

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries fell in trading on Wednesday, amidst November CPI coming in as expected, both at the headline and core level. The lack of upside surprises in the price indices pretty much cements the case for a 25bps reduction in the Funds Rate next week, with futures markets pricing in a 99% chance from the 86% priced in the day before. Benchmark yields rose between 1 to 6bps for the day, with the curve bear steepening. The **benchmark 2Y UST yield rose 1bp to 4.15%**, while the **benchmark 10Y UST yield climbed 4bps for the day to 4.27%**. Tonight sees the release of producer prices for November as well as weekly jobless claims. The Treasury also concludes its refunding for the week tonight with the planned reopening sale of USD22bn 30yr USTs.

MGS/GII

- Local govies were better offered in trading on Wednesday in a more active trading session. Secondary market volume rose by 40% to RM5.92bn from the RM4.23bn that changed hands on Tuesday. Overall benchmark yields ended the day mixed by between -1 and +1bp (prior: 0 to 2bps higher), with the exception of the benchmark 30Y GII which was skewed by an odd lot off-market trade, and the benchmark 30Y MGS which was correcting from a previous off-market trade. **The benchmark 5Y MGS 8/29 yield rose 1bp to 3.60% while the yield on the benchmark 10Y MGS 7/34 was little changed for the day at 3.79%**. Trading activity for the day was led by the off-the-run MGS 9/25, while decent interest was also seen in the off-the-run MGS 3/25, GII 8/25 and GII 10/25, as well as in the benchmark 3Y GII, 7Y MGS/GII and 20Y GII. The share of GII trading for the day receded to 47% of overall govies trading from the 50% seen the day before. There are no domestic economic releases scheduled for the day ahead.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.15	1
5-yr UST	4.13	4
10-yr UST	4.27	4
30-yr UST	4.48	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	0	3.35	-1
5-yr	3.60	1	3.61	1
7-yr	3.76	0	3.76	1
10-yr	3.79	0	3.80	0
15-yr	3.94	0	3.95	0
20-yr	4.05	0	4.08	0
30-yr	4.18	6	4.09	-10

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.59	0
3-yr	3.48	0
5-yr	3.51	0
7-yr	3.59	0
10-yr	3.69	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Wednesday in a livelier session, with secondary market volume for the day surging by 53% to RM877m versus the RM572m that traded on Tuesday. Trading for the day was again led by the AA-rated segment of the market. In the GG universe, activity was led by DANA 7/39 and LPPSA 9/39, settling the day at 4.03% (+3bps versus last print) and 4.02% (-2bps) respectively. In the AAA space, trading was led by CAGA 11/25, which closed at 3.58%, lower by 3bps compared to where it last traded. In the AA-rated universe, interest was led by GENCAP 6/27, which settled the day at 4.75%, little changed versus where the bond last traded. Decent interest was also seen in SCC 11/28, which closed at 3.96%, a whopping 21bps higher compared to its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.134	660	3.088	12/10/2024	5
MGS	09/25	3.233	1100	3.235	12/10/2024	0
MGS	04/26	3.326	70	3.338	12/09/2024	-1
MGS	07/26	3.344	130	3.347	12/10/2024	0
MGS	11/26	3.357	1	3.366	12/10/2024	-1
MGS	05/27	3.459	1	3.455	12/10/2024	0
MGS	11/27	3.518	44	3.489	12/10/2024	3
MGS	04/28	3.534	1	3.518	12/10/2024	2
MGS	06/28	3.547	21	3.550	12/10/2024	0
MGS	08/29	3.596	89	3.582	12/10/2024	1
MGS	04/30	3.645	10	3.629	12/10/2024	2
MGS	04/31	3.758	482	3.754	12/10/2024	0
MGS	06/31	3.762	51	3.761	12/10/2024	0
MGS	07/32	3.757	57	3.741	12/10/2024	2
MGS	04/33	3.801	13	3.803	12/10/2024	0
MGS	11/33	3.807	3	3.805	12/10/2024	0
MGS	07/34	3.791	26	3.790	12/10/2024	0
MGS	05/35	3.804	8	3.800	12/10/2024	0
MGS	04/37	3.926	8	3.913	12/10/2024	1
MGS	06/38	3.965	19	3.959	12/10/2024	1
MGS	04/39	3.939	63	3.939	12/10/2024	0
MGS	05/40	3.970	38	3.984	12/10/2024	-1
MGS	10/42	4.041	85	4.041	12/10/2024	0
MGS	05/44	4.046	46	4.044	12/10/2024	0
MGS	03/46	4.074	72	4.088	12/10/2024	-1
MGS	06/50	4.142	3	4.046	12/10/2024	10
MGS	03/53	4.178	19	4.114	12/10/2024	6
GII	08/25	3.245	410	3.219	12/10/2024	3
GII	10/25	3.260	470	3.256	12/10/2024	0
GII	03/26	3.310	10	3.299	12/10/2024	1
GII	09/26	3.351	220	3.358	12/10/2024	-1
GII	07/27	3.448	3	3.433	12/10/2024	2
GII	07/28	3.554	50	3.548	12/10/2024	1
GII	10/28	3.559	95	3.550	12/05/2024	1
GII	07/29	3.610	173	3.604	12/10/2024	1
GII	09/30	3.699	150	3.672	12/05/2024	3
GII	10/30	3.675	12	3.661	12/06/2024	1
GII	10/31	3.758	230	3.746	12/10/2024	1
GII	10/32	3.772	10	3.764	12/10/2024	1
GII	06/33	3.810	60	3.802	12/10/2024	1
GII	08/33	3.818	130	3.804	12/10/2024	1
GII	11/34	3.801	61	3.797	12/10/2024	0
GII	10/35	3.842	10	3.835	12/09/2024	1
GII	07/36	3.910	216	3.906	12/10/2024	0
GII	08/37	3.921	90	3.921	12/06/2024	0
GII	09/39	3.945	54	3.943	12/10/2024	0
GII	09/41	4.029	50	4.025	12/09/2024	0
GII	08/43	4.080	245	4.080	12/10/2024	0
GII	05/52	4.183	50	4.164	12/10/2024	2
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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*
DanaInfra Nasional Berhad	03/29	GG	3.731	30	3.627	10/10/2024	10	20
DanaInfra Nasional Berhad	04/29	GG	3.733	5	3.548	10/9/2024	19	20
DanaInfra Nasional Berhad	11/29	GG	3.753	5	3.756	5/11/2024	0	17
Malaysia Rail Link Sdn Berhad	03/34	GG	3.909	5	3.903	25/7/2024	1	12
Perbadanan Tabung Pendidikan Tinggi Nasional	03/36	GG	3.989	10	4.022	13/11/2024	-3	20
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.041	10	4.038	25/11/2024	0	11
DanaInfra Nasional Berhad	07/39	GG	4.027	100	3.999	7/10/2024	3	9
Lembaga Pembiayaan Perumahan Sektor Awam	09/39	GG	4.023	100	4.038	26/6/2024	-2	9
Sarawak Energy Berhad	08/25	AAA	3.556	5	3.540	10/12/2024	2	29
Cagamas Berhad	11/25	AAA	3.579	60	3.612	19/11/2024	-3	31
Toyota Capital Malaysia Sdn Berhad	07/28	AAA	3.949	20	3.827	6/9/2024	12	42
Bakun Hydro Power Generation Sdn Berhad (fka S	08/30	AAA	3.900	5	3.796	19/9/2024	10	23
Pelaburan Hartanah Berhad	09/31	AAA	3.974	10	4.003	14/11/2024	-3	22
Bank Pembangunan Malaysia Berhad	03/32	AAA	3.998	10	3.999	2/12/2024	0	25
Amanat Lebuhraya Rakyat Berhad	10/32	AAA	4.087	10	4.089	4/12/2024	0	32
Pengurusan Air Selangor Sdn Berhad	04/33	AAA	3.999	10	4.010	22/11/2024	-1	23
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	4.109	10	4.138	7/11/2024	-3	32
Projek Lebuhraya Usahasama Berhad	01/35	AAA	3.986	10	3.987	9/12/2024	0	20
Tenaga Nasional Berhad	08/35	AAA	4.029	10	4.029	3/12/2024	0	24
Projek Lebuhraya Usahasama Berhad	01/36	AAA	3.999	35	3.998	9/12/2024	0	21
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.002	25	4.011	9/12/2024	-1	21
Tenaga Nasional Berhad	08/38	AAA	4.059	10	4.059	9/12/2024	0	12
Pengurusan Air Selangor Sdn Berhad	07/42	AAA	4.112	5	4.089	30/8/2024	2	6
TNB Power Generation Sdn Berhad	03/43	AAA	4.039	10	4.129	22/11/2024	-9	-2
Pengurusan Air Selangor Sdn Berhad	10/43	AAA	4.142	15	4.184	21/11/2024	-4	9
Pengurusan Air Selangor Sdn Berhad	08/44	AAA	4.158	20	4.156	25/11/2024	0	10
Genting Capital Berhad	06/27	AA1	4.752	89	4.752	10/12/2024	0	137
Sabah Credit Corporation	11/28	AA1	3.957	60	3.752	7/9/2021	21	43
Johor Plantations Group Berhad	09/34	AA1	4.032	25	4.068	14/11/2024	-4	24
YTL Power International Berhad	03/36	AA1	4.099	10	4.118	28/11/2024	-2	31
AmBank Islamic Berhad	05/31	AA2	4.028	20	4.037	9/12/2024	-1	36
CIMB Group Holdings Berhad	09/32	AA2	3.945	10	3.939	21/11/2024	1	18
Perbadanan Kemajuan Negeri Selangor	07/26	AA3	3.870	10	4.739	6/10/2023	-87	49
Perbadanan Kemajuan Negeri Selangor	09/28	AA3	4.043	10	4.327	18/1/2024	-28	51
Edra Energy Sdn Berhad	01/29	AA3	3.996	10	4.097	6/11/2024	-10	47
Malayan Cement Berhad (fka Lafarge Malaysia B	07/29	AA3	4.113	10	4.098	5/11/2024	2	53
Edra Energy Sdn Berhad	01/30	AA3	4.037	3	3.925	5/9/2024	11	46
Gamuda Berhad	06/30	AA3	3.988	10	4.019	26/11/2024	-3	32
Edra Energy Sdn Berhad	07/31	AA3	4.098	10	3.956	4/10/2024	14	35
Perbadanan Kemajuan Negeri Selangor	01/32	AA3	4.189	10	4.189	6/12/2024	0	44
Malayan Banking Berhad	02/17	AA3	4.054	30	4.098	9/12/2024	-4	0
Eco World Capital Berhad	08/28	AA-	3.997	5	4.007	4/12/2024	-1	47
DRB-Hicom Berhad	08/31	AA-	4.161	10	4.165	10/12/2024	0	41
Tropicana Corporation Berhad	11/28	A	6.051	1	6.234	10/12/2024	-18	252
				877				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
FGV Holdings Berhad	Sukuk Murabahah Programme of up to RM3bn	AA-/Stable	Affirmed

Source: RAM, MARC

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