

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were shut along with US stock markets on Wednesday for the Juneteenth holiday. The rest of the major global bond markets were slightly softer for the day, with 10yr German Bunds higher in yield by 1bp, while 10yr UK Gilts were 2bps higher in yield for the day. Despite the holiday, there were some data releases, with US homebuilder sentiment unexpectedly declining in June to the lowest level this year on higher mortgage rates. The market is opening slightly softer this morning in the Asian session. Housing starts and building permits data for May are due to be reported tonight, alongside weekly jobless claims and the latest monthly regional business outlook index from the Philadelphia Fed.

MGS/GII

- Local govies were better bid in trading on Wednesday, as the market took the lead from the rally in USTs overnight amidst the announcement of more supply domestically in the form of the benchmark 30Y GII reopening. Secondary market volume for the day surged by 62% to RM4.67bn, compared to the RM2.88bn that traded the previous day. Benchmark yields closed mixed between -4 to +3 bps for the day. **The benchmark 5Y MGS 8/29 yield was 1bp lower for the session at 3.65% while the benchmark 10Y MGS 11/33 was 2bps lower in yield for the day at 3.86%.** Trading interest was seen in the benchmark 3Y GII, 5Y MGS, 7Y MGS and 20Y GII, as well as in the off-the-run MGS 7/24, MGS 9/24, GII 10/24, MGS 9/25 and GII 9/30. The market share of GII trading for the day soared to 40% versus the 14% share seen on Tuesday. Domestically, trade data for May is scheduled for release, and export numbers will be closely watched to gauge how the economy is holding up in 2Q.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.72	0
5-yr UST	4.24	0
10-yr UST	4.22	0
30-yr UST	4.36	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.53	-2	3.46	-1
5-yr	3.65	-1	3.62	-4
7-yr	3.78	-2	3.75	-2
10-yr	3.86	-2	3.87	-1
15-yr	4.01	0	4.01	-1
20-yr	4.13	0	4.12	0
30-yr	4.22	3	4.23	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.56	-2
3-yr	3.55	-3
5-yr	3.60	-4
7-yr	3.70	-6
10-yr	3.81	-5

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 30Y GII 3/54 on Fri, 21 Jun (with an additional RM2bn to be privately placed)

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid in trading on Wednesday, with secondary market volume for the day inching higher by 8% to RM605m, compared to the RM559m that changed hands on Tuesday. Trading interest for the day was led by the AAA-rated segment of the market. In GG land, TPSB 2/28 saw some action and settled for the day at 3.70%, 2bps lower versus where it last traded. In AAA space, TNB 8/32 and Mercedes 3/28 led proceedings for the day, closing at 3.93% (-3bps from last print) and 3.87% (-3bps) respectively. In AA territory, trading for the day was led by SDBB 8/26 and PTP 6/27, which settled the day respectively at 4.22% (-1bp) and 3.90% (-2bps). In the A-rated space, Tropicana 6/25 was traded and closed the day at 6.59%, a whopping 104bps higher than its last print in trading the week before.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	3.256	200	3.247	06/18/2024	1
MGS	09/24	3.262	341	3.233	06/18/2024	3
MGS	03/25	3.270	50	3.283	06/18/2024	-1
MGS	07/25	3.295	10	3.330	05/31/2024	-4
MGS	09/25	3.297	484	3.311	06/18/2024	-1
MGS	04/26	3.434	7	3.429	06/18/2024	1
MGS	07/26	3.430	8	3.438	06/18/2024	-1
MGS	11/26	3.480	90	3.465	06/18/2024	2
MGS	03/27	3.523	20	3.542	06/18/2024	-2
MGS	05/27	3.534	113	3.552	06/18/2024	-2
MGS	11/27	3.546	128	3.568	06/18/2024	-2
MGS	04/28	3.629	65	3.614	06/18/2024	2
MGS	06/28	3.639	143	3.611	06/18/2024	3
MGS	04/29	3.665	1	3.676	06/18/2024	-1
MGS	08/29	3.646	274	3.654	06/18/2024	-1
MGS	04/31	3.781	447	3.803	06/18/2024	-2
MGS	06/31	3.807	31	3.823	06/18/2024	-2
MGS	07/32	3.839	34	3.851	06/18/2024	-1
MGS	04/33	3.864	10	3.877	06/18/2024	-1
MGS	11/33	3.860	165	3.883	06/18/2024	-2
MGS	07/34	3.870	10	3.870	06/18/2024	0
MGS	05/35	3.952	10	3.939	06/18/2024	1
MGS	04/37	4.000	1	4.011	06/18/2024	-1
MGS	06/38	4.012	45	4.014	06/18/2024	0
MGS	10/42	4.124	39	4.135	06/18/2024	-1
MGS	03/46	4.202	40	4.209	06/18/2024	-1
MGS	06/50	4.224	47	4.222	06/18/2024	0
MGS	03/53	4.222	2	4.192	06/18/2024	3
GII	08/24	3.228	130	3.231	06/14/2024	0
GII	10/24	3.251	200	3.254	06/18/2024	0
GII	08/25	3.313	20	3.341	06/18/2024	-3
GII	03/26	3.449	10	3.432	06/18/2024	2
GII	09/26	3.465	380	3.474	06/18/2024	-1
GII	09/27	3.535	89	3.550	06/18/2024	-1
GII	07/28	3.619	190	3.664	06/18/2024	-4
GII	12/28	3.668	80	3.422	06/14/2024	25
GII	07/29	3.666	70	3.663	06/12/2024	0
GII	09/30	3.750	210	3.766	06/18/2024	-2
GII	10/31	3.787	20	3.819	06/18/2024	-3
GII	10/32	3.852	24	3.855	06/18/2024	0
GII	06/33	3.874	30	3.846	06/13/2024	3
GII	08/33	3.871	110	3.884	06/18/2024	-1
GII	07/36	3.956	6	3.978	06/18/2024	-2
GII	03/38	3.991	5	4.005	06/18/2024	-1
GII	09/39	4.009	1	4.016	06/18/2024	-1
GII	08/43	4.123	264	4.127	06/18/2024	0
GII	05/52	4.266	22	4.266	06/18/2024	0
			4675			

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*
Turus Pesawat Sdn Berhad	02/28	GG	3.698	10	3.715	20/5/2024	-2	9
Amanat Lebuhraya Rakyat Berhad	10/24	AAA	3.468	20	4.062	15/5/2024	-59	13
Amanat Lebuhraya Rakyat Berhad	10/27	AAA	3.783	20	3.851	22/2/2024	-7	24
Mercedes-Benz Services Malaysia Sdn Berhad	03/28	AAA	3.868	80	3.897	5/6/2024	-3	26
Pengurusan Air SPV Berhad	04/28	AAA	3.904	10	3.877	21/5/2024	3	30
Pengurusan Air SPV Berhad	06/28	AAA	3.903	30	3.858	28/5/2024	4	29
Sarawak Petchem Sdn Berhad	07/28	AAA	3.808	10	3.812	10/6/2024	0	20
Bank Pembangunan Malaysia Berhad	10/28	AAA	3.851	10	4.045	12/6/2023	-19	24
Cagamas Berhad	10/28	AAA	3.825	10	3.857	4/4/2024	-3	22
Tenaga Nasional Berhad	11/28	AAA	3.818	5	4.073	22/9/2023	-26	21
Toyota Capital Malaysia Sdn Berhad	03/29	AAA	3.950	10	3.947	18/6/2024	0	29
Danum Capital Berhad	06/29	AAA	3.851	5	3.857	12/4/2024	-1	19
Pengurusan Air SPV Berhad	01/30	AAA	3.966	5	3.962	10/6/2024	0	23
Pengurusan Air SPV Berhad	02/30	AAA	3.965	5	3.868	14/3/2024	10	23
Sarawak Energy Berhad	07/30	AAA	3.898	30	3.897	14/6/2024	0	16
Tenaga Nasional Berhad	08/30	AAA	3.870	20	3.838	1/4/2024	3	13
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.957	30	3.989	11/6/2024	-3	15
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.868	10	4.011	30/5/2024	-14	4
Tenaga Nasional Berhad	08/32	AAA	3.930	100	3.958	11/6/2024	-3	10
Tenaga Nasional Berhad	08/33	AAA	3.949	30	4.008	8/5/2024	-6	10
Pengurusan Air SPV Berhad	02/34	AAA	4.000	10	4.000	14/6/2024	0	12
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/38	AAA	4.184	5	4.201	14/6/2024	-2	17
Sabah Development Bank Berhad	03/25	AA1	4.054	10	4.608	16/5/2024	-55	72
GENM Capital Berhad	08/25	AA1	4.276	1	4.243	5/6/2024	3	94
Sabah Development Bank Berhad	08/26	AA1	4.216	20	4.226	7/6/2024	-1	76
GENM Capital Berhad	07/28	AA1	4.482	1	4.587	12/6/2024	-11	87
GENM Capital Berhad	05/32	AA1	4.916	1	4.840	13/6/2024	8	109
Press Metal Aluminium Holdings Berhad	12/27	AA2	3.929	10	3.940	16/5/2024	-1	38
Press Metal Aluminium Holdings Berhad	10/29	AA2	3.967	10	4.277	19/9/2023	-31	31
SP Setia Berhad	06/26	AA	3.824	10	3.848	4/6/2024	-2	37
Kimanis Power Sdn Berhad	08/26	AA	3.767	10	4.089	13/4/2023	-32	32
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA	3.896	20	3.915	23/5/2024	-2	35
MTT Shipping Sdn Berhad	08/26	AA3	4.834	5	4.996	28/12/2023	-16	138
Malayan Cement Berhad (fka Lafarge Malaysia B	06/28	AA3	4.038	10	4.127	9/5/2024	-9	43
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	12/26	AA-	4.198	10	4.306	9/1/2024	-11	75
Penang Port Sdn Berhad	12/26	AA-	3.865	10	3.919	3/5/2024	-5	32
Eco World Capital Berhad	08/28	AA-	3.958	10	4.016	10/5/2024	-6	35
Tropicana Corporation Berhad	06/25	A	6.590	2	5.547	12/6/2024	104	325
Tropicana Corporation Berhad	10/25	A	5.032	1	7.351	12/6/2024	-232	170
				605				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Agroto Business (M) Sdn Bhd	ASEAN Sustainability SRI Sukuk Programme of up to RM300 mil (2021/2036)	AA1(bg)/Stable	Affirmed
Public Bank Berhad (the Group) and its core subsidiary, Public Islamic Bank Berhad	Financial Institution Ratings	AAA/Stable/P1	Affirmed

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.