

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded higher on Tuesday, even as producer prices for April came in higher than expected, as downward revisions to March prints tempered the impact of the report. Benchmark yields closed lower by between 4 and 5bps for the day, with the curve shifting lower in a parallel fashion. **The benchmark 2yr UST yield was 5bps lower for the session at 4.82%, while the benchmark 10yr UST yield was also 5bps lower for the day at 4.44%.** The focus shifts over to the April CPI report tonight, which is scheduled for release alongside the April retail sales numbers.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.82	-5
5-yr UST	4.46	-5
10-yr UST	4.44	-5
30-yr UST	4.59	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	-2	3.53	0
5-yr	3.73	-1	3.70	0
7-yr	3.86	1	3.82	0
10-yr	3.91	-1	3.90	1
15-yr	4.02	-1	4.06	16
20-yr	4.19	0	4.17	2
30-yr	4.14	-13	4.27	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.63	-2
3-yr	3.66	-1
5-yr	3.74	-1
7-yr	3.85	-1
10-yr	3.96	-2

Source : Bloomberg

MGS/GII

- Local govies were better bid in trading on Tuesday, after an issuance of RM3bn of the new 20Y MGS benchmark attracted solid demand, clearing at 4.18%, with a short tail of 0.8bps and a strong BTC of 3.085x. Secondary market volume for the day surged by 55% to RM2.81bn, versus the RM1.82bn that changed hands the day before. Benchmark yields closed mixed between -2 and +2 bps for the day, except for the 30Y MGS benchmark MGS which was mismarked by odd lot trades, and the 15Y GII which corrected from previous similar mismarks. **The benchmark 5Y MGS 8/29 saw its yield fall 1bp for the session to 3.73% while the benchmark 10Y MGS 11/33 was also 1bp lower for the day at 3.91%.** Trading interest was led by newly issued benchmark 20Y MGS 5/44, while interest was also seen in the off-the-run MGS 7/26, MGS 4/30 and MGS 10/42, as well as in the benchmark 3Y MGS, 7Y GII, 10Y MGS and 15Y MGS. The market share of GII trading for the day remained low, edging up to 20% versus the 19% share seen on Monday.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a more active trading session on Tuesday, with secondary market volume for the day rising by 28% to RM884m, compared to the RM693m that traded on Monday. Trading interest for the day was again led by the AAA-rated segment of the market. In the GG universe, trading was led by PRASA 12/32 and LPPSA 4/33, which settled the day at 3.90% (-11bps versus last print) and 3.91% (+4bps) respectively. Meanwhile in the AAA space, trading interest was led by TMTech 10/24, which settled for the day at 3.58%, higher by 2bps versus where it last traded. Interest was also seen in TNB 3/33, which closed at 4.04%, 3bps higher compared to its last print. In AA territory, trading was led by MRCB 2/26 and MRCB 2/27, settling for the day at 4.37% (-62bps) and 4.38% (+6bps) respectively. Over in the A-rated segment, CIMB 3.60% Perps led trading and closed at 4.01%, 32bps lower compared to where it last traded.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.266	24	3.253	05/13/2024	1
MGS	07/24	3.236	90	3.266	05/13/2024	-3
MGS	03/25	3.324	64	3.367	05/13/2024	-4
MGS	04/26	3.455	20	3.469	05/10/2024	-1
MGS	07/26	3.523	185	3.528	05/13/2024	0
MGS	11/26	3.567	7	3.659	05/13/2024	-9
MGS	03/27	3.604	3	3.529	05/10/2024	8
MGS	05/27	3.589	106	3.614	05/13/2024	-2
MGS	11/27	3.605	15	3.666	05/10/2024	-6
MGS	04/28	3.655	17	3.684	05/13/2024	-3
MGS	06/28	3.693	31	3.706	05/13/2024	-1
MGS	04/29	3.724	71	3.718	05/10/2024	1
MGS	08/29	3.725	60	3.736	05/13/2024	-1
MGS	04/30	3.806	273	3.831	05/13/2024	-2
MGS	04/31	3.862	38	3.850	05/13/2024	1
MGS	06/31	3.862	1	3.891	05/13/2024	-3
MGS	04/32	3.881	4	3.961	05/06/2024	-8
MGS	07/32	3.891	23	3.899	05/13/2024	-1
MGS	04/33	3.924	20	3.924	05/09/2024	0
MGS	11/33	3.910	185	3.916	05/13/2024	-1
MGS	07/34	3.902	11	3.906	05/13/2024	0
MGS	05/35	3.994	7	4.005	05/13/2024	-1
MGS	04/37	4.029	26	4.063	05/13/2024	-3
MGS	06/38	4.034	23	4.036	05/13/2024	0
MGS	04/39	4.018	129	4.027	05/10/2024	-1
MGS	05/40	4.069	39	4.093	05/13/2024	-2
MGS	10/42	4.148	165	4.166	05/13/2024	-2
MGS	09/43	4.177	10	4.205	05/13/2024	-3
MGS	05/44	4.187	555	n/a	n/a	419
MGS	06/50	4.248	26	4.240	05/13/2024	1
MGS	03/53	4.145	34	4.272	05/13/2024	-13
GII	08/25	3.440	4	3.434	05/13/2024	1
GII	03/26	3.508	13	3.500	05/13/2024	1
GII	09/26	3.533	47	3.538	05/13/2024	0
GII	09/27	3.596	19	3.583	05/10/2024	1
GII	07/28	3.702	5	3.701	05/13/2024	0
GII	07/29	3.720	30	3.742	05/09/2024	-2
GII	09/30	3.817	50	3.813	05/10/2024	0
GII	10/30	3.835	2	3.817	05/10/2024	2
GII	10/31	3.804	126	3.813	05/10/2024	-1
GII	06/33	3.906	20	3.919	05/09/2024	-1
GII	08/33	3.902	30	3.895	05/10/2024	1
GII	11/34	3.914	80	3.892	05/07/2024	2
GII	10/35	3.811	1	3.997	05/13/2024	-19
GII	03/38	3.999	3	3.866	05/09/2024	13
GII	09/39	4.061	1	3.903	05/09/2024	16
GII	09/41	4.090	29	4.085	05/13/2024	0
GII	08/43	4.173	40	4.154	05/13/2024	2
GII	05/52	4.285	20	4.290	05/13/2024	0
GII	03/54	4.271	33	4.268	05/13/2024	0
			2815			

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*
Pengurusan Air SPV Berhad	09/25	GG	3.503	35	3.426	6/2/2024	8	12
Prasarana Malaysia Berhad	09/27	GG	3.668	20	3.768	26/9/2023	-10	7
Jambatan Kedua Sdn Berhad	05/30	GG	3.892	30	3.956	2/5/2024	-6	9
Prasarana Malaysia Berhad	12/32	GG	3.900	50	4.011	26/4/2024	-11	0
Lembaga Pembiayaan Perumahan Sektor Awam	04/33	GG	3.911	50	3.867	26/3/2024	4	1
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.079	10	4.099	8/5/2024	-2	5
DanaInfra Nasional Berhad	06/43	GG	4.194	10	4.109	16/1/2024	9	2
DanaInfra Nasional Berhad	05/51	GG	4.305	30	4.285	23/1/2024	2	13
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.290	20	4.304	13/5/2024	-1	12
TM Technology Services Sdn Berhad (fka Webe Di	06/24	AAA	3.526	10	3.536	3/1/2024	-1	14
TM Technology Services Sdn Berhad (fka Webe Di	10/24	AAA	3.578	110	3.553	3/1/2024	2	19
Toyota Capital Malaysia Sdn Berhad	10/24	AAA	3.743	10	3.734	13/3/2024	1	36
Cagamas Berhad	08/25	AAA	3.533	5	3.808	24/5/2023	-28	15
Bakun Hydro Power Generation Sdn Berhad (fka S	08/25	AAA	3.668	50	3.717	4/12/2023	-5	28
Danum Capital Berhad	02/26	AAA	3.700	50	3.695	17/4/2024	1	21
Bakun Hydro Power Generation Sdn Berhad (fka S	08/27	AAA	3.780	5	3.773	22/4/2024	1	18
Cagamas Berhad	12/27	AAA	3.740	5	3.764	14/3/2024	-2	6
Sarawak Energy Berhad	07/28	AAA	3.841	25	3.745	21/3/2024	10	16
Tenaga Nasional Berhad	06/29	AAA	3.880	15	3.801	26/3/2024	8	14
Infracap Resources Sdn Berhad	04/31	AAA	3.989	30	3.939	14/3/2024	5	15
Amanat Lebuhraya Rakyat Berhad	10/31	AAA	3.970	1	3.949	26/2/2024	2	13
TNB Power Generation Sdn Berhad	03/33	AAA	4.038	90	4.009	23/4/2024	3	14
Sabah Development Bank Berhad	05/27	AA1	4.183	1	4.700	9/5/2024	-52	58
Malayan Banking Berhad	01/31	AA1	3.761	10	3.713	14/3/2024	5	-8
Edra Energy Sdn Berhad	01/25	AA3	3.820	30	3.804	13/5/2024	2	43
Perbadanan Kemajuan Negeri Selangor	10/28	AA3	4.234	5	4.239	14/3/2024	0	56
Hong Leong Assurance Berhad	01/30	AA3	4.086	10	4.069	15/4/2024	2	29
AmBank Islamic Berhad	12/30	AA3	3.881	20	3.898	28/2/2024	-2	4
Malaysian Resources Corporation Berhad	02/26	AA-	4.367	60	4.986	19/10/2023	-62	88
Malaysian Resources Corporation Berhad	02/27	AA-	4.381	50	4.319	21/12/2023	6	78
MNRB Holdings Berhad	03/34	A1	4.090	1	4.250	10/5/2024	-16	17
CIMB Group Holdings Berhad	05/16	A1	4.005	20	4.326	2/11/2023	-32	-17
CIMB Group Holdings Berhad	05/16	A1	4.628	1	4.632	29/3/2024	0	45
Yinson Holdings Berhad	12/26	A+	5.147	1	4.950	10/5/2024	20	155
TG Excellence Berhad	02/20	A	5.961	1	5.205	30/4/2024	76	179
MBSB Bank Berhad (fka Asian Finance Bank Berhad	12/29	A3	4.097	1	4.219	2/5/2024	-12	30
MBSB Bank Berhad (fka Asian Finance Bank Berhad	12/31	A3	4.368	1	4.354	22/4/2024	1	49
Eco World Capital Assets	08/24	NR(LT)	7.627	4	5.690	10/5/2024	194	424
PNB Merdeka Ventures Sdn Berhad	12/26	NR(LT)	4.657	10	3.939	11/6/2021	72	106
				884				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Projek Lintasan Sungai Besi-Ulu Klang Sdn Bhd	Sukuk Wakalah Programme of up to RM2bn Bank-guaranteed Facilities of up to RM500m	A+/Stable AAA/Stable	Affirmed Affirmed
Konsortium KAJV Sdn Bhd	RM1.0 billion Sukuk Wakalah Programme	AA-/Stable	Affirmed

Source: RAM, MARC

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