

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries were higher in trading on Thursday, after economic reports which showed a slowing in the rate of producer price inflation in May, and a rise in weekly initial jobless claims to almost a 10-month high, suggesting a softening of the labour market. A strong 30yr UST auction added to the bid tone for the day, which cleared at the highest BTC ratio in a year. Benchmark yields closed lower by 5 to 8bps for the day, with the UST curve bull flattening. **The benchmark 2yr UST yield was 5bps lower for the session at 4.70%, while the benchmark 10yr UST yield declined by 7bps for the day at 4.25%.** The focus shifts over to University of Michigan consumer sentiment index for June tonight.

##### MGS/GII

- Local govies were little changed in a lighter trading session on Thursday, amidst a weak reopening auction of RM5bn of the benchmark 3Y MGS 5/27, which recorded the lowest bid-to-cover ratio of government bonds auctions this year thus far. Secondary market volume for the day declined by 22% to RM3.16bn, compared to the RM4.07bn that changed hands on Wednesday. Benchmark yields closed mixed between -1 to +1 bps for the day. **The benchmark 5Y MGS 8/29 was 1bp higher in yield for the session at 3.65% while the benchmark 10Y MGS 11/33 was little changed for the day at 3.86%.** Trading interest was led by the newly reopened benchmark 3Y MGS, while interest was also seen in the off-the-run MGS 7/24 and MGS 9/24, as well as in the benchmark 3Y GII, 5Y MGS, 10Y MGS/GII and 30Y GII. The market share of GII trading for the day receded to 31% versus the 50% share seen on Wednesday. There are no economic data releases domestically for the day ahead.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.70	-5
5-yr UST	4.24	-7
10-yr UST	4.25	-7
30-yr UST	4.40	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.55	0	3.47	0
5-yr	3.65	1	3.64	1
7-yr	3.81	-1	3.75	0
10-yr	3.86	0	3.86	-1
15-yr	4.00	1	4.01	0
20-yr	4.13	0	4.13	0
30-yr	4.22	0	4.24	-1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.59	0
3-yr	3.59	0
5-yr	3.65	0
7-yr	3.76	1
10-yr	3.88	0

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets also witnessed a lighter trading session on Thursday, with secondary market volume for the day plunging by 41% to RM408m, compared to the RM693m that traded on Wednesday. Trading interest for the day was again led by the AA-rated segment of the market. In the GG universe, PRASA 7/45 led trading for the day, with both bonds settling for the day at 4.20%, 26bps lower versus its last trade. Meanwhile in the AAA space, trading interest was led by SEB 7/30 and PSEP 2/33 which closed the day at 3.90% (-6bps from last print) and 4.00% (-1bp) respectively, little changed from its last print. In AA territory, trading for the day was led by BGSM 8/27, which settled at 4.00%, 19bps lower versus where it last traded. Interest was also noted in UMW 11/26, Sunway 4/29 and IJM 3/39, which closed the day at 3.84% (-2bps), 3.89% (-1bp) and 4.25% (unchanged) respectively.

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	2.383	276	3.202	06/12/2024	-82
MGS	09/24	3.154	325	3.185	06/12/2024	-3
MGS	03/25	3.251	111	3.283	06/12/2024	-3
MGS	09/25	3.367	4	3.303	06/12/2024	6
MGS	05/27	3.545	643	3.541	06/12/2024	0
MGS	11/27	3.576	1	3.563	06/12/2024	1
MGS	06/28	3.624	34	3.621	06/12/2024	0
MGS	04/29	3.655	20	3.663	06/12/2024	-1
MGS	08/29	3.654	174	3.645	06/12/2024	1
MGS	04/30	3.751	28	3.739	06/12/2024	1
MGS	04/31	3.806	69	3.813	06/12/2024	-1
MGS	06/31	3.818	41	3.816	06/12/2024	0
MGS	04/32	3.853	20	3.857	06/12/2024	0
MGS	07/32	3.846	82	3.858	06/12/2024	-1
MGS	04/33	3.911	11	3.870	06/11/2024	4
MGS	11/33	3.864	171	3.858	06/12/2024	1
MGS	07/34	3.864	7	3.879	06/11/2024	-2
MGS	05/35	3.970	7	3.942	06/12/2024	3
MGS	04/37	4.012	41	4.012	06/11/2024	0
MGS	06/38	3.999	5	4.008	06/12/2024	-1
MGS	05/44	4.129	20	4.124	06/12/2024	0
MGS	07/48	4.211	4	4.210	06/12/2024	0
MGS	06/50	4.215	52	4.221	06/12/2024	-1
MGS	03/53	4.221	20	4.218	06/12/2024	0
GII	08/24	3.246	20	3.231	06/11/2024	2
GII	08/25	3.336	38	3.334	06/12/2024	0
GII	03/26	3.450	10	3.463	06/12/2024	-1
GII	09/26	3.471	192	3.474	06/12/2024	0
GII	07/27	3.540	24	3.556	06/11/2024	-2
GII	07/28	3.638	95	3.625	06/12/2024	1
GII	10/28	3.644	11	3.650	06/12/2024	-1
GII	12/28	3.611	1	3.617	06/12/2024	-1
GII	09/30	3.751	30	3.750	06/12/2024	0
GII	10/32	3.852	24	3.855	06/12/2024	0
GII	06/33	3.846	30	3.869	06/12/2024	-2
GII	08/33	3.856	230	3.866	06/12/2024	-1
GII	10/35	3.939	30	3.939	06/12/2024	0
GII	03/38	3.991	4	3.987	06/11/2024	0
GII	09/39	4.010	50	4.008	06/12/2024	0
GII	09/41	4.092	5	4.072	06/12/2024	2
GII	08/43	4.127	20	4.125	06/12/2024	0
GII	05/52	4.266	20	4.266	06/12/2024	0
GII	03/54	4.238	160	4.244	06/07/2024	-1
			3159			

## 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	08/34	GG	3.929	10	3.888	27/3/2024	4	7
Prasarana Malaysia Berhad	07/45	GG	4.195	20	4.450	29/3/2023	-26	6
Small Medium Enterprise Development Bank Mal.	05/28	AAA	3.898	10	3.987	15/5/2024	-9	29
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	3.887	10	3.896	10/6/2024	-1	23
Sarawak Energy Berhad	07/30	AAA	3.898	30	3.954	17/5/2024	-6	17
Petroleum Sarawak Exploration & Production Sdr	05/31	AAA	3.956	15	3.958	11/6/2024	0	16
West Coast Expressway Sdn Berhad	08/31	AAA	4.138	10	4.509	25/3/2019	-37	34
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.003	30	4.018	31/5/2024	-1	16
Johor Corporation	07/38	AAA	4.119	10	4.119	24/5/2024	0	11
YTL Power International Berhad	03/33	AA1	4.172	2	4.029	12/6/2024	14	33
UMW Holdings Berhad	11/26	AA+	3.836	30	3.856	24/5/2024	-2	39
RHB Bank Berhad	09/32	AA2	4.382	1	4.064	2/5/2024	32	56
OSK Rated Bond Sdn Berhad	04/28	AA	3.918	10	3.948	25/4/2024	-3	31
Sunway Healthcare Treasury Sdn Berhad	04/29	AA	3.887	30	3.897	12/6/2024	-1	23
OSK Rated Bond Sdn Berhad	04/31	AA	4.038	10	4.049	12/6/2024	-1	24
OSK Rated Bond Sdn Berhad	09/33	AA	4.122	10	4.189	8/5/2024	-7	28
AEON Credit Service (M) Berhad	02/27	AA3	3.895	5	3.908	16/5/2024	-1	35
BGSM Management Sdn Berhad	08/27	AA3	3.998	100	4.189	24/3/2023	-19	45
AmBank Islamic Berhad	12/30	AA3	3.865	10	3.853	31/5/2024	1	13
Edra Energy Sdn Berhad	07/33	AA3	4.122	5	4.118	12/6/2024	0	28
Edra Energy Sdn Berhad	07/37	AA3	4.279	10	4.313	15/5/2024	-3	27
IJM Treasury Management Sdn Berhad	03/39	AA3	4.249	30	4.249	12/6/2024	0	24
Malayan Banking Berhad	02/17	AA3	4.197	1	3.999	7/6/2024	20	7
MY E.G. Services Berhad	08/26	AA-	5.371	1	5.519	12/6/2024	-15	193
Malaysian Resources Corporation Berhad	10/26	AA-	4.370	2	4.363	29/5/2024	1	92
SHC Capital Sdn Berhad	06/37	AA-	5.570	5	n/a	n/a	557	156
Affin Bank Berhad	07/32	A1	4.286	1	4.470	6/6/2024	-18	46
MCIS Insurance Berhad	12/31	A2	4.003	1	4.006	11/6/2024	0	18
Tropicana Corporation Berhad	09/19	A-	9.922	1	10.418	11/6/2024	-50	579
				408				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Grand Sepadu (NK) Sdn Bhd	RM210m Sukuk Murabahah	AA-/Positive	Affirmed and outlook upgraded

Source: RAM, MARC

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