

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were softer in trading on Friday, led by the longer end of the maturity spectrum, as the market continued to digest the implications of the 50bps rate cut in the Fed Funds Rate by the US FOMC mid-week. Benchmark yields closed higher between 1 and 3bps, with the yield curve bear steepening. **The benchmark 2yr UST yield was 1bp higher for the day at 3.59%, while the benchmark 10yr UST yield advanced by 3bps for the day to 3.74%.** Today sees the release of the preliminary S&P Global US PMI for September, which will be closely watched for clues on how the US economy is closing out 3Q, amidst a further escalation in geopolitical tensions in the Middle East over the weekend with Israel and Lebanon ramping up strikes against each other.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.59	1
5-yr UST	3.50	2
10-yr UST	3.74	3
30-yr UST	4.08	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.33	-1	3.31	0
5-yr	3.48	0	3.45	-1
7-yr	3.69	1	3.69	2
10-yr	3.71	1	3.73	-1
15-yr	3.87	0	3.90	-1
20-yr	4.03	0	4.04	0
30-yr	4.18	0	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.41	0
3-yr	3.31	0
5-yr	3.36	0
7-yr	3.45	-1
10-yr	3.54	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were mixed in trading on Friday, amidst a lukewarm reopening auction of RM5.5bn of the benchmark 7Y MGS 4/31, which drew a low BTC of 1.729x. Secondary market volume inched lower by 6% to RM4.93bn compared to the RM5.25bn that changed hands on Thursday. Benchmark yields closed mixed between -1 and +2 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.48% while the yield on the benchmark 10Y MGS 7/34 was 1bp higher for the session at 3.71%.** Trading interest for the day was led by the newly reopened benchmark 7Y MGS, while interest was also seen in the off-the-run MGS 9/24, MGS 3/25, MGS 9/25 and MGS 4/28, as well as in the benchmark 3Y MGS/GII and 10Y MGS. Trading in GIIs as a proportion of total govovies trading plunged to 20% versus the 31% share the previous session. Today sees the release of August CPI data domestically, which is expected to remain steady at 2.0% y/y.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Friday, with secondary market volume for the day receding by 16% to RM709m versus the RM839m that traded on Thursday. Trading for the day was led by the AA-rated segment. In the GG universe, DANA 7/39 led trading, closing at 3.96%, 2bps lower versus its last print. Over in the AAA space, interest was led by TNB 8/35, which settled the day at 3.93%, 14bps lower compared to where the bond last traded. Meanwhile in the AA-rated universe, trading was dominated by MBB 4.13% Perps, which closed at 4.04%, 6bps lower versus where it last traded. Interest was also seen in MCEMENT 12/29 and YTLP 5/27, which settled the day at 4.02% and 3.74% respectively, both little change from their previously traded levels.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.143	170	3.160	09/19/2024	-2
MGS	03/25	3.063	528	3.068	09/19/2024	0
MGS	09/25	3.187	256	3.180	09/19/2024	1
MGS	04/26	3.276	50	3.289	09/19/2024	-1
MGS	07/26	3.275	66	3.273	09/19/2024	0
MGS	11/26	3.251	2	3.268	09/19/2024	-2
MGS	05/27	3.328	452	3.339	09/19/2024	-1
MGS	11/27	3.361	90	3.361	09/19/2024	0
MGS	04/28	3.452	420	3.435	09/19/2024	2
MGS	06/28	3.443	64	3.435	09/19/2024	1
MGS	09/28	3.469	1	3.422	08/29/2024	5
MGS	04/29	3.485	2	3.507	09/19/2024	-2
MGS	08/29	3.481	117	3.479	09/19/2024	0
MGS	04/30	3.580	111	3.580	09/19/2024	0
MGS	04/31	3.685	1056	3.675	09/19/2024	1
MGS	06/31	3.681	10	3.684	09/19/2024	0
MGS	07/32	3.738	44	3.727	09/19/2024	1
MGS	11/33	3.748	69	3.742	09/19/2024	1
MGS	07/34	3.705	243	3.697	09/19/2024	1
MGS	05/35	3.781	2	3.781	09/19/2024	0
MGS	04/37	3.879	50	3.884	09/19/2024	0
MGS	04/39	3.868	25	3.871	09/17/2024	0
MGS	05/40	3.957	16	3.951	09/19/2024	1
MGS	10/42	3.992	14	3.987	09/17/2024	0
MGS	09/43	4.047	15	4.040	09/19/2024	1
MGS	06/50	4.110	46	4.136	09/19/2024	-3
MGS	03/53	4.176	25	4.171	09/19/2024	0
GII	10/25	3.242	93	3.216	09/18/2024	3
GII	09/26	3.305	205	3.306	09/19/2024	0
GII	07/28	3.453	60	3.459	09/19/2024	-1
GII	10/28	3.747	40	3.481	09/18/2024	27
GII	07/29	3.483	30	3.490	09/19/2024	-1
GII	09/30	3.622	60	3.615	09/19/2024	1
GII	10/30	3.632	100	3.641	09/19/2024	-1
GII	10/31	3.690	2	3.666	09/19/2024	2
GII	10/32	3.764	120	3.758	09/19/2024	1
GII	06/33	3.787	10	3.769	09/17/2024	2
GII	08/33	3.777	50	3.780	09/19/2024	0
GII	11/34	3.732	11	3.740	09/19/2024	-1
GII	03/38	3.891	10	3.891	09/19/2024	0
GII	09/39	3.903	38	3.912	09/19/2024	-1
GII	08/43	4.039	58	4.043	09/19/2024	0
GII	11/49	4.322	2	4.133	09/18/2024	19
GII	05/52	4.182	20	4.184	09/19/2024	0
GII	03/54	4.182	80	4.179	09/19/2024	0
			4930			

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	07/31	GG	3.710	10	3.722	19/9/2024	-1	3
DanaInfra Nasional Berhad	07/39	GG	3.960	100	3.979	30/7/2024	-2	8
Pelaburan Hartanah Berhad	08/29	AAA	3.756	10	3.757	19/9/2024	0	27
Pengurusan Air SPV Berhad	01/30	AAA	3.828	20	3.845	19/9/2024	-2	35
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.818	2	3.817	9/9/2024	0	23
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/30	AAA	3.848	10	3.912	23/7/2024	-6	26
Sarawak Energy Berhad	12/32	AAA	3.893	5	3.932	23/7/2024	-4	20
Projek Lebuhraya Usahasama Berhad	01/34	AAA	3.944	10	4.279	6/7/2023	-34	24
Tenaga Nasional Berhad	08/35	AAA	3.928	30	4.068	22/4/2024	-14	23
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.018	10	3.999	29/8/2024	2	32
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.038	10	4.060	17/9/2024	-2	16
TNB Power Generation Sdn Berhad	06/42	AAA	4.051	10	4.059	13/9/2024	-1	2
TNB Power Generation Sdn Berhad	03/43	AAA	4.051	10	4.075	28/8/2024	-2	2
YTL Power International Berhad	05/27	AA1	3.736	40	3.739	13/9/2024	0	41
RHB Bank Berhad	11/28	AA1	3.863	10	3.848	30/8/2024	2	44
Bumitama Agri Ltd	07/26	AA2	3.763	10	3.828	29/7/2024	-6	50
AmBank (M) Berhad	11/26	AA2	3.757	30	3.854	22/7/2024	-10	50
Imtiaz Sukuk II Berhad	04/28	AA2	3.766	15	3.896	23/7/2024	-13	35
Benih Restu Berhad	07/34	AA2	3.999	10	3.989	12/9/2024	1	30
Fortune Premiere Sdn Berhad	09/26	AA	3.926	15	3.932	11/9/2024	-1	67
AEON Credit Service (M) Berhad	02/28	AA3	3.808	11	3.888	29/7/2024	-8	49
AEON Credit Service (M) Berhad	04/29	AA3	3.898	3	3.903	18/9/2024	0	42
Affin Bank Berhad	05/29	AA3	3.937	8	3.863	4/9/2024	7	45
Malayan Cement Berhad (fka Lafarge Malaysia B	07/29	AA3	3.988	7	3.996	19/9/2024	-1	51
Malayan Cement Berhad (fka Lafarge Malaysia B	12/29	AA3	4.017	46	4.018	13/9/2024	0	53
Malayan Banking Berhad	02/17	AA3	4.041	210	4.104	18/9/2024	-6	1
UEM Sunrise Berhad	02/29	AA-	3.861	15	3.907	20/8/2024	-5	44
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	4.068	4	4.658	26/1/2023	-59	59
Southern Power Generation Sdn Berhad	04/29	AA-	3.854	10	3.908	16/8/2024	-5	37
Jimah East Power Sdn Berhad	06/29	AA-	4.007	10	4.210	14/6/2024	-20	52
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	AA-	4.088	2	4.147	16/7/2024	-6	61
DRB-Hicom Berhad	12/29	AA-	4.068	10	4.557	11/9/2024	-49	59
Penang Port Sdn Berhad	12/29	AA-	3.897	3	3.919	27/8/2024	-2	41
Alliance Bank Malaysia Berhad	10/30	A2	4.300	1	4.391	13/9/2024	-9	72
TG Excellence Berhad	02/20	A	5.626	1	4.814	18/9/2024	81	159
Affin Islamic Bank Berhad	10/18	A3	4.593	1	4.554	17/9/2024	4	56
Alliance Bank Malaysia Berhad	11/17	BBB1	4.313	1	4.565	19/9/2024	-25	28
Alliance Bank Malaysia Berhad	11/17	BBB1	4.596	1	n/a	n/a	460	56
Eco World Capital Berhad	03/26	NR(LT)	4.700	1	5.148	13/9/2024	-45	144
				<u>709</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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