

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied in trading on Wednesday, after inflation for April came in slightly lower than expected, and US retail sales were unexpectedly flat for the month, reigniting optimism that the Fed could reduce rates sooner than was currently expected and sending UST yields to their lowest in more than a month. Benchmark yields closed lower by between 9 and 11bps for the day. **The benchmark 2yr UST yield was 9bps lower for the session at 4.72%, while the benchmark 10yr UST yield was 10bps lower for the day at 4.34%.** Housing starts and building permits for April are due later tonight, alongside industrial production and the import price index.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.72	-9
5-yr UST	4.35	-11
10-yr UST	4.34	-10
30-yr UST	4.50	-9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.57	-2	3.52	-2
5-yr	3.71	-2	3.70	0
7-yr	3.80	-6	3.78	-3
10-yr	3.88	-3	3.90	0
15-yr	4.01	0	4.02	-4
20-yr	4.19	0	4.14	-3
30-yr	4.24	10	4.27	0

* Market indicative levels

MGS/GII

- Local govies traded higher on Wednesday, as the market took cue from the overnight rise in US Treasuries and opened higher, with the buying steadily progressing through the day in an active session that produced the largest daily volume in a month. Secondary market volume for the day surged by 60% to RM4.48bn, versus the RM2.81bn that traded on Tuesday. Benchmark yields closed lower between 0 and 6bps for the day, except for the 30Y MGS benchmark MGS which corrected from previous mismarks from odd lot trades the previous day. **The benchmark 5Y MGS 8/29 saw its yield fall 2bps for the session to 3.71% while the benchmark 10Y MGS 11/33 was 3bps lower for the day at 3.88%.** Trading interest for the day was led by the benchmark 3Y MGS, while interest was also seen in the benchmark 3Y GII, 7Y GII, 10Y MGS/GII and 30Y GII, as well as in the off-the-run MGS 7/24 and MGS 9/24. The market share of GII trading for the day surged to 43% versus the 20% share seen the day before.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.62	-1
3-yr	3.64	-3
5-yr	3.70	-4
7-yr	3.80	-5
10-yr	3.92	-4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a slightly more active trading session on Wednesday, with secondary market volume for the day rising by 3% to RM910m, compared to the RM884m that changed hands the day before. Trading interest for the day was led by the GG and AA-rated segments of the market. In the GG universe, trading was led by DANA 10/32 and PRASA 3/47, which settled the day at 3.92% (-5bps versus last print) and 4.24% (+4bps) respectively. Meanwhile in the AAA space, trading interest was led by CAGA 7/24, which settled for the day at 3.51%, unchanged versus where it last traded. In AA territory, trading was led by Maybank 4.13% Perps, which closed the day at 4.01%, little changed compared to its last print. Interest was also seen in a series of Edra Energy bonds, with EDRA 7/35 registering the highest volume of trades amongst them, settling at 4.25%, lower by 2bps versus 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	3.282	30	3.266	05/14/2024	2
MGS	07/24	3.206	258	3.236	05/14/2024	-3
MGS	09/24	3.285	230	3.270	05/10/2024	2
MGS	03/25	3.350	100	3.324	05/14/2024	3
MGS	09/25	3.367	31	3.462	05/13/2024	-10
MGS	07/26	3.502	130	3.523	05/14/2024	-2
MGS	11/26	3.513	5	3.567	05/14/2024	-5
MGS	05/27	3.565	600	3.589	05/14/2024	-2
MGS	11/27	3.598	60	3.605	05/14/2024	-1
MGS	06/28	3.639	9	3.693	05/14/2024	-5
MGS	08/29	3.706	111	3.725	05/14/2024	-2
MGS	04/30	3.756	46	3.806	05/14/2024	-5
MGS	04/31	3.801	132	3.862	05/14/2024	-6
MGS	07/32	3.902	1	3.891	05/14/2024	1
MGS	04/33	3.897	85	3.924	05/14/2024	-3
MGS	11/33	3.881	318	3.910	05/14/2024	-3
MGS	07/34	3.900	50	3.902	05/14/2024	0
MGS	04/37	4.020	20	4.029	05/14/2024	-1
MGS	06/38	4.011	108	4.034	05/14/2024	-2
MGS	04/39	4.013	3	4.018	05/14/2024	0
MGS	05/40	4.056	13	4.069	05/14/2024	-1
MGS	10/42	4.137	10	4.148	05/14/2024	-1
MGS	09/43	4.155	24	4.177	05/14/2024	-2
MGS	05/44	4.188	40	4.187	05/14/2024	0
MGS	03/46	4.170	102	4.232	05/10/2024	-6
MGS	03/53	4.241	22	4.145	05/14/2024	10
GII	05/24	1.143	1	3.237	05/13/2024	-209
GII	10/25	3.397	40	3.392	05/13/2024	0
GII	03/26	3.502	20	3.508	05/14/2024	-1
GII	09/26	3.519	510	3.533	05/14/2024	-1
GII	07/29	3.699	30	3.720	05/14/2024	-2
GII	09/30	3.783	135	3.817	05/14/2024	-3
GII	10/31	3.799	140	3.804	05/14/2024	0
GII	06/33	3.900	30	3.906	05/14/2024	-1
GII	08/33	3.898	400	3.902	05/14/2024	0
GII	11/34	3.909	60	3.914	05/14/2024	-1
GII	07/36	3.978	20	4.022	05/08/2024	-4
GII	09/39	4.020	100	4.061	05/14/2024	-4
GII	09/41	4.090	92	4.090	05/14/2024	0
GII	08/43	4.143	50	4.173	05/14/2024	-3
GII	05/47	4.208	119	4.244	05/13/2024	-4
GII	05/52	4.270	40	4.285	05/14/2024	-2
GII	03/54	4.268	160	4.271	05/14/2024	0
			4484			

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	06/24	GG	3.362	40	3.260	28/12/2023	10	-2
DanaInfra Nasional Berhad	02/28	GG	3.716	10	3.560	25/3/2024	16	6
Prasarana Malaysia Berhad	09/28	GG	3.744	30	3.648	26/2/2024	10	8
Lembaga Pembiayaan Perumahan Sektor Awam	08/29	GG	3.778	40	3.827	6/12/2023	-5	7
DanaInfra Nasional Berhad	10/32	GG	3.921	100	3.967	16/4/2024	-5	6
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.060	10	4.079	14/5/2024	-2	4
Prasarana Malaysia Berhad	03/47	GG	4.235	100	4.199	16/4/2024	4	8
Cagamas Berhad	07/24	AAA	3.509	50	3.508	6/5/2024	0	13
Amanat Lebuhraya Rakyat Berhad	10/24	AAA	4.062	5	3.503	19/4/2024	56	68
Bank Simpanan Nasional Berhad	10/24	AAA	3.633	10	3.792	2/5/2023	-16	25
Danga Capital Berhad	01/28	AAA	3.803	15	3.792	17/4/2024	1	14
Small Medium Enterprise Development Bank Mal.	05/28	AAA	3.987	10	4.033	3/8/2023	-5	33
CIMB Islamic Bank Berhad	03/31	AAA	4.008	20	4.048	13/5/2024	-4	19
Sarawak Energy Berhad	04/31	AAA	3.983	30	3.978	7/5/2024	0	17
Bakun Hydro Power Generation Sdn Berhad (fka S	08/31	AAA	4.015	15	3.959	22/3/2024	6	20
Pengurusan Air SPV Berhad	02/33	AAA	4.048	1	4.019	25/4/2024	3	17
CIMB Islamic Bank Berhad	03/34	AAA	4.069	20	4.098	13/5/2024	-3	17
Danum Capital Berhad	02/35	AAA	4.130	30	3.981	19/3/2024	15	24
Bank Pembangunan Malaysia Berhad	11/35	AAA	4.208	20	4.284	6/9/2023	-8	31
Westports Malaysia Berhad	05/39	AAA	4.169	10	4.240	13/5/2024	-7	15
TNB Power Generation Sdn Berhad	03/43	AAA	4.219	10	4.248	13/5/2024	-3	7
YTL Power International Berhad	03/30	AA1	4.022	10	3.898	14/2/2024	12	24
YTL Power International Berhad	08/35	AA1	4.139	10	4.179	7/5/2024	-4	24
YTL Power International Berhad	03/37	AA1	4.199	20	4.220	22/4/2024	-2	18
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.759	1	3.753	8/5/2024	1	38
AmBank (M) Berhad	11/26	AA2	3.875	15	3.856	26/3/2024	2	39
OSK Rated Bond Sdn Berhad	09/30	AA	4.078	20	4.098	30/4/2024	-2	30
Edra Energy Sdn Berhad	01/25	AA3	3.812	10	3.820	14/5/2024	-1	43
AEON Credit Service (M) Berhad	12/28	AA3	4.031	15	4.077	2/5/2024	-5	33
Edra Energy Sdn Berhad	01/35	AA3	4.228	10	4.249	26/2/2024	-2	33
Edra Energy Sdn Berhad	07/35	AA3	4.249	40	4.269	24/4/2024	-2	35
Edra Energy Sdn Berhad	01/37	AA3	4.302	20	4.338	9/5/2024	-4	28
Edra Energy Sdn Berhad	07/37	AA3	4.313	5	4.360	24/4/2024	-5	29
Malayan Banking Berhad	02/17	AA3	4.014	120	4.017	10/5/2024	0	-14
Quantum Solar Park (Semenanjung) Sdn Berhad	04/26	AA-	4.038	15	4.155	9/8/2023	-12	55
Guan Chong Berhad	12/27	AA-	4.347	10	4.287	20/3/2024	6	69
Jimah East Power Sdn Berhad	12/31	AA-	4.430	10	4.378	19/3/2024	5	57
DRB-Hicom Berhad	12/29	A+	4.841	1	4.698	29/4/2024	14	106
Tropicana Corporation Berhad	09/19	A-	12.136	2	5.724	14/5/2024	641	798
				<u>910</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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