market for the three remaining FOMC meetings for the year. Benchmark yields were mixed between -2 and +2 bps for the day, with the UST curve flattening. **The benchmark 2yr UST yield was 2bps higher for the session at 3.67%, while the benchmark 10yr UST yield declined by 1bp for the day to 3.70%.** There are no key economic releases scheduled for the day ahead, with the August CPI numbers being the next important release on Wednesday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.67	2
5-yr UST	3.49	0
10-yr UST	3.70	-1
30-yr UST	4.00	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.35	0	3.32	0
5-yr	3.48	-1	3.47	0
7-yr	3.70	2	3.70	0
10-yr	3.74	1	3.77	0
15-yr	3.89	-1	3.94	1
20-yr	4.04	-1	4.09	1
30-yr	4.10	-9	4.06	-15

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.43	2
3-yr	3.34	1
5-yr	3.40	2
7-yr	3.49	2
10-yr	3.58	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were mixed in trading on Monday in a quieter session, amidst a lukewarm 20yr GII 8/43 reopening which saw BTC coming in under 2.0x despite the small auction size. Secondary market volume fell by 29% to RM2.91bn compared to the RM4.12bn that changed hands on Friday. Benchmark yields closed mixed between -1 and +2 bps for the day, except for the 30Y MGS and GII which marks were both skewed by off-market odd lot trades. **The benchmark 5Y MGS 8/29 saw its yield fall by 1bp for the day to 3.48% while the yield on the benchmark 10Y MGS 7/34 was 1bp higher for the session at 3.74%.** Trading interest for the day was led by the benchmark 20Y GII, while interest was also seen in the benchmark 5Y MGS, 7Y MGS and 15Y MGS, as well as in the off-the-run MGS 9/24, MGS 3/25, GII 9/27 and MGS 4/28. Trading in GIIs as a proportion of total govovies trading climbed to 42% versus the 38% share seen the day before. IPI is due for release at noon today and further pick-up is expected.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was slightly better bid in trading to start the week on Monday, with secondary market volume inching higher by 5% to RM703m versus the RM670m that traded on Friday. Trading activity for the day was again led by the AAA-rated segment. In the GG universe, interest was seen in PRASA 12/32 and PRASA 9/42, which closed the day at 3.79% (-4bps versus last print) and 4.06% (+1bp) respectively. Over in AAA space, trading interest was led by PASB 1/30, which settled the day at 3.83%, little changed compared to where the bond last traded. Interest was also seen in PASB 6/31 and TNB 8/33, which closed at 3.86% (+1bp) and 3.93% (unchanged) respectively. Meanwhile in the AA-rated segment, trading interest was seen in KLK 4/26 and SP Setia 4/32, which settled the day at 3.68% (unchanged) and 4.00% (-7bps) 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	120	3.096	09/06/2024	0
MGS	03/25	3.082	166	3.134	09/06/2024	-5
MGS	07/26	3.237	2	3.241	09/05/2024	0
MGS	05/27	3.346	66	3.342	09/06/2024	0
MGS	04/28	3.445	235	3.441	09/06/2024	0
MGS	06/28	3.472	37	3.437	09/06/2024	4
MGS	04/29	3.493	13	3.491	09/06/2024	0
MGS	08/29	3.484	467	3.495	09/06/2024	-1
MGS	04/30	3.588	1	3.591	09/06/2024	0
MGS	04/31	3.700	172	3.680	09/06/2024	2
MGS	06/31	3.682	33	3.685	09/06/2024	0
MGS	07/32	3.751	33	3.749	09/06/2024	0
MGS	11/33	3.766	11	3.763	09/06/2024	0
MGS	07/34	3.742	24	3.732	09/06/2024	1
MGS	05/35	3.810	14	3.790	09/06/2024	2
MGS	04/37	3.910	11	3.910	09/06/2024	0
MGS	04/39	3.887	188	3.896	09/06/2024	-1
MGS	05/40	3.970	32	3.970	09/06/2024	0
MGS	10/42	4.022	54	4.030	09/06/2024	-1
MGS	03/46	4.093	2	4.089	09/03/2024	0
MGS	06/50	4.151	9	4.125	09/06/2024	3
MGS	03/53	4.098	1	4.191	09/06/2024	-9
GII	10/24	3.176	49	3.137	09/06/2024	4
GII	10/25	3.223	20	3.218	09/06/2024	0
GII	09/26	3.322	30	3.319	09/05/2024	0
GII	09/27	3.408	120	3.387	09/06/2024	2
GII	07/29	3.514	42	3.516	09/06/2024	0
GII	09/30	3.639	20	3.640	09/06/2024	0
GII	10/31	3.698	4	3.698	09/06/2024	0
GII	11/34	3.773	32	3.770	09/06/2024	0
GII	03/38	3.907	30	3.915	09/05/2024	-1
GII	09/39	3.943	12	3.934	09/06/2024	1
GII	09/41	4.021	40	4.021	09/05/2024	0
GII	08/43	4.089	812	4.078	09/06/2024	1
GII	05/52	4.200	10	4.200	09/06/2024	0
			2910			

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*
Prasarana Malaysia Berhad	12/32	GG	3.788	60	3.823	27/8/2024	-4	8
Prasarana Malaysia Berhad	08/41	GG	4.026	20	4.109	21/6/2024	-8	12
Prasarana Malaysia Berhad	03/42	GG	4.049	35	4.070	8/8/2024	-2	15
Prasarana Malaysia Berhad	08/42	GG	4.062	20	4.079	13/8/2024	-2	1
Prasarana Malaysia Berhad	09/42	GG	4.063	40	4.049	3/9/2024	1	1
Suria KLCC Sdn Berhad	12/24	AAA	3.382	30	3.515	23/4/2024	-13	21
Pengurusan Air SPV Berhad	06/27	AAA	3.789	10	3.795	4/9/2024	-1	44
Pengurusan Air SPV Berhad	02/28	AAA	3.801	25	3.885	28/6/2024	-8	45
Pengurusan Air SPV Berhad	04/28	AAA	3.800	25	3.737	15/8/2024	6	37
Pengurusan Air SPV Berhad	06/28	AAA	3.819	25	3.801	2/9/2024	2	39
Amanat Lebuhraya Rakyat Berhad	10/28	AAA	3.709	30	3.831	28/6/2024	-12	28
Tenaga Nasional Berhad	06/29	AAA	3.802	40	4.120	14/8/2024	-32	32
Danga Capital Berhad	01/30	AAA	3.797	5	3.811	20/8/2024	-1	31
Pengurusan Air SPV Berhad	01/30	AAA	3.831	110	3.830	29/8/2024	0	34
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.817	10	3.858	23/8/2024	-4	23
Bakun Hydro Power Generation Sdn Berhad (fka 5	08/30	AAA	3.828	10	3.859	23/7/2024	-3	24
Pengurusan Air SPV Berhad	06/31	AAA	3.860	50	3.850	29/8/2024	1	18
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.909	20	3.988	24/6/2024	-8	20
Tenaga Nasional Berhad	08/33	AAA	3.929	50	3.931	5/9/2024	0	20
Pengurusan Air Selangor Sdn Berhad	10/41	AAA	4.170	1	4.082	30/8/2024	9	27
Kuala Lumpur Kepong Berhad	04/26	AA1	3.680	20	3.678	4/9/2024	0	43
APM Automotive Holdings Berhad	04/29	AA2	4.376	1	4.391	14/8/2024	-1	89
Benih Restu Berhad	07/34	AA2	3.999	15	3.999	3/9/2024	0	26
Pac Lease Berhad	03/26	AA	3.897	10	3.898	30/8/2024	0	64
SP Setia Berhad	04/32	AA	3.998	20	4.069	24/6/2024	-7	29
Affin Islamic Bank Berhad	12/26	AA3	3.811	10	3.809	30/8/2024	0	56
AEON Credit Service (M) Berhad	08/29	AA3	3.920	10	n/a	n/a	392	43
Tan Chong Motor Holdings Berhad	03/27	A+	5.343	1	5.821	3/9/2024	-48	200
MCIS Insurance Berhad	12/31	A2	4.702	1	4.062	29/8/2024	64	102
				703				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Solarvest Holdings Berhad	RM1bn Islamic Medium-Term Notes/Islamic Commercial Papers Programme	A1/Positive/P1	Outlook raised

Source: RAM, MARC

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