

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were lower in trading in a bear steepening move, as the market continued to focus on the increased chances of Republican candidate Trump winning the US election amidst US equity markets giving up recent gains. The Fed's Daly was also on the wires, mentioning that some recent data has been "really good" but the central bank hasn't yet achieved price stability. Benchmark yields finished higher across the curve by between 1 to 3bps for the day. **The benchmark 2yr UST yield was 1bp higher for the session at 4.45%, while the benchmark 10yr UST yield closed the day 2bps higher at 4.18%.** There are no economic data releases for the day ahead.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.45	1
5-yr UST	4.09	1
10-yr UST	4.18	2
30-yr UST	4.40	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	0	3.40	-48
5-yr	3.60	0	3.57	0
7-yr	3.75	-2	3.72	0
10-yr	3.80	2	3.83	0
15-yr	3.95	0	3.95	0
20-yr	4.07	0	4.09	1
30-yr	4.18	0	4.21	1

* Market indicative levels

MGS/GII

- Local govovies were mixed in trading on Thursday, amidst exports for June coming in south of expectations and a wider trade balance which was driven by a larger decline in imports. Secondary market volume for the day inched lower by 2% to RM5.55bn, compared to the RM5.69bn that traded on Wednesday. Benchmark yields closed mixed by between -2 and +2bps for the day, with the exception of the 3yr GII, which corrected from the mismatch the day before. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.60% while the yield on the benchmark 10Y MGS 11/33 was 2bps higher at 3.80%.** Trading interest was led by the benchmark 5Y MGS, while keen interest was also seen in the off-the-run GII 10/25, GII 10/32, GII 6/33, GII 8/33 and MGS 9/24, as well as in the benchmark 3Y MGS and 7Y MGS. Trading in GIIs as a proportion of total govvy trading inched higher to 51%, from the 49% share seen the day before. RM3bn of the benchmark 15Y MGS 4/39 will be auctioned later today, while also scheduled for release is the advanced reading of Malaysia 2Q GDP.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	1
3-yr	3.50	-2
5-yr	3.54	-2
7-yr	3.64	-1
10-yr	3.75	-1

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening auction of RM3bn of the benchmark 15Y MGS 4/39 (with an additional RM2bn to be privately placed) on Friday, 19 July

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Wednesday, with secondary market volume rising further by 39% to RM876m versus the RM631m that changed hands the previous session. Trading interest was led by the AA-rated segment of the market. In the GG universe, activity was again led by LPPSA 4/39 which closed the day at 4.01%, little changed from where it traded the day before. Over in the AAA space, trading interest dominated by CAGA 10/26, which settled the day at 3.69%, unchanged for the day. Meanwhile in the AA territory, interest was led by YTLP 3/36, which closed at 4.10%, 3bps lower compared to where it last changed hands the previous day. In the A-rated segment, MNRB 3/34 led runners for the day and settled at 4.06%, 14bps lower than its previous trade yesterday.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.178	211	3.125	07/16/2024	5
MGS	03/25	3.169	171	3.193	07/17/2024	-2
MGS	09/25	3.267	191	3.251	07/17/2024	2
MGS	04/26	3.341	1	3.346	07/17/2024	0
MGS	07/26	3.369	90	3.356	07/17/2024	1
MGS	11/26	3.383	10	3.381	07/17/2024	0
MGS	05/27	3.464	230	3.464	07/17/2024	0
MGS	11/27	3.484	75	3.485	07/17/2024	0
MGS	04/29	3.599	1	3.607	07/17/2024	-1
MGS	08/29	3.597	996	3.593	07/17/2024	0
MGS	04/30	3.716	4	3.715	07/17/2024	0
MGS	04/31	3.745	251	3.766	07/17/2024	-2
MGS	06/31	3.761	30	3.775	07/17/2024	-1
MGS	07/32	3.805	10	3.805	07/17/2024	0
MGS	04/33	3.826	41	3.830	07/17/2024	0
MGS	11/33	3.802	44	3.786	07/17/2024	2
MGS	07/34	3.797	42	3.801	07/17/2024	0
MGS	05/35	3.845	110	3.867	07/17/2024	-2
MGS	04/37	3.931	1	3.926	07/17/2024	0
MGS	06/38	3.970	111	3.982	07/17/2024	-1
MGS	04/39	3.950	23	3.947	07/17/2024	0
MGS	05/40	4.029	20	4.030	07/17/2024	0
MGS	10/42	4.081	10	4.085	07/17/2024	0
MGS	05/44	4.072	20	4.076	07/16/2024	0
MGS	03/46	4.183	1	4.154	07/16/2024	3
MGS	06/50	4.173	7	4.065	07/17/2024	11
MGS	03/53	4.183	1	4.180	07/17/2024	0
GII	08/24	3.199	70	3.208	07/16/2024	-1
GII	10/24	3.190	50	3.181	07/17/2024	1
GII	10/25	3.281	410	3.294	07/17/2024	-1
GII	09/26	3.397	95	3.397	07/17/2024	0
GII	07/28	3.572	130	3.572	07/17/2024	0
GII	10/28	3.581	16	3.601	07/15/2024	-2
GII	07/29	3.602	150	3.605	07/17/2024	0
GII	09/30	3.716	170	3.716	07/17/2024	0
GII	10/30	3.718	40	3.727	07/17/2024	-1
GII	10/31	3.752	60	3.740	07/17/2024	1
GII	10/32	3.806	390	3.814	07/17/2024	-1
GII	06/33	3.834	370	3.831	07/17/2024	0
GII	08/33	3.830	370	3.828	07/17/2024	0
GII	11/34	3.801	170	3.798	07/17/2024	0
GII	10/35	3.862	40	3.890	07/16/2024	-3
GII	08/37	3.935	20	3.964	07/16/2024	-3
GII	09/41	4.044	40	4.048	07/17/2024	0
GII	08/43	4.093	130	4.083	07/17/2024	1
GII	05/52	4.230	80	4.229	07/17/2024	0
GII	03/54	4.206	50	4.200	07/17/2024	1
			5553			

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*
DanaInfra Nasional Berhad	05/30	GG	3.729	20	4.170	10/1/2023	-44	4
DanaInfra Nasional Berhad	04/33	GG	3.855	40	3.909	6/6/2024	-5	6
DanaInfra Nasional Berhad	10/33	GG	3.861	20	3.940	24/5/2024	-8	7
Prasarana Malaysia Berhad	12/33	GG	3.858	10	4.381	13/9/2022	-52	6
Malaysia Rail Link Sdn Berhad	07/35	GG	3.970	10	3.970	15/7/2024	0	17
DanaInfra Nasional Berhad	04/37	GG	3.949	20	3.995	28/6/2024	-5	-1
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.005	80	4.008	17/7/2024	0	5
Lembaga Pembiayaan Perumahan Sektor Awam	11/43	GG	4.122	10	4.131	17/7/2024	-1	5
DanaInfra Nasional Berhad	05/46	GG	4.159	10	4.199	16/5/2024	-4	8
DanaInfra Nasional Berhad	07/49	GG	4.199	30	n/a	n/a	420	12
Cagamas Berhad	09/24	AAA	3.448	15	3.488	28/6/2024	-4	17
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.560	10	3.648	19/4/2024	-9	29
Putrajaya Holdings Sdn Berhad	05/26	AAA	3.729	20	4.007	13/3/2023	-28	35
Cagamas Berhad	10/26	AAA	3.692	100	3.690	17/7/2024	0	31
TM Technology Services Sdn Berhad (fka Webe Di	09/27	AAA	3.765	10	3.805	24/6/2024	-4	30
TM Technology Services Sdn Berhad (fka Webe Di	10/28	AAA	3.846	10	3.862	3/7/2024	-2	30
Toyota Capital Malaysia Sdn Berhad	02/30	AAA	3.980	10	4.018	26/6/2024	-4	30
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.839	10	3.869	15/7/2024	-3	15
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.882	20	3.947	5/7/2024	-6	20
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.888	20	3.939	4/7/2024	-5	20
Petroleum Sarawak Exploration & Production Sdr	03/31	AAA	3.898	10	3.918	24/6/2024	-2	15
Sarawak Energy Berhad	06/35	AAA	4.009	10	4.020	20/6/2024	-1	21
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.011	10	4.049	27/6/2024	-4	21
Pengurusan Air Selangor Sdn Berhad	04/38	AAA	4.049	40	4.150	31/5/2024	-10	9
Tenaga Nasional Berhad	08/40	AAA	4.197	1	4.125	2/7/2024	7	24
YTL Power International Berhad	08/29	AA1	3.895	40	3.901	10/7/2024	-1	30
Kuala Lumpur Kepong Berhad	09/29	AA1	3.863	25	3.868	20/6/2024	0	27
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.800	3	3.785	18/6/2024	1	12
Hong Leong Bank Berhad	06/34	AA1	3.936	3	3.963	17/7/2024	-3	13
YTL Power International Berhad	08/35	AA1	4.069	10	4.100	25/6/2024	-3	27
YTL Power International Berhad	03/36	AA1	4.100	60	4.128	17/7/2024	-3	30
YTL Power International Berhad	08/38	AA1	4.155	10	4.158	16/7/2024	0	20
Sime Darby Property Berhad	12/27	AA+	3.892	10	3.878	4/7/2024	1	42
Imtiaz Sukuk II Berhad	04/26	AA2	3.804	10	3.999	30/11/2023	-20	43
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA	3.791	25	3.797	17/7/2024	-1	41
SP Setia Berhad	06/28	AA	3.922	30	3.918	11/7/2024	0	37
OSK Rated Bond Sdn Berhad	03/29	AA	3.916	10	3.949	22/3/2024	-3	32
SP Setia Berhad	06/30	AA	3.957	10	3.982	3/7/2024	-3	27
AEON Credit Service (M) Berhad	12/28	AA3	3.918	40	3.962	14/6/2024	-4	37
AmBank (M) Berhad	10/32	AA3	4.791	1	3.627	29/5/2024	116	102
AmBank (M) Berhad	06/33	AA3	4.305	1	4.050	15/7/2024	26	51
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.254	20	4.296	25/3/2024	-4	88
MNRB Holdings Berhad	03/34	A1	4.060	20	4.200	17/7/2024	-14	26
Hong Leong Bank Berhad	11/17	A1	4.002	1	3.955	12/6/2024	5	-7
Alliance Bank Malaysia Berhad	10/30	A2	4.833	1	4.200	17/7/2024	63	115
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.137	1	4.174	4/7/2024	-4	39
DRB-Hicom Berhad	12/14	A-	5.981	1	5.182	15/7/2024	80	191
WCT Holdings Berhad	03/19	A-	5.406	2	5.407	16/7/2024	0	133
				<u>876</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Northern Gateway Infrastructure Sdn Bhd	RM340m MTN Programme (2017/2034)	AA1/Stable	Affirmed

Source: RAM, MARC

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