

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended higher for the first day in four in a quiet Monday session as the euphoria surrounding Trump's win started to fizzle out while markets shifted their focus to Trump's cabinet line-up and its policy implications. UST reversed losses in early trading hours to end the day higher, pushing yields down 1-3bps across the curve. **The benchmark 2Y UST note yield eased 2bps for the day to 4.28% while the benchmark 10Y UST bond yield fell 3bps to 4.41%, after testing the 4.50% resistance level again.** In a release yesterday, total foreign holdings of US treasuries rose for the fifth straight month in September, in line with the rally in government bonds. Foreign holdings of UST rose \$169.5bn to \$8.67 trillion, thanks to increases from the UK, Luxembourg and Belgium, offsetting declines from its two largest holders, namely Japan (-\$5.9bn to \$1.12 trillion) and China (-\$2.6bn to \$772bn). Tonight, focus will be on US housing starts and building permits where we will likely see another weak print amid hurricane distortion.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.28 | -2 |
| 5-yr UST | 4.28 | -3 |
| 10-yr UST | 4.41 | -3 |
| 30-yr UST | 4.61 | -1 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.51 | -1 | 3.43 | 0 |
| 5-yr | 3.65 | -2 | 3.66 | -1 |
| 7-yr | 3.80 | -2 | 3.81 | -1 |
| 10-yr | 3.86 | -2 | 3.87 | -1 |
| 15-yr | 3.98 | -2 | 3.98 | -3 |
| 20-yr | 4.08 | -2 | 4.10 | -5 |
| 30-yr | 4.19 | -1 | 4.19 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.58 | 0 |
| 3-yr | 3.52 | 0 |
| 5-yr | 3.56 | 0 |
| 7-yr | 3.65 | 0 |
| 10-yr | 3.76 | 0 |

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govvnies traded firmer for a 2nd straight day on Monday amid sustained momentum with RM3.19bn dealt (prior: RM3.12bn), of which GII trades gained traction to form 40% of overall volume transacted for the day, doubled from prior day's 20%. Reopening sale of RM4.5bn 5Y GII 7/29 took center stage with RM326m done, last at 3.66% (-1bps). This debt sale attracted decent demand with a BTC of 2.005x at an average yield of 3.657%. Other papers that dominated trades for the day include off the runs GII 8/43 (RM250m), MGS 3/25 (RM952m) and MGS 9/25 (RM204m). Overall benchmark yields fell across the board by 1-5bps on the day (prior: -1 to +4bps). **The benchmark 5Y MGS 8/29 yield edged 2bps lower to 3.65% while the yield on the benchmark 10Y MGS 7/34 also slipped 2bps to 3.86%.** Today's focus will be on the release of October trade data where we expect a modest rebound from the marginal decline in September.

Corp Bonds/Sukuk

- The corporate bond/sukuk market saw softer trading momentum for the first in three days on Monday with secondary market volume retreated to RM549m (prior: RM731m). More than 90% of trading volume was dominated by the AAA- to AA-rated segment and was traded on a mixed note. In the AAA-rated segment, TNBPG '6/37 and '3/38 saw RM60m changed hands each, at 4.11% (+2bps) and 4.13% (unchanged) respectively while in the AA-rated segment, DRB Hicom '12/29, '8/30 and '8/31 collectively saw RM83m transacted at between 4.13-4.27% (0-9bps higher), followed by Press Metal '12/28 and '10/29, at 3.99% and 4.04% respectively. The financial space was also rather active with names like RHB Bank '11/28, Public Islamic '7/32, UOB Bank '2/34, AmBank '3/32 and Alliance Bank '10/35 all made its way to the list.

Daily Trades: Government Bond

| Securities | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (mm/dd/yyyy) | Chg (bp) |
|------------|----------------|-----------------|-----------------|--|-------------|
| MGS 03/25 | 3.14 | 952 | 3.16 | 11/15/2024 | -2 |
| MGS 09/25 | 3.30 | 204 | 3.30 | 11/15/2024 | 0 |
| MGS 04/26 | 3.38 | 6 | 3.38 | 11/15/2024 | 0 |
| MGS 07/26 | 3.39 | 1 | 3.40 | 11/15/2024 | 0 |
| MGS 11/26 | 3.39 | 49 | 3.43 | 11/15/2024 | -5 |
| MGS 05/27 | 3.51 | 1 | 3.52 | 11/15/2024 | -1 |
| MGS 11/27 | 3.51 | 117 | 3.56 | 11/15/2024 | -5 |
| MGS 04/28 | 3.58 | 2 | 3.60 | 11/15/2024 | -2 |
| MGS 06/28 | 3.61 | 32 | 3.60 | 11/15/2024 | 1 |
| MGS 04/29 | 3.58 | 2 | 3.65 | 11/15/2024 | -7 |
| MGS 08/29 | 3.65 | 30 | 3.67 | 11/15/2024 | -2 |
| MGS 04/30 | 3.70 | 5 | 3.74 | 11/15/2024 | -3 |
| MGS 04/31 | 3.80 | 91 | 3.83 | 11/15/2024 | -2 |
| MGS 07/32 | 3.84 | 52 | 3.87 | 11/15/2024 | -3 |
| MGS 04/33 | 3.88 | 69 | 3.90 | 11/14/2024 | -2 |
| MGS 11/33 | 3.89 | 89 | 3.92 | 11/15/2024 | -3 |
| MGS 07/34 | 3.86 | 26 | 3.88 | 11/15/2024 | -2 |
| MGS 05/35 | 3.93 | 2 | 3.94 | 11/15/2024 | -1 |
| MGS 04/37 | 3.99 | 49 | 4.00 | 11/15/2024 | -1 |
| MGS 06/38 | 4.00 | 2 | 4.01 | 11/15/2024 | -1 |
| MGS 04/39 | 3.98 | 40 | 4.00 | 11/15/2024 | -2 |
| MGS 05/40 | 4.03 | 13 | 4.04 | 11/15/2024 | -1 |
| MGS 10/42 | 4.08 | 2 | 4.09 | 11/15/2024 | -1 |
| MGS 09/43 | 4.10 | 2 | 4.12 | 11/15/2024 | -2 |
| MGS 05/44 | 4.08 | 11 | 4.10 | 11/15/2024 | -2 |
| MGS 03/46 | 4.13 | 0 | 4.14 | 11/15/2024 | -1 |
| MGS 07/48 | 4.14 | 4 | 4.14 | 11/15/2024 | 0 |
| MGS 06/50 | 4.02 | 43 | 4.16 | 11/15/2024 | -15 |
| MGS 03/53 | 4.19 | 9 | 4.20 | 11/15/2024 | -1 |
| GII 08/25 | 3.26 | 3 | 3.17 | 11/15/2024 | 10 |
| GII 10/25 | 3.30 | 50 | 3.28 | 11/15/2024 | 1 |
| GII 03/26 | 3.36 | 11 | 3.37 | 11/14/2024 | -1 |
| GII 09/26 | 3.43 | 1 | 3.43 | 11/15/2024 | 0 |
| GII 09/27 | 3.50 | 2 | 3.53 | 11/15/2024 | -2 |
| GII 07/28 | 3.56 | 35 | 3.55 | 11/12/2024 | 1 |
| GII 07/29 | 3.66 | 326 | 3.67 | 11/15/2024 | -1 |
| GII 10/30 | 3.73 | 10 | 3.75 | 11/15/2024 | -2 |
| GII 10/31 | 3.81 | 153 | 3.82 | 11/15/2024 | -1 |
| GII 08/33 | 3.87 | 50 | 3.89 | 11/15/2024 | -2 |
| GII 11/34 | 3.87 | 101 | 3.88 | 11/15/2024 | -1 |
| GII 07/36 | 3.96 | 1 | 3.97 | 11/15/2024 | -1 |
| GII 08/37 | 4.04 | 3 | 3.79 | 10/21/2024 | 25 |
| GII 03/38 | 3.99 | 1 | 4.00 | 11/15/2024 | -1 |
| GII 09/39 | 3.98 | 7 | 4.01 | 11/15/2024 | -3 |
| GII 09/41 | 4.03 | 38 | 4.00 | 11/15/2024 | 3 |
| GII 08/43 | 4.10 | 250 | 4.15 | 11/15/2024 | -5 |
| GII 05/52 | 4.20 | 107 | 4.21 | 11/15/2024 | -1 |
| GII 03/54 | 4.19 | 140 | 4.20 | 11/15/2024 | 0 |
| | | <u>3193</u> | | | |

Daily Trades: Corp Bonds/ Sukuk

| Securities | Rating | Closing | Vol (RM mil) | Previous | Previous Trade Date (mm/dd/yyyy) | Chg (bp) | Spread Against MGS* | |
|--|--------|---------|-----------------|----------|--|-------------|---------------------------|-----|
| | | YTM | | YTM | | | | |
| DanaInfra Nasional Berhad | 11/33 | GG | 3.98 | 10 | 3.88 | 06/25/2024 | 10 | 11 |
| Prasarana Malaysia Berhad | 08/42 | GG | 4.14 | 40 | 4.06 | 09/09/2024 | 7 | 4 |
| Cagamas Berhad | 03/25 | AAA | 3.45 | 5 | 3.60 | 05/17/2024 | -15 | 16 |
| Cagamas Berhad | 12/25 | AAA | 3.61 | 5 | 3.60 | 08/05/2024 | 2 | 32 |
| Pengurusan Air SPV Berhad | 02/26 | AAA | 3.66 | 10 | 3.67 | 10/03/2024 | -1 | 38 |
| Danum Capital Berhad | 05/27 | AAA | 3.81 | 10 | 3.72 | 10/21/2024 | 10 | 40 |
| Projek Lebuhraya Usahasama Berhad | 01/31 | AAA | 3.93 | 30 | 3.82 | 10/11/2024 | 11 | 19 |
| Sarawak Petchem Sdn Berhad | 07/32 | AAA | 4.03 | 20 | 3.88 | 10/21/2024 | 15 | 18 |
| Amanat Lebuhraya Rakyat Berhad | 10/32 | AAA | 4.08 | 20 | 3.98 | 06/26/2024 | 10 | 23 |
| Danum Capital Berhad | 02/34 | AAA | 4.03 | 5 | 4.06 | 11/07/2024 | -3 | 16 |
| Danum Capital Berhad | 08/34 | AAA | 4.03 | 20 | 4.08 | 11/05/2024 | -5 | 16 |
| TNB Power Generation Sdn Berhad | 06/37 | AAA | 4.11 | 60 | 4.09 | 11/08/2024 | 2 | 10 |
| TNB Power Generation Sdn Berhad | 03/38 | AAA | 4.13 | 60 | 4.13 | 11/15/2024 | 0 | 12 |
| SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad) | 10/38 | AAA | 4.13 | 5 | 4.13 | 11/15/2024 | 0 | 12 |
| GENM Capital Berhad | 03/27 | AA1 | 4.34 | 1 | 4.98 | 11/15/2024 | -64 | 92 |
| GENM Capital Berhad | 07/28 | AA1 | 4.21 | 0 | 4.68 | 11/11/2024 | -48 | 61 |
| RHB Bank Berhad | 11/28 | AA1 | 3.88 | 3 | 3.84 | 11/05/2024 | 3 | 29 |
| UEM Olive Capital Berhad | 10/31 | AA1 | 4.04 | 5 | - | - | - | 23 |
| Public Islamic Bank Berhad | 07/32 | AA1 | 4.60 | 1 | 3.84 | 07/22/2024 | 76 | 75 |
| United Overseas Bank (Malaysia) Berhad | 02/34 | AA1 | 3.98 | 20 | 3.91 | 10/18/2024 | 7 | 11 |
| UEM Olive Capital Berhad | 10/34 | AA1 | 4.06 | 5 | - | - | - | 19 |
| Press Metal Aluminium Holdings Berhad | 12/28 | AA2 | 3.99 | 20 | 4.07 | 09/06/2024 | -8 | 39 |
| Press Metal Aluminium Holdings Berhad | 10/29 | AA2 | 4.04 | 20 | 3.95 | 07/11/2024 | 9 | 39 |
| Malaysia Airport Holdings Berhad | 12/14 | AA2 | 4.16 | 2 | 4.31 | 07/17/2024 | -15 | 6 |
| SP Setia Berhad | 04/29 | AA | 4.03 | 20 | 3.95 | 06/28/2024 | 8 | 44 |
| AEON Credit Service (M) Berhad | 09/28 | AA3 | 3.98 | 10 | 3.91 | 10/22/2024 | 7 | 39 |
| AEON Credit Service (M) Berhad | 11/30 | AA3 | 4.16 | 5 | 4.18 | 11/15/2024 | -2 | 43 |
| Tanjung Bin Energy Sdn Berhad | 09/31 | AA3 | 4.95 | 10 | 4.96 | 08/30/2024 | -1 | 113 |
| AmBank (M) Berhad | 03/32 | AA3 | 3.99 | 10 | 4.00 | 04/17/2024 | -1 | 17 |
| RP Hydro (Kelantan) Sdn Berhad | 07/39 | AA3 | 5.46 | 10 | - | - | - | 145 |
| UEM Sunrise Berhad | 04/26 | AA- | 3.83 | 20 | 4.51 | 10/02/2024 | -67 | 55 |
| DRB-Hicom Berhad | 12/29 | AA- | 4.13 | 23 | 4.13 | 11/13/2024 | 0 | 48 |
| DRB-Hicom Berhad | 08/30 | AA- | 4.19 | 40 | 4.10 | 10/21/2024 | 9 | 46 |
| DRB-Hicom Berhad | 08/31 | AA- | 4.27 | 20 | 4.20 | 10/15/2024 | 7 | 46 |
| MCIS Insurance Berhad | 12/31 | A2 | 4.95 | 2 | 4.10 | 10/17/2024 | 85 | 114 |
| Alliance Bank Malaysia Berhad | 10/35 | A2 | 4.51 | 2 | 4.44 | 11/15/2024 | 6 | 64 |
| Tropicana Corporation Berhad | 11/28 | A | 6.24 | 1 | 5.82 | 11/15/2024 | 41 | 264 |
| | | | | 549 | | | | |

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

Rating Action

| Issuer | PDS Description | Rating/Outlook | Action |
|--------------------------|--|-------------------|----------|
| MBSB Berhad | Long-term/short-term corporate credit ratings | A+/MARC-1/ Stable | Assigned |
| MBSB Bank Berhad | Financial institution (FI) rating | A+/ Stable | Affirmed |
| | RM5.0 billion Sustainability Sukuk Wakalah Programme | A+IS/ Stable | Affirmed |
| | Senior Sukuk Wakalah | A+IS/ Stable | Assigned |
| | Tier-2 Sukuk Wakalah | A-IS/ Stable | Assigned |
| | Additional Tier-1 Capital Sukuk Wakalah (AT-1 Sukuk Wakalah) | BBBIS/ Stable | Assigned |
| Manulife Holdings Berhad | Corporate credit ratings | AA2/Stable/P1 | Affirmed |

Source: RAM, MARC

Hong Leong Bank Berhad

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