

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Friday, with shorter dated maturities weaker for the day while gains were seen in the longer end of the maturity spectrum, amidst another good day for equities and risk. Fed cut odds in December continued to edge lower to 65% from the 71% the day before. Benchmark yields closed mixed between -6 to +5bps for the day with the UST curve flattening for the session. **The benchmark 2Y UST note yield rose 5bps to 4.25% while the benchmark 10Y UST bond yield declined by 2bps to 4.30%.** There will be no economic data releases for the day ahead and the bond market will be closed in observance of Veteran's Day in the US, but stock markets will remain open.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.25	5
5-yr UST	4.19	2
10-yr UST	4.30	-2
30-yr UST	4.47	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	-5	3.41	-6
5-yr	3.61	-3	3.61	-3
7-yr	3.81	-5	3.81	-6
10-yr	3.88	-3	3.88	-3
15-yr	4.03	0	4.00	-2
20-yr	4.11	-2	4.12	-8
30-yr	4.21	-1	4.20	7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	-2
3-yr	3.49	-4
5-yr	3.53	-6
7-yr	3.62	-7
10-yr	3.72	-7

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 15Y MGS 4/39 on Monday, 11 Nov (with an additional RM2bn to be privately placed)

MGS/GII

- Local govovies were firmer in trading for a second day on Friday in an active session to wrap up the week, amidst Malaysian industrial production rising by less than anticipated in September. Secondary market volume surged by 120% to RM5.51bn versus the RM2.50bn that changed hands on Thursday. Overall benchmark yields closed lower between 0 to 8bps (prior: -4 to +4bps), except for the 30Y GII which was correcting from a previous off-market trade. **The benchmark 5Y MGS 8/29 yield fell by 3bps for the day to 3.61% while the yield on the benchmark 10Y MGS 7/34 also declined by 3bps to 3.88%.** GII trades accounted for 26% of overall volume transacted for the day, down from the 43% share seen the previous session. Trading for the day was led by the benchmark 7Y MGS, while interest was also seen in the off-the-run MGS 3/25, MGS 9/25 and MGS 4/30, as well as in the benchmark 3Y MGS/GII, 7Y GII and 10Y GII. The day ahead sees the reopening of the 15Y benchmark MGS 4/39, with RM3bn set to be auctioned at midday.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was slightly better offered on Friday amidst a slight pick-up in activity. Secondary market volume rose by 58% to RM378m from the RM239m that traded on Thursday. Activity for the day was led by the AA-rated segment of the market, and there were no trades in the GG space for the day. In the AAA universe, trading was led by SPETCHEM 7/28, which settled the day at 3.85%, higher by 5bps compared to where it last printed. In the AA-rated segment, activity was led by OSK 4/28, which closed for the day at 4.01%, 8bps higher compared to its last trade. Interest was also seen in RHB 10/25 and YTLP 10/39, which settled the day at 3.55% (-7bps from last print) and 4.27% (-1bp) respectively. In the A-rated arena, trading was led by SUNREIT 4.68% Perps, which closed at 4.80%, up 37bps versus where the bond last traded.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.098	549	3.172	11/07/2024	-7
MGS	09/25	3.269	678	3.306	11/07/2024	-4
MGS	04/26	3.410	30	3.299	11/07/2024	11
MGS	11/26	3.471	3	3.489	11/07/2024	-2
MGS	05/27	3.493	342	3.539	11/07/2024	-5
MGS	11/27	3.546	74	3.563	11/07/2024	-2
MGS	04/28	3.601	20	3.674	11/06/2024	-7
MGS	06/28	3.592	149	3.642	11/07/2024	-5
MGS	08/29	3.614	151	3.646	11/07/2024	-3
MGS	04/30	3.740	348	3.749	11/06/2024	-1
MGS	04/31	3.809	976	3.864	11/07/2024	-5
MGS	06/31	3.842	10	3.887	11/07/2024	-4
MGS	07/32	3.878	92	3.920	11/06/2024	-4
MGS	04/33	3.914	20	3.977	11/07/2024	-6
MGS	11/33	3.910	120	3.930	11/07/2024	-2
MGS	07/34	3.884	169	3.915	11/07/2024	-3
MGS	05/35	3.954	54	3.973	11/06/2024	-2
MGS	04/37	4.040	64	4.022	11/07/2024	2
MGS	06/38	4.026	10	4.044	11/07/2024	-2
MGS	05/40	4.099	37	4.081	11/07/2024	2
MGS	05/44	4.107	124	4.128	11/07/2024	-2
MGS	07/48	4.171	21	4.214	11/07/2024	-4
MGS	06/50	4.197	5	4.213	11/07/2024	-2
MGS	03/53	4.214	47	4.220	11/07/2024	-1
GII	10/25	3.276	85	3.335	11/07/2024	-6
GII	03/26	3.444	20	3.472	11/06/2024	-3
GII	09/26	3.407	391	3.466	11/07/2024	-6
GII	07/27	3.459	1	3.514	10/30/2024	-5
GII	09/27	3.502	5	3.550	11/07/2024	-5
GII	10/28	3.608	10	3.611	11/07/2024	0
GII	07/29	3.612	10	3.648	11/07/2024	-4
GII	09/30	3.720	80	3.747	11/07/2024	-3
GII	10/31	3.812	218	3.875	11/07/2024	-6
GII	10/32	3.891	2	3.924	11/07/2024	-3
GII	08/33	3.891	100	3.898	11/07/2024	-1
GII	11/34	3.883	170	3.913	11/07/2024	-3
GII	07/36	3.987	1	3.993	11/07/2024	-1
GII	03/38	4.014	50	4.038	11/07/2024	-2
GII	09/39	4.003	6	4.021	11/06/2024	-2
GII	08/43	4.121	84	4.150	11/07/2024	-3
GII	11/49	4.215	1	4.218	11/07/2024	0
GII	05/52	4.234	140	4.257	11/06/2024	-2
GII	03/54	4.196	41	4.123	11/06/2024	7
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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*
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.474	10	3.461	29/10/2024	1	19
Petroleum Sarawak Exploration & Production Sdr	02/28	AAA	3.853	20	3.867	27/5/2024	-1	35
Sarawak Petchem Sdn Berhad	07/28	AAA	3.854	40	3.808	19/6/2024	5	28
Cagamas Berhad	11/28	AAA	3.881	10	3.858	19/4/2024	2	30
TNB Northern Energy Berhad	11/32	AAA	4.067	10	3.998	5/7/2024	7	21
TNB Power Generation Sdn Berhad	06/37	AAA	4.088	20	4.058	30/10/2024	3	5
TNB Power Generation Sdn Berhad	03/38	AAA	4.098	20	4.119	5/11/2024	-2	6
CIMB Group Holdings Berhad	04/25	AA1	3.568	10	3.568	7/11/2024	0	28
RHB Bank Berhad	10/25	AA1	3.549	30	3.623	26/7/2024	-7	27
YTL Power International Berhad	08/39	AA1	4.259	5	4.184	6/9/2024	8	22
YTL Power International Berhad	10/39	AA1	4.269	30	4.278	28/10/2024	-1	23
AEON Co. (M) Berhad	07/26	AA2	3.864	10	3.825	16/10/2024	4	44
AEON Co. (M) Berhad	08/29	AA2	4.062	5	3.919	16/10/2024	14	45
RHB Bank Berhad	01/33	AA2	4.062	5	3.911	4/6/2024	15	21
OSK Rated Bond Sdn Berhad	04/28	AA	4.005	100	3.926	18/10/2024	8	51
Malaysian Resources Corporation Berhad	02/27	AA-	4.205	5	4.328	28/6/2024	-12	78
DRB-Hicom Berhad	12/29	AA-	4.307	5	5.000	24/10/2024	-69	69
MMC Port Holdings Sdn Berhad	04/32	AA-	4.191	10	4.169	28/10/2024	2	37
Affin Bank Berhad	07/32	A1	4.462	1	4.407	1/11/2024	5	61
MNRB Holdings Berhad	03/34	A1	4.100	1	4.196	19/9/2024	-10	22
SUNREIT Perpetual Bond Berhad	04/19	A1	4.801	30	4.427	1/11/2024	37	67
Affin Islamic Bank Berhad	10/18	A3	4.382	1	4.384	5/11/2024	0	25
Bank Muamalat Malaysia Berhad	09/22	BBB	4.917	1	5.213	6/11/2024	-30	79
				378				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Malaysian Resources Corporation Berhad	Islamic Medium-Term Notes Programme (Sukuk Murabahah) of up to RM5bn	AA-/Stable	Affirmed

Source: RAM, MARC

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