

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower for a fifth straight session on Friday amid caution that the sticky inflationary pressure could lead the Fed to deliver a hawkish cut in the week ahead, with the futures markets pointing to a 93% chance of a 25bps reduction in the Funds Rate (prior day: 95%). Benchmark yields rose between 5 to 7bps for the day, with the curve continuing to bear steepen. The **benchmark 2Y UST yield rose 5bps to 4.24%, while the benchmark 10Y UST yield climbed 7bps for the day to 4.40%**. All eyes will be on the S&P Global preliminary December US Manufacturing and Services PMIs today, which may provide a glimpse on how the economy is doing as we approach the end of 4Q.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.24	5
5-yr UST	4.25	7
10-yr UST	4.40	7
30-yr UST	4.60	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	0	3.35	0
5-yr	3.62	1	3.63	1
7-yr	3.78	0	3.77	1
10-yr	3.82	1	3.82	1
15-yr	3.95	1	3.95	1
20-yr	4.05	0	4.09	-4
30-yr	4.18	-3	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	1
3-yr	3.52	2
5-yr	3.54	2
7-yr	3.62	1
10-yr	3.72	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies traded lower on Friday in a quieter trading session to end the week. Secondary market volume declined by 39% to RM3.73bn from the RM6.14bn that traded on Thursday. Overall benchmark yields ended the day mixed between -4 to +1bps (prior: 0 to +4bps). **The benchmark 5Y MGS 8/29 yield rose 1bp to 3.62% while the yield on the benchmark 10Y MGS 7/34 was also 1bp higher for the day at 3.82%**. Trading activity for the day was led by the benchmark 5Y MGS, while decent interest was also seen in the off-the-run MGS 3/25 and GII 10/25, as well as the benchmark 5Y GII and 7Y MGS. The share of GII trading for the day receded further to 35% of overall govovies trading from the 45% seen the previous session. There are no domestic economic releases scheduled for the day ahead.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading on Friday in a lighter session to close the week, with secondary market volume for the day plunging by 64% to RM238m versus the RM667m that changed hands on Thursday. Trading for the day was led by the AAA-rated segment of the market. In the GG universe, activity was led by LPPSA 4/28, which closed at 3.72%, 6bps lower versus where it last traded. In the AAA space, trading was led by CAGA 10/28, which settled at 3.88%, 9bps higher versus its last print. In the AA-rated segment, interest was led by GENCAP 5/29, which closed at 4.89%, a whopping 35bps higher compared to where the bond last traded. In the A-rated arena, trading was led by CIMB 4.75% Perps, which settled the day at 4.20%, 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	03/25	3.146	644	3.146	12/12/2024	0
MGS	09/25	3.210	9	3.345	12/12/2024	-14
MGS	04/26	3.345	22	3.365	12/12/2024	-2
MGS	07/26	3.365	159	3.496	12/12/2024	-13
MGS	11/26	3.463	13	3.540	12/12/2024	-8
MGS	05/27	3.496	14	3.549	12/12/2024	-5
MGS	11/27	3.540	3	3.569	12/12/2024	-3
MGS	06/28	3.549	682	3.610	12/12/2024	-6
MGS	04/29	3.569	54	3.633	12/12/2024	-6
MGS	08/29	3.610	325	3.770	12/12/2024	-16
MGS	04/30	3.633	1	3.764	12/12/2024	-13
MGS	04/31	3.770	1	3.780	12/12/2024	-1
MGS	07/32	3.764	20	3.813	12/12/2024	-5
MGS	04/33	3.780	84	3.804	12/12/2024	-2
MGS	11/33	3.813	1	3.790	12/12/2024	2
MGS	07/34	3.804	1	3.920	12/12/2024	-12
MGS	05/35	3.920	90	3.965	12/12/2024	-4
MGS	04/37	3.965	77	3.934	12/12/2024	3
MGS	06/38	3.934	30	3.974	12/12/2024	-4
MGS	04/39	3.974	1	4.071	12/12/2024	-10
MGS	05/40	4.071	8	4.055	12/09/2024	2
MGS	10/42	4.043	140	4.043	12/12/2024	0
MGS	05/44	4.087	1	4.126	12/11/2024	-4
MGS	10/25	4.075	5	4.075	12/12/2024	0
MGS	09/26	4.211	21	4.211	12/12/2024	0
GII	10/25	3.269	570	3.247	12/12/2024	1
GII	03/26	3.339	120	3.323	12/12/2024	-1
GII	06/27	3.414	20	3.419	12/04/2024	1
GII	07/27	3.429	54	3.448	12/11/2024	0
GII	09/27	3.468	20	3.459	12/12/2024	0
GII	07/29	3.626	198	3.611	12/12/2024	0
GII	10/30	3.707	5	3.675	12/11/2024	1
GII	10/31	3.770	20	3.761	12/12/2024	0
GII	08/33	3.827	40	3.823	12/12/2024	0
GII	11/34	3.824	100	3.810	12/12/2024	0
GII	10/35	3.849	50	3.844	12/12/2024	0
GII	07/36	3.917	43	3.911	12/12/2024	0
GII	09/39	3.954	22	3.945	12/11/2024	1
GII	09/41	4.033	10	4.066	12/12/2024	0
GII	08/43	4.086	50	4.122	12/12/2024	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*
Lembaga Pembiayaan Perumahan Sektor Awam	04/28	GG	3.717	30	3.775	12/7/2023	-6	25
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.015	20	4.040	2/12/2024	-3	7
Lembaga Pembiayaan Perumahan Sektor Awam	09/39	GG	4.020	20	4.023	11/12/2024	0	8
Toyota Capital Malaysia Sdn Berhad	01/28	AAA	3.907	10	3.775	6/9/2024	13	44
Cagamas Berhad	10/28	AAA	3.880	45	3.795	2/10/2024	9	33
Tenaga Nasional Berhad	11/28	AAA	3.837	10	3.911	10/9/2024	-7	29
Danum Capital Berhad	08/34	AAA	4.018	20	4.009	6/12/2024	1	21
Danum Capital Berhad	02/35	AAA	4.018	20	4.009	21/11/2024	1	21
Projek Lebuhraya Usahasama Berhad	01/36	AAA	3.979	10	3.999	11/12/2024	-2	17
YTL Power International Berhad	05/27	AA1	3.959	1	4.381	10/12/2024	-42	59
GENM Capital Berhad	05/28	AA1	4.845	10	4.807	10/12/2024	4	138
GENM Capital Berhad	05/29	AA1	4.894	20	4.545	6/12/2024	35	135
CIMB Group Holdings Berhad	05/16	A1	4.433	1	4.226	10/7/2024	21	38
SUNREIT Perpetual Bond Berhad	04/19	A1	4.399	1	4.400	10/12/2024	0	35
CIMB Group Holdings Berhad	12/21	A1	4.198	20	4.221	11/11/2024	-2	15
Affin Islamic Bank Berhad	10/18	A3	4.750	1	4.393	14/11/2024	36	70
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* The spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UEM Edgenta	Islamic Medium-Term Notes (IMTN) under its RM1bn Sukuk Murabahah Programme	AA/Stable	Upgraded
Sime Darby Property Berhad	RM4.5bn Islamic Medium-Term Notes (IMTN) Programme (Sukuk Musharakah)	AA/Stable	Affirmed
Sunway Healthcare Treasury Sdn Bhd	Islamic Medium-Term Notes (Sukuk Wakalah) Programme of up to RM5bn	AA/Stable	Affirmed
Credit Guarantee and Investment Facility	Insurer Financial Strength Ratings	AAA/Stable/P1	Affirmed

Source: RAM, MARC

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