

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were marginally softer in trading on Monday, amidst the preliminary US PMIs for September indicating a slower pace of growth, and comments from the Fed's Neel Kashkari in support of a further 50bps reduction in the Fed Funds Rate this year. Benchmark yields closed higher between 0 and 1bp, with the yield curve slightly steeper for the day. **The benchmark 2yr UST yield was little changed for the session at 3.59%, while the benchmark 10yr UST yield advanced by 1bp for the day to 3.75%.** Today will see the scheduled release of the September consumer confidence index by the Conference Board, the FHFA Housing Price Index for July, and some regional Fed activity reports out of Philadelphia and Richmond.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.59	0
5-yr UST	3.51	1
10-yr UST	3.75	1
30-yr UST	4.09	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.33	1	3.30	0
5-yr	3.49	1	3.44	-1
7-yr	3.68	0	3.69	0
10-yr	3.71	0	3.75	2
15-yr	3.88	1	3.91	0
20-yr	4.03	0	4.04	0
30-yr	4.18	1	4.10	-8

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.43	1
3-yr	3.33	2
5-yr	3.37	2
7-yr	3.47	3
10-yr	3.57	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were softer in trading on Monday, amidst a cooler than expected inflation print in August domestically. CPI advanced at 1.9% y/y versus the 2.0% y/y in July. Secondary market volume declined by 28% to RM3.53bn compared to the RM4.93bn that traded on Friday. Benchmark yields closed mixed between -1 and +2 bps for the day, except for the 30Y benchmark GII, which was skewed by same late odd-lot trades. **The benchmark 5Y MGS 8/29 saw its yield rise by 1bp for the day at 3.49% while the yield on the benchmark 10Y MGS 7/34 was little changed for the session at 3.71%.** Trading interest for the day was led by the off-the-run MGS 3/25, while interest was also seen in the benchmark 3Y MGS, 5Y MGS and 7Y MGS, as well as the off-the-run GII 10/24, MGS 9/25, GII 10/25 and MGS 11/26. Trading in GIIs as a proportion of total govovies trading climbed to 26% versus the 20% share the previous session. There are no domestic economic data releases scheduled for the day.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading on Monday, with secondary market volume for the day tumbling by 39% to RM430m versus the RM709m that changed hands on Friday. Trading for the day was led by the AAA and AA-rated segments. In the GG universe, activity was seen in DANA 11/27 and PRASA 12/32, closing at 3.44% (+1bp versus last print) and 3.79% (unchanged) respectively. Over in the AAA space, interest was led by AIRSEL 4/33 and SEB 7/33, which settled for the day at 3.87% (-3bps) and 3.91% (+7bps) respectively. Meanwhile in the AA-rated universe, trading was led by Benih Restu 7/34 and MRCB 10/28, which closed at 4.00% (unchanged) and 4.25% (-3bps) respectively. In the A-rated space, interest was led by WCT 4/26 and ABMB 10/30, which settled the day at 5.30% (+1bp) and 3.90% (-40bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.262	72	3.143	09/20/2024	12
MGS	03/25	3.084	792	3.063	09/20/2024	2
MGS	09/25	3.165	152	3.187	09/20/2024	-2
MGS	04/26	3.280	1	3.276	09/20/2024	0
MGS	07/26	3.283	2	3.275	09/20/2024	1
MGS	11/26	3.271	99	3.251	09/20/2024	2
MGS	05/27	3.334	309	3.328	09/20/2024	1
MGS	11/27	3.387	29	3.361	09/20/2024	3
MGS	04/28	3.464	3	3.452	09/20/2024	1
MGS	06/28	3.456	88	3.443	09/20/2024	1
MGS	08/29	3.487	261	3.481	09/20/2024	1
MGS	04/30	3.580	45	3.580	09/20/2024	0
MGS	04/31	3.680	427	3.685	09/20/2024	0
MGS	07/32	3.730	34	3.738	09/20/2024	-1
MGS	11/33	3.754	53	3.748	09/20/2024	1
MGS	07/34	3.709	65	3.705	09/20/2024	0
MGS	04/37	3.879	17	3.879	09/20/2024	0
MGS	06/38	3.903	1	3.903	09/20/2024	0
MGS	04/39	3.877	7	3.868	09/20/2024	1
MGS	05/40	3.957	17	3.957	09/20/2024	0
MGS	10/42	4.001	40	3.992	09/20/2024	1
MGS	05/44	4.031	2	4.031	09/19/2024	0
MGS	06/50	4.141	48	4.110	09/20/2024	3
MGS	03/53	4.182	36	4.176	09/20/2024	1
GII	10/24	3.146	240	3.171	09/19/2024	-2
GII	10/25	3.230	110	3.242	09/20/2024	-1
GII	03/26	3.279	80	3.277	09/19/2024	0
GII	09/26	3.302	41	3.305	09/20/2024	0
GII	09/27	3.399	2	3.394	09/18/2024	0
GII	07/28	3.440	41	3.453	09/20/2024	-1
GII	08/28	3.472	10	3.474	09/17/2024	0
GII	10/28	3.481	71	3.487	09/20/2024	-1
GII	07/29	3.491	21	3.483	09/20/2024	1
GII	09/30	3.624	50	3.622	09/20/2024	0
GII	10/31	3.690	72	3.690	09/20/2024	0
GII	10/32	3.761	1	3.764	09/20/2024	0
GII	06/33	3.776	34	3.787	09/20/2024	-1
GII	08/33	3.786	31	3.777	09/20/2024	1
GII	11/34	3.749	10	3.732	09/20/2024	2
GII	07/36	3.868	1	3.861	09/19/2024	1
GII	03/38	3.880	8	3.891	09/20/2024	-1
GII	09/39	3.907	23	3.903	09/20/2024	0
GII	09/41	4.004	60	3.999	09/19/2024	0
GII	08/43	4.036	20	4.039	09/20/2024	0
GII	03/54	4.104	11	4.182	09/20/2024	-8
			3535			

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	11/27	GG	3.441	20	3.432	13/9/2024	1	11
Prasarana Malaysia Berhad	12/32	GG	3.791	20	3.788	9/9/2024	0	9
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.711	10	3.820	7/6/2024	-11	38
Bank Pembangunan Malaysia Berhad	12/28	AAA	3.776	10	3.878	24/6/2024	-10	35
Toyota Capital Malaysia Sdn Berhad	02/30	AAA	3.897	8	3.913	11/9/2024	-2	41
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.798	20	3.818	20/9/2024	-2	21
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.838	10	3.820	30/8/2024	2	25
Bakun Hydro Power Generation Sdn Berhad (fka S	08/31	AAA	3.817	10	4.015	15/5/2024	-20	13
Pengurusan Air Selangor Sdn Berhad	04/33	AAA	3.865	40	3.892	9/8/2024	-3	15
Sarawak Energy Berhad	07/33	AAA	3.906	30	3.840	22/8/2024	7	19
Sarawak Petchem Sdn Berhad	07/33	AAA	3.899	10	3.909	18/9/2024	-1	18
Tenaga Nasional Berhad	08/40	AAA	4.156	1	4.339	13/9/2024	-18	27
TNB Power Generation Sdn Berhad	03/43	AAA	4.050	20	4.051	20/9/2024	0	1
Batu Kawan Berhad	02/32	AA1	3.876	10	3.861	20/8/2024	1	19
AmBank (M) Berhad	06/31	AA2	3.998	20	3.999	30/7/2024	0	31
Benih Restu Berhad	07/34	AA2	4.000	46	3.999	20/9/2024	0	28
Affin Bank Berhad	05/29	AA3	3.958	20	3.937	20/9/2024	2	47
Malayan Cement Berhad (fka Lafarge Malaysia B	07/29	AA3	3.997	20	3.988	20/9/2024	1	51
Malayan Cement Berhad (fka Lafarge Malaysia B	12/29	AA3	4.017	10	4.017	20/9/2024	0	53
Malaysian Reinsurance Berhad	10/32	AA3	4.747	1	3.958	31/7/2024	79	104
Malaysian Resources Corporation Berhad	10/28	AA-	4.248	40	4.278	19/9/2024	-3	83
Hong Leong Bank Berhad	11/17	A1	3.393	1	4.231	18/9/2024	-84	-64
WCT Holdings Berhad	04/26	A+	5.300	30	5.291	19/9/2024	1	204
Alliance Bank Malaysia Berhad	10/30	A2	3.901	20	4.300	20/9/2024	-40	31
Alliance Bank Malaysia Berhad	10/35	A2	4.489	1	4.278	11/9/2024	21	77
IJM Land Berhad	03/19	A2	4.851	1	4.600	21/8/2024	25	82
WCT Holdings Berhad	03/19	A-	5.247	1	5.375	3/9/2024	-13	121
Alliance Bank Malaysia Berhad	11/17	BBB1	4.424	1	4.313	20/9/2024	11	39
Alliance Bank Malaysia Berhad	11/17	BBB1	4.154	1	4.621	19/9/2024	-47	12
				430				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Malaysia Steel Works (KL) Bhd	RM130m Sukuk Ijarah Programme	AAA/Stable	Withdrawn
Jimah East Power Sdn Bhd	RM8.24bn Sukuk Murabahah	AA-/Stable	Affirmed

Source: RAM, MARC

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