

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were higher in trading on Friday, continuing the move the day before, as the market shrugged off a hotter than expected producer price report for June. Pricing of cuts continued to inch higher in the futures markets, with a rate cut in September more than fully priced in as of the market close. Benchmark yields finished lower across the curve by between 2 to 6bps, with the UST curve bull steepening. **The benchmark 2yr UST yield settled 6bps lower for the session at 4.45%, while the benchmark 10yr UST yield closed the day 3bps lower at 4.18%.** No tier-1 data on the economic calendar today in what is likely to be a volatile session with the shooting incident involving Republican candidate Donald Trump over the weekend, which is likely to result in the UST curve steepening further.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.45	-6
5-yr UST	4.10	-4
10-yr UST	4.18	-3
30-yr UST	4.40	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	-2	3.41	-1
5-yr	3.62	-1	3.59	0
7-yr	3.77	-2	3.74	-2
10-yr	3.83	-2	3.85	-2
15-yr	3.94	-2	3.97	0
20-yr	4.08	-2	4.11	0
30-yr	4.19	-1	4.22	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	-1
3-yr	3.55	-1
5-yr	3.60	-1
7-yr	3.71	-1
10-yr	3.82	-2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies traded higher on Friday in an active session, amidst overnight gains in the UST markets after the lower than expected US CPI. Secondary market volume for the day increased by 27% to RM5.71bn, compared to the RM4.49bn that traded on Thursday. Benchmark yields closed lower by between 0 and 2bps for the day. **The benchmark 5Y MGS 4/28 saw its yield decline by 1bps to 3.62% while the yield on the benchmark 10Y MGS 11/33 fell 2bps for the day to 3.83%.** Trading interest was led by the benchmark 10Y MGS, while keen interest was also seen in the benchmark 3Y GII, 5Y MGS and newly reopened 10Y GII. Trading in GIIs as a proportion of total govvy trading rose to 49% versus the 36% share seen the day before. The reopening auction of RM5bn GII 11/34 saw moderate demand, clearing at 3.819% with a decent BTC of 2.422x and a tail of 0.8bps. Nothing ahead today in terms of economic data releases domestically, until external trade on Thursday and advanced 2Q GDP on Friday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was also better bid in trading on Friday as activity picked up further, with secondary market volume rising by 26% to RM853m versus the RM678m that changed hands the day before. Trading interest was dominated by the GG segment of the market, where activity was led by LPPSA 4/40 which closed the day at 4.04% in what was a secondary market debut for the 3 month old bond. Keen interest was also seen in PTPTN 3/27, which settled at 3.55%, lower by 1bps versus its last print. Over in the AAA space, trading interest was led by PASB 10/29, which closed at 3.95%, little changed from its previously traded level. Meanwhile, trading in the AA territory was led by YTLP 3/36 which closed at 4.15%, 2bps lower versus its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.120	328	3.161	07/11/2024	-4
MGS	03/25	3.167	14	3.216	07/11/2024	-5
MGS	09/25	3.258	82	3.246	07/11/2024	1
MGS	07/26	3.368	150	3.369	07/11/2024	0
MGS	11/26	3.404	1	3.391	07/11/2024	1
MGS	05/27	3.475	163	3.497	07/11/2024	-2
MGS	11/27	3.493	147	3.517	07/11/2024	-2
MGS	04/28	3.564	40	3.587	07/11/2024	-2
MGS	06/28	3.582	133	3.594	07/11/2024	-1
MGS	04/29	3.620	38	3.628	07/11/2024	-1
MGS	08/29	3.617	228	3.630	07/11/2024	-1
MGS	04/30	3.722	89	3.726	07/11/2024	0
MGS	04/31	3.767	127	3.782	07/11/2024	-2
MGS	06/31	3.787	21	3.794	07/05/2024	-1
MGS	07/32	3.840	12	3.851	07/11/2024	-1
MGS	04/33	3.843	20	3.843	07/11/2024	0
MGS	11/33	3.826	970	3.843	07/11/2024	-2
MGS	07/34	3.832	30	3.858	07/11/2024	-3
MGS	04/37	3.952	11	3.966	07/11/2024	-1
MGS	06/38	3.968	44	3.973	07/11/2024	0
MGS	04/39	3.941	69	3.959	07/11/2024	-2
MGS	05/40	4.032	73	4.041	07/11/2024	-1
MGS	10/42	4.090	11	4.096	07/11/2024	-1
MGS	05/44	4.080	30	4.096	07/11/2024	-2
MGS	03/46	4.201	3	4.171	07/11/2024	3
MGS	07/48	4.184	11	4.190	07/10/2024	-1
MGS	06/50	4.177	16	4.186	07/11/2024	-1
MGS	03/53	4.186	41	4.198	07/11/2024	-1
GII	08/24	3.164	127	3.214	07/11/2024	-5
GII	10/24	3.172	225	3.066	07/11/2024	11
GII	08/25	3.310	25	3.270	07/11/2024	4
GII	10/25	3.278	20	3.271	07/11/2024	1
GII	09/26	3.411	375	3.419	07/11/2024	-1
GII	09/27	3.497	62	3.497	07/11/2024	0
GII	07/29	3.636	80	3.632	07/11/2024	0
GII	09/30	3.735	100	3.750	07/11/2024	-2
GII	10/30	3.758	86	3.734	07/11/2024	2
GII	10/31	3.764	50	3.771	07/11/2024	-1
GII	10/32	3.821	170	3.834	07/11/2024	-1
GII	06/33	3.836	40	3.855	07/11/2024	-2
GII	08/33	3.848	180	3.867	07/11/2024	-2
GII	11/34	3.815	823	3.871	07/10/2024	-6
GII	07/36	3.926	40	3.944	07/11/2024	-2
GII	03/38	3.975	20	3.948	07/09/2024	3
GII	09/39	3.972	50	3.976	07/11/2024	0
GII	09/41	4.051	100	4.056	07/11/2024	0
GII	08/43	4.110	70	4.108	07/11/2024	0
GII	05/47	4.167	4	4.173	07/11/2024	-1
GII	11/49	4.239	10	4.120	07/11/2024	12
GII	05/52	4.237	120	4.241	07/11/2024	0
GII	03/54	4.220	33	4.220	07/11/2024	0
			5710			

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	06/26	GG	3.506	30	3.580	7/6/2024	-7	11
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.545	140	3.557	29/5/2023	-1	6
DanaInfra Nasional Berhad	05/27	GG	3.545	10	3.761	20/3/2023	-22	6
DanaInfra Nasional Berhad	07/27	GG	3.546	40	3.577	16/1/2024	-3	6
Prasarana Malaysia Berhad	12/27	GG	3.597	70	3.547	13/3/2024	5	12
DanaInfra Nasional Berhad	04/29	GG	3.696	5	3.739	11/7/2024	-4	8
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.001	80	4.049	24/6/2024	-5	4
Prasarana Malaysia Berhad	06/39	GG	4.020	10	n/a	n/a	402	6
Prasarana Malaysia Berhad	02/40	GG	4.035	5	4.060	3/7/2024	-2	8
DanaInfra Nasional Berhad	04/40	GG	4.035	5	4.065	3/7/2024	-3	8
Lembaga Pembiayaan Perumahan Sektor Awam	04/40	GG	4.037	200	n/a	n/a	404	8
DanaInfra Nasional Berhad	05/40	GG	4.040	5	4.065	3/7/2024	-3	8
Prasarana Malaysia Berhad	08/42	GG	4.099	10	4.119	28/6/2024	-2	1
Bank Pembangunan Malaysia Berhad	12/25	AAA	3.710	5	3.683	28/2/2024	3	43
Pengurusan Air SPV Berhad	06/28	AAA	3.917	10	3.913	1/7/2024	0	35
Pengurusan Air SPV Berhad	10/29	AAA	3.949	20	3.949	11/6/2024	0	33
CIMB Islamic Bank Berhad	11/30	AAA	3.919	10	3.918	11/7/2024	0	21
Tenaga Nasional Berhad	08/32	AAA	4.154	1	3.930	19/6/2024	22	35
TNB Power Generation Sdn Berhad	03/33	AAA	3.990	3	3.998	21/6/2024	-1	17
TNB Power Generation Sdn Berhad	06/42	AAA	4.160	5	4.265	30/4/2024	-11	7
YTL Power International Berhad	05/27	AA1	3.794	20	3.795	11/7/2024	0	31
GENM Capital Berhad	05/28	AA1	4.490	1	4.551	2/7/2024	-6	92
Hong Leong Bank Berhad	06/33	AA1	4.060	1	3.958	27/6/2024	10	24
YTL Power International Berhad	03/36	AA1	4.145	85	4.163	3/7/2024	-2	31
UMW Holdings Berhad	11/26	AA+	3.828	1	3.836	13/6/2024	-1	44
Imtiaz Sukuk II Berhad	10/28	AA2	3.949	20	3.953	25/6/2024	0	38
Edra Energy Sdn Berhad	01/27	AA3	3.895	10	3.908	10/7/2024	-1	50
Edra Energy Sdn Berhad	07/27	AA3	3.925	10	3.944	20/5/2024	-2	44
AEON Credit Service (M) Berhad	02/28	AA3	3.886	20	3.919	9/7/2024	-3	32
AmBank Islamic Berhad	03/33	AA3	3.969	10	4.047	21/2/2024	-8	15
CIMB Group Holdings Berhad	12/21	A1	4.196	10	4.251	17/5/2024	-6	11
DRB-Hicom Berhad	12/14	A-	5.249	2	4.999	7/6/2024	25	116
LBS Bina Group Berhad	03/20	NR(LT)	5.374	1	5.371	11/7/2024	0	128
				<u>853</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Yinson Holdings Berhad	RM1bn Islamic Medium-Term Notes Programme (Senior Sukuk)	A+/Stable	Affirmed
	RM1bn Subordinated Perpetual Islamic Notes Programme (Perpetual Sukuk)	A-/Stable	Affirmed

Source: RAM, MARC

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