

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were weaker in trading on Friday, after inflation expectations in the University of Michigan's consumer sentiment survey came in higher than expected. Expectations over the next year came in at 3.5%, higher than the 3.2% that was expected following last month's 3.2% print. Longer term expectations also came in a tick higher than expected at 3.1%. Benchmark yields closed higher by between 3 and 5bps for the day. **The benchmark 2yr UST yield was 5bps higher for the session at 4.87%, while the benchmark 10yr UST yield was 4bps higher for the day at 4.50%.** There are no major economic releases scheduled on Monday, with the next key releases being PPI on Tuesday, followed by CPI and retail sales numbers on Wednesday.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.87 | 5 |
| 5-yr UST | 4.51 | 4 |
| 10-yr UST | 4.50 | 4 |
| 30-yr UST | 4.64 | 3 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.60 | -2 | 3.53 | -1 |
| 5-yr | 3.75 | 0 | 3.72 | 0 |
| 7-yr | 3.84 | -1 | 3.81 | -3 |
| 10-yr | 3.91 | -2 | 3.90 | -1 |
| 15-yr | 4.03 | 0 | 3.90 | 0 |
| 20-yr | 4.14 | -2 | 4.15 | -1 |
| 30-yr | 4.26 | 0 | 4.27 | -1 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.65 | 0 |
| 3-yr | 3.68 | -1 |
| 5-yr | 3.76 | -2 |
| 7-yr | 3.86 | -4 |
| 10-yr | 3.98 | -3 |

Source : Bloomberg

Upcoming Government Bond Tender

New Issuance of RM3bn 20Y benchmark MGS on Tuesday, 14 May (with an additional RM2bn to be privately placed)

MGS/GII

- Local govovies were better bid in trading on Friday, as the market took the lead from the rise in US Treasuries on Thursday night, amidst domestic industrial production for March coming out higher than expected. Secondary market volume for the day surged by 37% to RM2.89bn, versus the RM2.11bn that changed hands the previous session. Benchmark yields closed lower between 0 and 3bps for the day. **The benchmark 5Y MGS 8/29 saw its yield unchanged for the session at 3.75% while the benchmark 10Y MGS 11/33 was 2bps lower for the day at 3.91%.** Trading interest was led by the benchmark 3Y GII, while interest was also seen in the off-the-run benchmark MGS 9/24, MGS 3/25, MGS 9/25 and MGS 6/38, as well as in the benchmark 3Y MGS, 5Y MGS and 10Y GII. The market share of GII trading for the day declined to 30% versus the 38% share seen on Thursday. The new 20Y MGS benchmark issuance was announced, with the auction of RM3bn, along with RM2bn private placement set to take place on Tuesday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets witnessed a slightly lighter trading session on Friday, with secondary market volume for the day declining by 11% to RM819m, compared to the RM921m that changed hands on Thursday. Trading interest for the day was led by the AAA-rated segment of the market. In the GG universe, trading was led by PLUS 12/38, which settled at 4.06%, unchanged versus where it last traded. Meanwhile in the AAA space, trading interest was led by PLUS 1/34 and PLUS 1/36, which closed the day at 4.02% and 4.04% respectively, with both bonds higher by 3bps versus their last prints. In AA territory, trading was led by SIME 12/27, which settled for the day at 3.93%, 4bps lower versus its last trade. Over in the unrated space, PNBV 12/29 was traded at 4.84%, unchanged versus its last print the day before.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 07/24 | 3.367 | 54 | 3.208 | 05/09/2024 | 16 |
| MGS | 09/24 | 3.270 | 188 | 3.315 | 05/09/2024 | -4 |
| MGS | 03/25 | 3.348 | 260 | 3.366 | 05/09/2024 | -2 |
| MGS | 09/25 | 3.405 | 269 | 3.381 | 05/09/2024 | 2 |
| MGS | 04/26 | 3.469 | 21 | 3.443 | 05/09/2024 | 3 |
| MGS | 07/26 | 3.509 | 3 | 3.516 | 05/09/2024 | -1 |
| MGS | 09/26 | 4.158 | 10 | 3.423 | 03/04/2024 | 74 |
| MGS | 11/26 | 3.517 | 1 | 3.502 | 05/09/2024 | 2 |
| MGS | 03/27 | 3.529 | 1 | 3.616 | 05/09/2024 | -9 |
| MGS | 05/27 | 3.596 | 189 | 3.617 | 05/09/2024 | -2 |
| MGS | 11/27 | 3.666 | 110 | 3.638 | 05/09/2024 | 3 |
| MGS | 04/28 | 3.667 | 42 | 3.675 | 05/09/2024 | -1 |
| MGS | 06/28 | 3.693 | 46 | 3.690 | 05/09/2024 | 0 |
| MGS | 04/29 | 3.718 | 32 | 3.715 | 05/09/2024 | 0 |
| MGS | 08/29 | 3.747 | 142 | 3.749 | 05/09/2024 | 0 |
| MGS | 04/30 | 3.816 | 22 | 3.785 | 05/07/2024 | 3 |
| MGS | 04/31 | 3.840 | 99 | 3.850 | 05/09/2024 | -1 |
| MGS | 06/31 | 3.859 | 2 | 3.907 | 05/09/2024 | -5 |
| MGS | 07/32 | 3.899 | 30 | 3.913 | 05/09/2024 | -1 |
| MGS | 11/33 | 3.907 | 103 | 3.923 | 05/09/2024 | -2 |
| MGS | 07/34 | 3.910 | 5 | 3.906 | 05/09/2024 | 0 |
| MGS | 05/35 | 3.985 | 11 | 3.958 | 05/09/2024 | 3 |
| MGS | 04/37 | 4.046 | 10 | 4.026 | 05/08/2024 | 2 |
| MGS | 06/38 | 4.039 | 146 | 4.061 | 05/09/2024 | -2 |
| MGS | 04/39 | 4.027 | 108 | 4.029 | 05/09/2024 | 0 |
| MGS | 05/40 | 4.102 | 2 | 4.095 | 05/08/2024 | 1 |
| MGS | 10/42 | 4.141 | 117 | 4.159 | 05/09/2024 | -2 |
| MGS | 09/43 | 4.188 | 10 | 4.188 | 05/08/2024 | 0 |
| MGS | 07/48 | 4.256 | 2 | 4.242 | 05/07/2024 | 1 |
| MGS | 06/50 | 4.240 | 3 | 4.263 | 05/09/2024 | -2 |
| GII | 05/24 | 3.242 | 20 | 2.371 | 05/09/2024 | 87 |
| GII | 10/24 | 3.301 | 20 | 3.458 | 05/08/2024 | -16 |
| GII | 09/26 | 3.534 | 290 | 3.543 | 05/09/2024 | -1 |
| GII | 09/27 | 3.583 | 33 | 3.602 | 05/09/2024 | -2 |
| GII | 09/30 | 3.813 | 60 | 3.839 | 05/07/2024 | -3 |
| GII | 10/30 | 3.817 | 50 | 3.817 | 05/09/2024 | 0 |
| GII | 10/31 | 3.813 | 109 | 3.819 | 05/09/2024 | -1 |
| GII | 10/32 | 3.894 | 20 | 3.897 | 05/09/2024 | 0 |
| GII | 08/33 | 3.895 | 120 | 3.909 | 05/09/2024 | -1 |
| GII | 09/41 | 4.084 | 30 | 3.970 | 05/08/2024 | 11 |
| GII | 08/43 | 4.149 | 20 | 4.163 | 05/09/2024 | -1 |
| GII | 05/52 | 4.182 | 81 | 4.202 | 05/09/2024 | -2 |
| | | | 2890 | | | |

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 | 10/29 | GG | 3.798 | 20 | 3.794 | 12/6/2023 | 0 | 6 |
| DanaInfra Nasional Berhad | 11/29 | GG | 3.798 | 100 | 3.913 | 8/11/2023 | -12 | 0 |
| Projek Lebuhraya Usahasama Berhad | 12/38 | GG | 4.059 | 120 | 4.059 | 8/5/2024 | 0 | 3 |
| Cagamas Berhad | 02/25 | AAA | 3.547 | 40 | 3.597 | 25/4/2024 | -5 | 16 |
| Danum Capital Berhad | 05/25 | AAA | 3.665 | 20 | 3.660 | 20/3/2024 | 0 | 28 |
| Cagamas Berhad | 11/25 | AAA | 3.607 | 40 | 3.655 | 24/4/2024 | -5 | 12 |
| TNB Western Energy Berhad | 07/26 | AAA | 4.076 | 10 | 3.637 | 6/1/2022 | 44 | 59 |
| Amanat Lebuhraya Rakyat Berhad | 10/32 | AAA | 3.999 | 10 | 4.008 | 27/3/2024 | -1 | 12 |
| TNB Northern Energy Berhad | 05/33 | AAA | 4.068 | 10 | 4.152 | 9/5/2024 | -8 | 17 |
| Sarawak Petchem Sdn Berhad | 07/33 | AAA | 4.054 | 10 | 3.999 | 1/4/2024 | 6 | 16 |
| Projek Lebuhraya Usahasama Berhad | 01/34 | AAA | 4.018 | 120 | 3.990 | 20/2/2024 | 3 | 10 |
| Projek Lebuhraya Usahasama Berhad | 01/36 | AAA | 4.039 | 120 | 4.010 | 24/4/2024 | 3 | 12 |
| Projek Lebuhraya Usahasama Berhad | 01/37 | AAA | 4.054 | 60 | 4.055 | 3/5/2024 | 0 | 2 |
| Pengurusan Air Selangor Sdn Berhad | 10/41 | AAA | 4.249 | 10 | 4.280 | 19/3/2024 | -3 | 22 |
| GENM Capital Berhad | 08/25 | AA1 | 4.252 | 1 | 4.253 | 9/5/2024 | 0 | 86 |
| YTL Power International Berhad | 08/29 | AA1 | 4.002 | 10 | 4.020 | 30/4/2024 | -2 | 27 |
| United Overseas Bank (Malaysia) Berhad | 10/32 | AA1 | 4.299 | 1 | 3.969 | 23/4/2024 | 33 | 42 |
| Kuala Lumpur Kepong Berhad | 09/34 | AA1 | 4.059 | 20 | 4.048 | 25/4/2024 | 1 | 14 |
| Sime Darby Property Berhad | 12/27 | AA+ | 3.928 | 30 | 3.966 | 30/4/2024 | -4 | 25 |
| APM Automotive Holdings Berhad | 04/29 | AA2 | 4.568 | 4 | 4.590 | 26/4/2024 | -2 | 83 |
| SP Setia Berhad | 04/29 | AA | 4.028 | 6 | 3.976 | 26/3/2024 | 5 | 29 |
| Gamuda Berhad | 06/30 | AA3 | 3.998 | 10 | 3.999 | 18/4/2024 | 0 | 20 |
| Malayan Banking Berhad | 02/17 | AA3 | 4.017 | 1 | 4.019 | 9/5/2024 | 0 | -14 |
| Eco World Capital Berhad | 08/28 | AA- | 4.016 | 20 | 4.047 | 6/5/2024 | -3 | 34 |
| Southern Power Generation Sdn Berhad | 04/33 | AA- | 4.219 | 10 | 4.247 | 7/3/2024 | -3 | 32 |
| Southern Power Generation Sdn Berhad | 10/35 | AA- | 4.298 | 10 | 4.469 | 22/2/2024 | -17 | 38 |
| Yinson Holdings Berhad | 12/26 | A+ | 4.950 | 1 | 4.948 | 29/4/2024 | 0 | 135 |
| MCIS Insurance Berhad | 12/31 | A2 | 4.599 | 1 | 4.588 | 21/3/2024 | 1 | 72 |
| PNB Merdeka Ventures Sdn Bhd | 12/29 | NR(LT) | 4.840 | 5 | 4.839 | 9/5/2024 | 0 | 104 |
| | | | | <u>819</u> | | | | |

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

Rating Action

| Issuer | PDS Description | Rating/Outlook | Action |
|--------|-----------------|----------------|--------|
| Nil | | | |

Source: RAM, MARC

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