

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries was mixed in trading on Wednesday, with gains seen in the front end of the maturity spectrum while longer dated bonds fell, amidst inflation in October coming in as per expectations and Fed officials expressing some uncertainty over how much cuts the Fed will be able to deliver going forward. **The benchmark 2Y UST note yield fell by 5bps for the day to 4.29% while the benchmark 10Y UST bond yield advanced by 2bps to settle at 4.45%**, leading to a steepening of the UST yield curve. Tonight sees the release of October PPI numbers and weekly jobless claims, and there will also be quite a bit of Fed-speak to look out for, including from Fed Chair Powell.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.29	-5
5-yr UST	4.31	-1
10-yr UST	4.45	2
30-yr UST	4.64	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	3	3.42	0
5-yr	3.67	5	3.66	7
7-yr	3.82	2	3.81	0
10-yr	3.88	1	3.89	1
15-yr	4.01	0	3.99	1
20-yr	4.11	1	4.11	2
30-yr	4.19	1	4.20	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.56	1
3-yr	3.51	0
5-yr	3.57	1
7-yr	3.65	0
10-yr	3.75	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were weaker in trading on Wednesday, taking cue from the overnight sell off in the UST market amidst an absence of economic data domestically. Secondary market volume declined by 28% to RM3.05bn versus the RM4.21bn that traded on Tuesday. Overall benchmark yields closed higher between 0 to 7 bps (prior: higher by 0 to 3bps). **The benchmark 5Y MGS 8/29 yield rose by 5bps for the day to 3.67% while the yield on the benchmark 10Y MGS 7/34 advanced by 1bp to 3.88%**. GII trades climbed to 21% of overall volume transacted for the day versus the 14% share seen the day before. Trading for the day was led by the off-the-run MGS 11/33, while interest was also seen in the benchmark 5Y MGS, 7Y MGS and 20Y MGS, as well as in the off-the-run MGS 3/25, MGS 4/26, MGS 4/30 and GII 9/41. There are no economic data releases due in the day ahead, but we are likely to see the announcement of the benchmark 5Y GII 7/29 reopening auction, where we expect an issuance size of RM4.5bn.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better offered in trading on Wednesday in a quieter session. Secondary market volume plunged by 53% to RM592m from the RM1,261m that changed hands on Tuesday. Activity for the day was led by the AAA-rated segment. In the GG universe, trading was led by PTPTN 3/36, which settled the day at 4.02%, little changed from its last trade the day before. In the AAA space, interest was seen in CAGA 5/33 and CIMBI 7/35, with both bonds closing the day at 4.13%, higher by 29bps and 10bps from their last prints respectively. In the AA-rated segment, activity was led by AEON 8/29, with the bond settling at 4.07%, 1bp higher compared to where it last traded. In the A-rated arena, interest was led by WCT 6.30% Perps, which closed at 6.26% in a secondary market debut for the recently issued bond.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.185	171	3.203	11/12/2024	-2
MGS	09/25	3.311	76	3.314	11/12/2024	0
MGS	04/26	3.390	220	3.389	11/12/2024	0
MGS	07/26	3.408	102	3.418	11/12/2024	-1
MGS	11/26	3.464	70	3.490	11/12/2024	-3
MGS	05/27	3.523	8	3.497	11/12/2024	3
MGS	11/27	3.557	16	3.538	11/12/2024	2
MGS	04/28	3.597	21	3.596	11/12/2024	0
MGS	06/28	3.597	5	3.580	11/11/2024	2
MGS	04/29	3.671	2	3.648	11/07/2024	2
MGS	08/29	3.667	283	3.621	11/12/2024	5
MGS	04/30	3.736	122	3.727	11/12/2024	1
MGS	04/31	3.823	279	3.800	11/12/2024	2
MGS	07/32	3.853	1	3.850	11/12/2024	0
MGS	04/33	3.905	19	3.900	11/12/2024	0
MGS	11/33	3.913	344	3.903	11/12/2024	1
MGS	07/34	3.878	39	3.865	11/12/2024	1
MGS	05/35	3.950	3	3.950	11/12/2024	0
MGS	04/37	4.001	30	3.999	11/12/2024	0
MGS	06/38	4.025	31	4.016	11/12/2024	1
MGS	04/39	4.013	68	4.012	11/12/2024	0
MGS	05/40	4.045	84	4.031	11/11/2024	1
MGS	10/42	4.097	55	4.101	11/12/2024	0
MGS	05/44	4.105	290	4.098	11/12/2024	1
MGS	07/48	4.171	4	4.171	11/08/2024	0
MGS	06/50	4.174	4	4.193	11/12/2024	-2
MGS	03/53	4.190	72	4.185	11/12/2024	1
GII	10/25	3.261	20	3.276	11/08/2024	-1
GII	03/26	3.371	14	3.372	11/11/2024	0
GII	09/26	3.421	35	3.419	11/12/2024	0
GII	09/27	3.511	29	3.458	11/11/2024	5
GII	10/28	3.590	50	3.608	11/08/2024	-2
GII	07/29	3.662	50	3.591	11/11/2024	7
GII	10/32	3.881	20	3.837	11/11/2024	4
GII	11/34	3.886	24	3.880	11/12/2024	1
GII	03/38	4.005	70	4.019	11/11/2024	-1
GII	09/39	3.994	20	3.983	11/12/2024	1
GII	09/41	4.015	135	3.965	11/04/2024	5
GII	08/43	4.113	40	4.098	11/12/2024	2
GII	05/52	4.193	101	4.193	11/12/2024	0
GII	03/54	4.199	20	4.200	11/12/2024	0
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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	02/29	GG	3.681	10	3.537	10/9/2024	14	10
Perbadanan Tabung Pendidikan Tinggi Nasional	03/36	GG	4.022	40	4.017	12/11/2024	0	15
DanaInfra Nasional Berhad	09/49	GG	4.250	10	4.180	25/7/2024	7	14
Cagamas Berhad	05/26	AAA	3.676	20	3.664	2/8/2024	1	26
Pengurusan Air SPV Berhad	06/27	AAA	3.809	10	3.787	29/10/2024	2	31
Cagamas Berhad	07/27	AAA	3.815	10	3.761	22/7/2024	5	32
Malaysia Airport Holdings Berhad	11/27	AAA	3.882	5	3.853	12/11/2024	3	38
Cagamas Berhad	12/27	AAA	3.831	15	3.725	3/9/2024	11	33
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.951	20	3.781	20/8/2024	17	30
Pengurusan Air SPV Berhad	01/30	AAA	3.909	40	3.828	20/9/2024	8	25
Sarawak Petchem Sdn Berhad	07/30	AAA	3.982	40	3.788	21/10/2024	19	24
Danga Capital Berhad	01/33	AAA	3.985	15	4.028	7/11/2024	-4	14
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.048	20	4.069	5/11/2024	-2	21
Cagamas Berhad	05/33	AAA	4.130	40	3.839	2/9/2024	29	26
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/33	AAA	4.014	20	3.952	1/10/2024	6	15
CIMB Islamic Bank Berhad	03/34	AAA	4.087	10	4.128	29/10/2024	-4	22
CIMB Islamic Bank Berhad	07/35	AAA	4.129	40	4.028	12/9/2024	10	25
Infracap Resources Sdn Berhad	04/36	AAA	4.138	30	4.009	18/10/2024	13	26
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/38	AAA	4.133	20	4.039	16/10/2024	9	12
GENM Capital Berhad	03/27	AA1	4.730	1	4.375	15/10/2024	36	132
Sabah Credit Corporation	07/31	AA1	4.128	10	4.059	19/8/2024	7	32
YTL Corporation Berhad	09/35	AA1	4.229	10	4.200	28/6/2024	3	36
YTL Corporation Berhad	11/36	AA1	4.249	10	4.209	26/6/2024	4	38
Kuala Lumpur Kepong Berhad	03/37	AA1	4.139	10	4.061	18/10/2024	8	27
YTL Power International Berhad	10/39	AA1	4.279	10	4.275	12/11/2024	0	27
APM Automotive Holdings Berhad	08/25	AA2	4.184	1	4.360	5/6/2024	-18	89
AEON Co. (M) Berhad	08/29	AA2	4.069	30	4.062	8/11/2024	1	41
AmBank Islamic Berhad	03/32	AA3	3.946	7	3.986	6/3/2024	-4	14
AmBank Islamic Berhad	06/33	AA3	4.057	20	3.996	24/10/2024	6	19
Malaysian Resources Corporation Berhad	10/26	AA-	4.195	20	4.365	1/7/2024	-17	78
Malaysian Resources Corporation Berhad	02/27	AA-	4.206	5	4.205	8/11/2024	0	79
MY E.G. Services Berhad	03/27	AA-	5.635	1	5.458	12/8/2024	18	222
Malaysian Resources Corporation Berhad	02/29	AA-	4.337	10	4.347	4/9/2024	-1	75
DRB-Hicom Berhad	12/29	AA-	4.127	10	4.307	8/11/2024	-18	47
Power Root Berhad (fka Natural BIO Resources B	11/31	AA-	4.665	5	n/a	n/a	467	85
DRB-Hicom Berhad	11/31	AA-	4.250	4	n/a	n/a	425	44
UMW Holdings Berhad	04/18	AA-	4.165	2	4.149	28/10/2024	2	6
Alliance Bank Malaysia Berhad	10/35	A2	4.504	1	4.504	12/11/2024	0	63
WCT Holdings Berhad	11/18	A-	6.262	10	n/a	n/a	626	215
Tropicana Corporation Berhad	09/19	A-	8.802	1	9.911	16/10/2024	-111	469
				592				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
PETRONAS Dagangan Berhad	RM10bn nominal value Islamic Commercial Papers/ Islamic Medium-Term Notes Programmes	AAA/Stable/MARC-1	Affirmed
Jimah Energy Ventures Sdn Bhd	RM4.85bn Senior Islamic Medium-Term Notes Facility (2005/2025)	AA3/Stable	Withdrawn

Source: RAM, MARC

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