

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were little changed in trading on Monday amidst mixed economic data, with the preliminary US December PMIs suggesting that manufacturing remained sluggish while the services sector continues to remain healthy. Benchmark yields were little changed for the day, and so was the UST curve. **The benchmark 2Y UST yield was little changed at 4.25%, while the benchmark 10Y UST yield was also flat for the day to 4.40%.** Tonight sees the release of November retail sales and industrial production numbers, alongside the latest NAHB Housing Market index, as we approach the key FOMC meeting the day after, where the Fed is expected to deliver a further 25bps reduction in its policy rate.

MGS/GII

- Local govovies were weaker in a quieter trading session to start the week on Monday. Secondary market volume declined by 46% to RM2.01bn from the RM3.73bn that changed hands on Friday. Overall benchmark yields ended the day mixed between -3 to +2bps (prior: -4 to +1bp). **The benchmark 5Y MGS 8/29 yield rose 1bp to 3.63% while the yield on the benchmark 10Y MGS 7/34 was little changed for the day at 3.82%.** Trading activity for the day was led by the off-the-run GII 8/33, while decent interest was also seen in the benchmark 5Y MGS, 7Y MGS and 10Y GII, as well as in the off-the-run MGS 3/25, GII 8/25 and MGS 10/35. The share of GII trading for the day rose to 46% of overall govovies trading from the 35% seen on Friday. There are no domestic economic releases scheduled for the day ahead.

Corp Bonds/Sukuk

- In contrast to the government bond markets, it was a busier session in the corporate bond/sukuk market on Monday, with secondary market volume for the day rising by 42% to RM339m versus the RM238m that traded on Friday. There were no GG trades for the day, and activity for the day was led by the AAA-rated segment of the market, where trading was led by SPETCHEM 7/30 and AIRSEL 10/31, which settled the day at 3.94% (-4bps from last print) and 3.99% (+14bps) respectively. In the AA-rated segment, interest was led by PKNS 10/28, which closed at 4.05%, 3bps higher compared to where the bond last traded. In the A-rated arena, trading was led by BIMB 10/30, which settled the day at 3.77%, little changed versus its last print.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.25	0
5-yr UST	4.26	1
10-yr UST	4.40	0
30-yr UST	4.60	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	2	3.35	0
5-yr	3.63	1	3.60	-3
7-yr	3.78	0	3.77	0
10-yr	3.82	0	3.84	1
15-yr	3.96	1	3.96	0
20-yr	4.05	0	4.09	1
30-yr	4.18	0	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	0
3-yr	3.53	1
5-yr	3.56	2
7-yr	3.64	2
10-yr	3.74	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.129	156	3.187	12/13/2024	-6
MGS	09/25	3.247	100	3.210	12/12/2024	4
MGS	07/26	3.380	1	3.348	12/13/2024	3
MGS	09/26	3.365	1	3.988	11/27/2024	-62
MGS	11/26	3.392	11	3.358	12/13/2024	3
MGS	05/27	3.480	61	3.463	12/13/2024	2
MGS	11/27	3.508	22	3.508	12/13/2024	0
MGS	04/28	3.550	2	3.550	12/13/2024	0
MGS	06/28	3.576	3	3.574	12/13/2024	0
MGS	08/29	3.633	202	3.621	12/13/2024	1
MGS	04/31	3.775	193	3.775	12/13/2024	0
MGS	06/31	3.778	2	3.771	12/13/2024	1
MGS	07/32	3.785	4	3.781	12/13/2024	0
MGS	11/33	3.838	10	3.828	12/13/2024	1
MGS	07/34	3.815	9	3.815	12/13/2024	0
MGS	05/35	3.827	3	3.821	12/13/2024	1
MGS	04/37	3.935	1	3.935	12/13/2024	0
MGS	06/38	3.971	50	3.966	12/13/2024	0
MGS	04/39	3.955	1	3.948	12/13/2024	1
MGS	05/40	3.980	3	3.975	12/13/2024	0
MGS	10/42	4.051	100	4.046	12/13/2024	0
MGS	09/43	4.054	70	4.065	12/13/2024	-1
MGS	06/50	4.153	61	4.153	12/13/2024	0
MGS	03/53	4.178	20	4.183	12/13/2024	0
GII	08/25	3.251	140	3.260	12/12/2024	-1
GII	03/26	3.338	30	3.339	12/13/2024	0
GII	10/28	3.616	1	3.574	12/12/2024	4
GII	07/29	3.596	37	3.626	12/13/2024	-3
GII	09/30	3.704	20	3.699	12/12/2024	1
GII	10/30	3.705	30	3.707	12/13/2024	0
GII	10/31	3.770	10	3.770	12/13/2024	0
GII	08/33	3.842	260	3.827	12/13/2024	2
GII	11/34	3.837	218	3.824	12/13/2024	1
GII	10/35	3.855	120	3.849	12/13/2024	1
GII	09/39	3.957	2	3.954	12/13/2024	0
GII	09/41	4.037	60	4.033	12/13/2024	0
		<u>2012</u>				

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*
Toyota Capital Malaysia Sdn Berhad	02/26	AAA	3.725	10	3.772	25/6/2024	-5	46
Small Medium Enterprise Development Bank Mal	07/26	AAA	3.888	21	3.802	2/7/2024	9	51
Sarawak Energy Berhad	11/28	AAA	3.848	20	3.892	11/11/2024	-4	30
Bank Pembangunan Malaysia Berhad	12/28	AAA	3.868	10	3.865	29/11/2024	0	32
Sarawak Petchem Sdn Berhad	07/29	AAA	3.898	30	3.907	26/11/2024	-1	27
Sarawak Petchem Sdn Berhad	07/30	AAA	3.938	40	3.982	13/11/2024	-4	24
Pelaburan Hartanah Berhad	09/31	AAA	3.986	30	3.974	11/12/2024	1	21
Pengurusan Air Selangor Sdn Berhad	10/31	AAA	3.986	40	3.845	30/8/2024	14	21
YTL Power International Berhad	05/27	AA1	3.726	10	3.959	13/12/2024	-23	35
YTL Corporation Berhad	06/34	AA1	4.128	10	4.143	2/12/2024	-1	31
Sime Darby Property Berhad	12/27	AA+	3.856	10	3.846	20/11/2024	1	38
RHB Bank Berhad	09/32	AA2	4.398	2	4.005	21/11/2024	39	61
SP Setia Berhad	06/28	AA	3.924	10	3.918	3/7/2024	1	37
SP Setia Berhad	04/29	AA	3.997	10	3.992	10/12/2024	0	45
Affin Islamic Bank Berhad	12/25	AA3	3.736	10	3.740	4/12/2024	0	47
Edra Energy Sdn Berhad	01/26	AA3	11.566	1	3.749	4/10/2024	782	830
Perbadanan Kemajuan Negeri Selangor	10/28	AA3	4.047	30	4.019	2/8/2024	3	50
Exsim Capital Resources Berhad	06/29	AA3	4.443	1	4.637	13/12/2024	-19	89
Farm Fresh Berhad (fka The Holstein Milk Compa	05/26	AA-	3.906	10	4.002	18/4/2024	-10	64
Malaysian Resources Corporation Berhad	08/27	AA-	4.196	2	5.068	18/10/2023	-87	72
Southern Power Generation Sdn Berhad	04/28	AA-	3.917	10	3.986	27/3/2024	-7	45
Malaysian Resources Corporation Berhad	10/28	AA-	4.277	10	4.307	2/12/2024	-3	73
Bank Islam Malaysia Berhad	10/30	A1	3.766	10	3.771	28/11/2024	0	6
Hong Leong Bank Berhad	11/17	A1	3.830	1	4.391	10/12/2024	-56	-22
JB Cocoa Sdn Berhad	11/27	A+	5.215	1	5.216	12/12/2024	0	174
				339				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Pembangunan Malaysia Berhad	Financial Institution Ratings RM7bn Conventional MTN and/or Islamic Murabahah MTN Programmes (2006/2036)	AAA/Stable/P1 AAA/Stable	Affirmed Affirmed
Bank of China (Malaysia) Berhad	Financial Institution Ratings	AAA/Stable/P1	Upgraded

Source: RAM, MARC

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