

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Tuesday, with the shorter dated maturities seeing a decent bid amidst a strong auction of 2yr USTs while the longer dated bonds were a touch weaker for the day. Benchmark yields finished mixed by between -3 and +1 bps for the day, with the UST curve steepening. **The benchmark 2yr UST yield was 3bps lower for the session at 4.49%, while the benchmark 10yr UST yield closed the day little changed at 4.25%.** Tonight sees the release of trade balance and new home sales numbers for June, as well as the preliminary US S&P PMI numbers for July, which may provide some clues as to the momentum of the economy to start 3Q. Supply from the Treasury continues with the auction of USD70bn of 5yr USTs.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.49 | -3 |
| 5-yr UST | 4.16 | -1 |
| 10-yr UST | 4.25 | 0 |
| 30-yr UST | 4.49 | 1 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.47 | 0 | 3.40 | 0 |
| 5-yr | 3.60 | -1 | 3.58 | 0 |
| 7-yr | 3.75 | 0 | 3.73 | 0 |
| 10-yr | 3.81 | 0 | 3.83 | 0 |
| 15-yr | 3.94 | 0 | 3.97 | 0 |
| 20-yr | 4.07 | 0 | 4.10 | 0 |
| 30-yr | 4.18 | 0 | 4.20 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.51 | -2 |
| 3-yr | 3.49 | 0 |
| 5-yr | 3.53 | -2 |
| 7-yr | 3.64 | -2 |
| 10-yr | 3.74 | -3 |

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were little changed in yet another light trading session on Tuesday, amidst MY IRS levels finishing the day lower across the curve. Secondary market volume for the day inched lower by 2% to RM2.35bn compared to the RM2.40bn that changed hands on Monday. Benchmark yields closed little changed for the day. **The benchmark 5Y MGS 8/29 saw its yield lower by 1bp to 3.60% while the yield on the benchmark 10Y MGS 11/33 was little changed for the session at 3.81%.** Trading interest was led by the off-the-run GII 10/25, while interest was also seen in the benchmark 7Y GII and 10Y MGS, as well as the off-the-run MGS 11/27, MGS 4/30, GII 9/30, GII 8/33 and MGS 7/34. Trading in GIIs as a proportion of total govies trading climbed to 55% versus the 39% share seen the day before. Next up domestically today is the scheduled release of the June CPI data, which will be closely watched after the strong advanced 2Q GDP reading earlier this week.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Tuesday in another active session, with secondary market volume rising by 8% to RM771m versus the RM711m traded the previous session. Trading interest was again led by the AAA-rated segment of the market. In the GG universe, activity was led by FELDA 11/27 which closed the day at 3.58%, which was the first secondary market trade for the nearly 3 year old bond. Over in the AAA space, SMJ 10/33 topped the volume charts, with the bond settling at 4.00%, 5bps lower versus where it last traded. Interest was also seen in SEB 7/33, which closed at 3.95%, 2bps lower versus its last print. Meanwhile in the AA territory, interest was led by IMTIAZ 10/28, which settled at 3.93% (-2bps versus last print) while interest was also seen in IMTIAZ 4/28 and EDRA 1/34, which closed at 3.90% (-1bp) and 4.11% (-13bps) respectively.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 09/24 | 3.194 | 50 | 3.153 | 07/22/2024 | 4 |
| MGS | 03/25 | 3.236 | 64 | 3.251 | 07/22/2024 | -1 |
| MGS | 09/25 | 3.243 | 53 | 3.279 | 07/19/2024 | -4 |
| MGS | 07/26 | 3.390 | 2 | 3.403 | 07/22/2024 | -1 |
| MGS | 11/26 | 3.355 | 32 | 3.399 | 07/22/2024 | -4 |
| MGS | 05/27 | 3.470 | 21 | 3.469 | 07/22/2024 | 0 |
| MGS | 11/27 | 3.469 | 94 | 3.479 | 07/22/2024 | -1 |
| MGS | 06/28 | 3.574 | 5 | 3.572 | 07/22/2024 | 0 |
| MGS | 04/29 | 3.616 | 1 | 3.605 | 07/19/2024 | 1 |
| MGS | 08/29 | 3.595 | 65 | 3.601 | 07/22/2024 | -1 |
| MGS | 04/30 | 3.701 | 196 | 3.728 | 07/22/2024 | -3 |
| MGS | 04/31 | 3.754 | 52 | 3.758 | 07/22/2024 | 0 |
| MGS | 06/31 | 3.774 | 26 | 3.778 | 07/19/2024 | 0 |
| MGS | 07/32 | 3.808 | 5 | 3.809 | 07/22/2024 | 0 |
| MGS | 04/33 | 3.819 | 6 | 3.843 | 07/19/2024 | -2 |
| MGS | 11/33 | 3.806 | 210 | 3.804 | 07/22/2024 | 0 |
| MGS | 07/34 | 3.801 | 95 | 3.808 | 07/22/2024 | -1 |
| MGS | 04/37 | 3.925 | 30 | 3.927 | 07/22/2024 | 0 |
| MGS | 06/38 | 3.962 | 3 | 3.972 | 07/22/2024 | -1 |
| MGS | 04/39 | 3.941 | 2 | 3.945 | 07/22/2024 | 0 |
| MGS | 10/42 | 4.075 | 1 | 4.073 | 07/22/2024 | 0 |
| MGS | 09/43 | 4.073 | 10 | 4.080 | 07/22/2024 | -1 |
| MGS | 05/44 | 4.072 | 2 | 4.070 | 07/22/2024 | 0 |
| MGS | 03/46 | 4.238 | 9 | 4.144 | 07/22/2024 | 9 |
| MGS | 06/50 | 4.150 | 3 | 4.170 | 07/22/2024 | -2 |
| MGS | 03/53 | 4.175 | 21 | 4.175 | 07/22/2024 | 0 |
| GII | 10/25 | 3.273 | 424 | 3.281 | 07/18/2024 | -1 |
| GII | 09/26 | 3.404 | 50 | 3.405 | 07/22/2024 | 0 |
| GII | 07/27 | 3.471 | 40 | 3.494 | 07/16/2024 | -2 |
| GII | 09/27 | 3.474 | 80 | 3.474 | 07/17/2024 | 0 |
| GII | 07/28 | 3.583 | 60 | 3.580 | 07/22/2024 | 0 |
| GII | 07/29 | 3.616 | 50 | 3.612 | 07/22/2024 | 0 |
| GII | 09/30 | 3.726 | 102 | 3.724 | 07/22/2024 | 0 |
| GII | 10/30 | 3.728 | 10 | 3.724 | 07/22/2024 | 0 |
| GII | 10/31 | 3.765 | 90 | 3.766 | 07/22/2024 | 0 |
| GII | 10/32 | 3.813 | 30 | 3.813 | 07/19/2024 | 0 |
| GII | 08/33 | 3.834 | 120 | 3.838 | 07/22/2024 | 0 |
| GII | 11/34 | 3.809 | 83 | 3.810 | 07/19/2024 | 0 |
| GII | 07/36 | 3.892 | 10 | 3.889 | 07/22/2024 | 0 |
| GII | 03/38 | 3.947 | 20 | 3.974 | 07/22/2024 | -3 |
| GII | 09/39 | 3.965 | 28 | 3.964 | 07/22/2024 | 0 |
| GII | 08/43 | 4.096 | 20 | 4.095 | 07/22/2024 | 0 |
| GII | 11/49 | 4.193 | 47 | 4.204 | 07/22/2024 | -1 |
| GII | 05/52 | 4.233 | 20 | 4.231 | 07/22/2024 | 0 |
| GII | 03/54 | 4.203 | 10 | 4.206 | 07/22/2024 | 0 |
| | | | 2353 | | | |

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* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|------------------------|
| Federal Land Development Authority | 11/27 | GG | 3.583 | 50 | n/a | n/a | 358 | 11 |
| DanaInfra Nasional Berhad | 10/28 | GG | 3.672 | 5 | 3.653 | 17/7/2024 | 2 | 11 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 08/30 | GG | 3.783 | 5 | 3.885 | 15/9/2023 | -10 | 9 |
| DanaInfra Nasional Berhad | 04/37 | GG | 3.974 | 30 | 4.018 | 11/1/2024 | -4 | 1 |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 03/39 | GG | 4.031 | 10 | 4.048 | 20/6/2024 | -2 | 7 |
| Cagamas Berhad | 09/24 | AAA | 3.468 | 20 | 3.448 | 18/7/2024 | 2 | 20 |
| Cagamas Berhad | 11/25 | AAA | 3.659 | 20 | 3.632 | 22/7/2024 | 3 | 39 |
| Pengurusan Air SPV Berhad | 04/28 | AAA | 3.835 | 10 | 3.897 | 28/6/2024 | -6 | 28 |
| Pengurusan Air SPV Berhad | 06/28 | AAA | 3.844 | 10 | 3.878 | 22/7/2024 | -3 | 29 |
| Tenaga Nasional Berhad | 11/28 | AAA | 3.798 | 20 | 3.806 | 22/7/2024 | -1 | 24 |
| Pengurusan Air SPV Berhad | 06/29 | AAA | 3.856 | 20 | 3.894 | 22/7/2024 | -4 | 26 |
| Sarawak Energy Berhad | 07/30 | AAA | 3.869 | 30 | 3.898 | 11/7/2024 | -3 | 18 |
| Bakun Hydro Power Generation Sdn Berhad (fka S | 08/30 | AAA | 3.859 | 20 | 3.898 | 22/3/2024 | -4 | 17 |
| SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad) | 10/30 | AAA | 3.912 | 5 | 3.968 | 8/5/2024 | -6 | 22 |
| Pengurusan Air SPV Berhad | 11/30 | AAA | 3.896 | 10 | 3.968 | 8/2/2024 | -7 | 21 |
| Pengurusan Air SPV Berhad | 02/31 | AAA | 3.916 | 10 | 3.968 | 15/7/2024 | -5 | 16 |
| Petroleum Sarawak Exploration & Production Sdr | 11/32 | AAA | 3.928 | 10 | 4.069 | 13/5/2024 | -14 | 15 |
| Sarawak Energy Berhad | 12/32 | AAA | 3.932 | 5 | 3.968 | 5/7/2024 | -4 | 15 |
| Sarawak Energy Berhad | 07/33 | AAA | 3.949 | 40 | 3.965 | 22/7/2024 | -2 | 15 |
| SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad) | 10/33 | AAA | 4.002 | 50 | 4.049 | 8/5/2024 | -5 | 21 |
| Sarawak Energy Berhad | 11/33 | AAA | 3.949 | 10 | 3.994 | 7/6/2024 | -5 | 15 |
| Tenaga Nasional Berhad | 11/36 | AAA | 4.029 | 10 | 4.270 | 10/5/2024 | -24 | 22 |
| Projek Lebuhraya Usahasama Berhad | 01/37 | AAA | 4.008 | 10 | 4.059 | 25/6/2024 | -5 | 20 |
| TNB Power Generation Sdn Berhad | 06/37 | AAA | 4.035 | 20 | 4.059 | 17/7/2024 | -2 | 7 |
| Projek Lebuhraya Usahasama Berhad | 01/38 | AAA | 4.029 | 10 | 4.080 | 25/6/2024 | -5 | 6 |
| Johor Corporation | 07/38 | AAA | 4.089 | 10 | 4.099 | 15/7/2024 | -1 | 12 |
| Tenaga Nasional Berhad | 08/40 | AAA | 4.197 | 1 | 4.070 | 19/7/2024 | 13 | 23 |
| TNB Power Generation Sdn Berhad | 03/43 | AAA | 4.145 | 10 | 4.165 | 12/6/2024 | -2 | 7 |
| YTL Power International Berhad | 10/24 | AA1 | 3.529 | 10 | 3.579 | 4/6/2024 | -5 | 26 |
| YTL Power International Berhad | 05/27 | AA1 | 4.485 | 1 | 3.794 | 12/7/2024 | 69 | 102 |
| Kuala Lumpur Kepong Berhad | 09/34 | AA1 | 3.969 | 10 | 4.059 | 10/5/2024 | -9 | 16 |
| Press Metal Aluminium Holdings Berhad | 10/24 | AA2 | 3.636 | 20 | 3.701 | 28/6/2024 | -6 | 37 |
| Imtiaz Sukuk II Berhad | 05/27 | AA2 | 3.855 | 10 | 3.913 | 6/3/2024 | -6 | 39 |
| Imtiaz Sukuk II Berhad | 10/27 | AA2 | 3.859 | 10 | 3.879 | 22/7/2024 | -2 | 39 |
| Imtiaz Sukuk II Berhad | 04/28 | AA2 | 3.896 | 30 | 3.907 | 15/7/2024 | -1 | 34 |
| Imtiaz Sukuk II Berhad | 10/28 | AA2 | 3.927 | 60 | 3.949 | 12/7/2024 | -2 | 37 |
| Pelabuhan Tanjung Pelepas Sdn Berhad | 06/25 | AA | 3.748 | 10 | 3.776 | 4/7/2024 | -3 | 48 |
| OSK Rated Bond Sdn Berhad | 04/28 | AA | 3.878 | 20 | 3.918 | 13/6/2024 | -4 | 32 |
| BGSM Management Sdn Berhad | 08/25 | AA3 | 3.820 | 10 | 3.820 | 22/7/2024 | 0 | 55 |
| Tadau Energy Sdn Berhad | 07/26 | AA3 | 4.214 | 2 | 4.230 | 16/7/2024 | -2 | 84 |
| Affin Islamic Bank Berhad | 12/26 | AA3 | 3.878 | 20 | 3.926 | 20/6/2024 | -5 | 50 |
| Affin Bank Berhad | 05/29 | AA3 | 3.868 | 1 | 3.871 | 2/7/2024 | 0 | 27 |
| Gamuda Berhad | 03/31 | AA3 | 3.989 | 10 | 4.019 | 17/5/2024 | -3 | 23 |
| Edra Energy Sdn Berhad | 07/31 | AA3 | 4.048 | 5 | 5.636 | 12/9/2023 | -159 | 29 |
| Perbadanan Kemajuan Negeri Selangor | 01/32 | AA3 | 4.200 | 10 | 4.288 | 24/5/2024 | -9 | 45 |
| Edra Energy Sdn Berhad | 07/32 | AA3 | 4.068 | 10 | 4.089 | 12/6/2024 | -2 | 29 |
| Solar Management (Seremban) Sdn Berhad | 10/32 | AA3 | 4.879 | 4 | 5.038 | 9/2/2024 | -16 | 110 |
| Malaysian Reinsurance Berhad | 10/32 | AA3 | 3.959 | 1 | 3.960 | 22/7/2024 | 0 | 18 |
| Edra Energy Sdn Berhad | 01/34 | AA3 | 4.107 | 30 | 4.239 | 29/4/2024 | -13 | 31 |
| Edra Energy Sdn Berhad | 07/37 | AA3 | 4.234 | 10 | 4.279 | 13/6/2024 | -4 | 27 |
| UEM Sunrise Berhad | 03/26 | AA- | 3.846 | 10 | 3.850 | 22/7/2024 | 0 | 47 |
| MMC Port Holdings Sdn Berhad | 04/32 | AA- | 4.068 | 5 | 4.178 | 7/5/2024 | -11 | 29 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3 | 4.451 | 2 | 4.137 | 18/7/2024 | 31 | 70 |
| | | | | 771 | | | | |

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

| Rating Action | | | |
|--------------------------|------------------|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Sabah Credit Corporation | Sukuk Programmes | AA1/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@hlbb.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.