

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were broadly lower in trading on Wednesday amidst the FOMC reducing its policy rate by 25bps as expected, but signaling a higher hurdle for future rate cuts. The updated dot plot showed that the Fed members now expect to rates to be reduced by 50bps for 2025, from the 100bps predicted three months ago. Futures pricing of rate cuts for 2025 declined to 32bps versus the 48bps seen the day before. Benchmark yields were markedly higher for the day with the belly of the curve bearing the brunt of the sell-off. **The benchmark 2Y UST yield was 11bps higher for the day at 4.36% while the benchmark 10Y UST yield advanced by 12bps to 4.52%.** The day ahead sees the release of the third reading of US 3Q GDP, existing home sales and the leading index for November as well as the latest weekly jobless claims data.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.36	11
5-yr UST	4.40	14
10-yr UST	4.52	12
30-yr UST	4.68	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.47	0	3.37	0
5-yr	3.62	-2	3.62	-2
7-yr	3.77	0	3.77	0
10-yr	3.81	-2	3.83	0
15-yr	3.95	0	3.96	0
20-yr	4.05	0	4.09	0
30-yr	4.18	-1	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	0
3-yr	3.51	-2
5-yr	3.55	-2
7-yr	3.64	-1
10-yr	3.73	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were better bid in trading on Wednesday in a quiet session, amidst November export numbers that were better than expected and a trade surplus that was the highest in a year. Secondary market volume declined by 40% to RM1.54bn from the RM2.57bn that changed hands on Tuesday. Overall benchmark yields ended the day lower between 0 to 2bps (prior: -2 to +4bps). **The benchmark 5Y MGS 8/29 yield was 2bps lower for the day at 3.62% while the yield on the benchmark 10Y MGS 7/34 also declined by 2bps to 3.81%.** Trading activity for the day was led by the off-the-run GII 9/30, while decent interest was also seen in the benchmark 5Y GII and 20Y GII, as well as in the off-the-run MGS 3/25, MGS 7/26 and GII 5/52. The share of GII trading for the day climbed to 54% of overall govies trading from the 39% seen the day before.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading in a slightly lighter session on Wednesday, with secondary market volume for the day receding by 7% to RM760m versus the RM815m that traded on Tuesday. Trading for the day was led by the GG universe, where activity was led by DANA 11/49, which closed the day at 4.19% in a secondary market debut for the bond. Interest was also seen in LPPSA 8/29, which settled at 3.80%, 8bps higher compared to where it last traded. In the AAA-rated space, interest was seen in SPETCHEM 7/28 and MAHB 11/31, which closed at 3.88% (+3bps versus last print) and 3.92% (-1bp) respectively. In the AA-rated segment of the market, interest was led by MMC 11/25, which settled the day at 3.73%, 1bp lower versus its last trade.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.191	176	3.269	12/17/2024	-8
MGS	09/25	3.262	21	3.244	12/17/2024	2
MGS	07/26	3.358	130	3.364	12/17/2024	-1
MGS	11/26	3.385	8	3.365	12/17/2024	2
MGS	11/27	3.479	33	3.490	12/17/2024	-1
MGS	06/28	3.591	57	3.563	12/17/2024	3
MGS	08/29	3.615	25	3.636	12/17/2024	-2
MGS	04/30	3.693	7	3.663	12/17/2024	3
MGS	04/31	3.768	67	3.770	12/17/2024	0
MGS	06/31	3.778	24	3.779	12/17/2024	0
MGS	07/32	3.781	5	3.784	12/17/2024	0
MGS	04/33	3.822	21	3.822	12/17/2024	0
MGS	11/33	3.837	7	3.834	12/17/2024	0
MGS	07/34	3.810	23	3.827	12/17/2024	-2
MGS	06/38	3.971	1	3.968	12/17/2024	0
MGS	05/40	3.971	70	3.984	12/17/2024	-1
MGS	07/48	4.138	6	4.129	12/17/2024	1
MGS	06/50	4.123	7	4.153	12/17/2024	-3
MGS	03/53	4.179	6	4.184	12/17/2024	0
GII	08/25	3.261	22	3.247	12/17/2024	1
GII	07/27	3.451	16	3.455	12/17/2024	0
GII	10/28	3.577	3	3.581	12/17/2024	0
GII	07/29	3.618	173	3.635	12/17/2024	-2
GII	09/30	3.705	250	3.711	12/17/2024	-1
GII	10/30	3.719	40	3.719	12/17/2024	0
GII	06/33	3.820	40	3.808	12/12/2024	1
GII	11/34	3.825	1	3.822	12/17/2024	0
GII	07/36	3.924	2	3.929	12/17/2024	0
GII	08/37	3.954	20	3.921	12/11/2024	3
GII	09/39	3.959	20	3.957	12/17/2024	0
GII	08/43	4.091	140	4.095	12/17/2024	0
GII	05/47	4.025	6	4.124	12/16/2024	-10
GII	05/52	4.201	83	4.201	12/17/2024	0
GII	03/54	4.179	30	4.178	12/12/2024	0
			<u>1539</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*
Lembaga Pembiayaan Perumahan Sektor Awam	08/29	GG	3.797	100	3.713	25/11/2024	8	17
DanaInfra Nasional Berhad	04/30	GG	3.859	50	3.454	10/6/2021	41	23
DanaInfra Nasional Berhad	10/30	GG	3.858	80	3.752	16/10/2024	11	16
DanaInfra Nasional Berhad	02/31	GG	3.899	10	3.873	12/11/2024	3	20
DanaInfra Nasional Berhad	05/32	GG	3.908	10	3.788	11/9/2024	12	13
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	3.962	20	3.993	11/11/2024	-3	15
DanaInfra Nasional Berhad	11/49	GG	4.190	140	n/a	n/a	419	13
Bank Simpanan Nasional Berhad	02/26	AAA	3.634	30	3.679	11/10/2024	-4	36
Sarawak Petchem Sdn Berhad	07/28	AAA	3.883	30	3.856	5/12/2024	3	33
Pengurusan Air SPV Berhad	01/30	AAA	3.915	10	3.897	5/12/2024	2	29
CIMB Islamic Bank Berhad	03/31	AAA	3.948	20	3.971	9/12/2024	-2	25
Malaysia Airport Holdings Berhad	11/31	AAA	3.918	30	3.932	10/12/2024	-1	14
Batu Kawan Berhad	02/29	AA1	3.921	30	3.750	16/8/2024	17	37
YTL Corporation Berhad	07/30	AA1	4.250	1	4.008	25/7/2024	24	55
Malayan Banking Berhad	01/31	AA1	3.770	10	3.793	20/11/2024	-2	7
Public Islamic Bank Berhad	07/32	AA1	4.501	5	4.598	18/11/2024	-10	71
YTL Power International Berhad	08/38	AA1	4.140	5	4.138	17/12/2024	0	19
Tanjung Bin Power Sdn Berhad	08/25	AA2	3.731	10	3.790	8/8/2024	-6	46
Press Metal Aluminium Holdings Berhad	10/29	AA2	4.039	10	4.039	18/11/2024	0	41
Press Metal Aluminium Holdings Berhad	09/30	AA2	4.069	10	4.053	5/11/2024	2	37
AmBank Islamic Berhad	05/31	AA2	4.018	10	4.028	11/12/2024	-1	32
PONSB Capital Berhad	05/31	AA2	4.068	10	4.061	19/11/2024	1	37
CIMB Group Holdings Berhad	09/32	AA2	4.084	1	3.945	11/12/2024	14	29
CIMB Group Holdings Berhad	11/30	AA	3.764	10	3.760	9/12/2024	0	6
CIMB Thai Bank Public Company Limited	07/31	AA3	4.300	2	4.375	21/11/2024	-8	52
Edra Energy Sdn Berhad	01/35	AA3	4.178	10	4.142	25/6/2024	4	36
Edra Energy Sdn Berhad	07/35	AA3	4.198	10	4.218	12/12/2024	-2	38
Edra Energy Sdn Berhad	07/36	AA3	4.238	10	4.147	27/9/2024	9	42
Edra Energy Sdn Berhad	07/37	AA3	4.288	10	4.188	25/9/2024	10	34
DRB-Hicom Berhad	08/25	AA-	3.767	20	3.830	4/11/2024	-6	50
MMC Corporation Berhad	11/25	AA-	3.734	34	3.742	2/12/2024	-1	46
DRB-Hicom Berhad	08/30	AA-	4.101	11	4.194	18/11/2024	-9	40
Hong Leong Bank Berhad	11/17	A1	3.941	1	4.129	17/12/2024	-19	-12
SUNREIT Perpetual Bond Berhad	04/19	A1	4.399	1	4.392	17/12/2024	1	34
CIMB Group Holdings Berhad	12/21	A1	4.177	10	4.198	13/12/2024	-2	12
Tropicana Corporation Berhad	11/28	A	6.233	1	5.670	13/12/2024	56	268
				760				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.