

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries were higher in trading on Thursday, amidst a downward revision to consumer spending in 1Q although final 1Q US GDP was revised higher to an annualized rate of 1.4% q/q as expected. A decent sale of USD44bn of 7-year USTs also added to the bid tone in the market. Benchmark yields closed lower across the curve by between 3 and 5bps for the day. **The benchmark 2yr UST yield was 3bps lower for the session at 4.75%, while the benchmark 10yr UST yield fell by 4bps for the day to 4.29%.** Tonight sees the release of much anticipated US core PCE index for May, and expectations are for a deceleration to 0.1% m/m after the downside surprise in US core CPI for May earlier this month.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.75 | -3 |
| 5-yr UST | 4.30 | -5 |
| 10-yr UST | 4.29 | -4 |
| 30-yr UST | 4.43 | -4 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.53 | -1 | 3.45 | 0 |
| 5-yr | 3.65 | 1 | 3.62 | 1 |
| 7-yr | 3.80 | 1 | 3.75 | 0 |
| 10-yr | 3.87 | 0 | 3.87 | 1 |
| 15-yr | 4.00 | -1 | 4.00 | 0 |
| 20-yr | 4.13 | 0 | 4.13 | 0 |
| 30-yr | 4.23 | 1 | 4.24 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.57 | 0 |
| 3-yr | 3.58 | 1 |
| 5-yr | 3.63 | 0 |
| 7-yr | 3.74 | 0 |
| 10-yr | 3.86 | 0 |

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM5bn of the benchmark 5Y MGS 8/29 on Monday, 01 July

MGS/GII

- Local govovies were slightly better offered in trading on Thursday in another active session, amidst the announcement of more government bond supply, with RM5bn of the benchmark 5Y MGS 8/29 to be auctioned this coming Monday. Secondary market volume for the day inched higher by 2% to RM4.16bn versus the RM4.09bn that traded on Wednesday. Benchmark yields closed mixed between -1 to +1 bp for the day. **The benchmark 5Y MGS 8/29 yield was 1bp higher for the session at 3.65% while the benchmark 10Y MGS 11/33 was little changed for the day at 3.87%.** Trading interest for the day was led by the off-the-run GII 10/25, while interest was also seen in the benchmark 3Y MGS/GII and 5Y MGS/GII, as well as in the off-the-run MGS 9/24, MGS 4/29, GII 9/30 and GII 10/32. The market share of GII trading for the day climbed to 54% versus the 46% share seen the previous session. There are no economic data releases domestically for the day ahead.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid in trading on Thursday, with secondary market volume for the day inching higher by 2% to RM604m, compared to the RM590m that changed hands the day before. Trading interest for the day was led by the AAA-rated segment of the market. In the GG universe, interest was seen in PRASA 9/42, which settled at 4.12%, 7bps lower versus its last print. In the AAA space, PSEP 11/29 and SMJ 10/38 led trading for the day, closing at 3.85% (-7bps versus last trade) and 4.18% (unchanged) respectively. In AA territory, trading interest was seen in YTLP 3/36 and Edotco 9/32, with the bonds closing at 4.15% (unchanged) and 4.01% (-6bps) respectively. In the A-rated space, trading was led by the new CIMB 4.31% Perps and MNRB 3/34, which settled at 4.24% (secondary market debut) and 4.22% (+11bps) respectively.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 09/24 | 3.055 | 178 | 3.125 | 06/26/2024 | -7 |
| MGS | 03/25 | 3.271 | 103 | 3.246 | 06/26/2024 | 2 |
| MGS | 09/25 | 3.264 | 12 | 3.298 | 06/26/2024 | -3 |
| MGS | 04/26 | 3.409 | 100 | 3.424 | 06/26/2024 | -2 |
| MGS | 11/26 | 3.418 | 109 | 3.401 | 06/26/2024 | 2 |
| MGS | 05/27 | 3.527 | 141 | 3.534 | 06/26/2024 | -1 |
| MGS | 11/27 | 3.533 | 31 | 3.547 | 06/26/2024 | -1 |
| MGS | 06/28 | 3.621 | 12 | 3.609 | 06/26/2024 | 1 |
| MGS | 04/29 | 3.652 | 143 | 3.644 | 06/26/2024 | 1 |
| MGS | 08/29 | 3.650 | 626 | 3.643 | 06/26/2024 | 1 |
| MGS | 04/30 | 3.755 | 20 | 3.743 | 06/25/2024 | 1 |
| MGS | 04/31 | 3.797 | 90 | 3.789 | 06/26/2024 | 1 |
| MGS | 06/31 | 3.797 | 12 | 3.798 | 06/25/2024 | 0 |
| MGS | 04/33 | 3.881 | 3 | 3.864 | 06/25/2024 | 2 |
| MGS | 11/33 | 3.866 | 50 | 3.864 | 06/26/2024 | 0 |
| MGS | 07/34 | 3.889 | 57 | 3.864 | 06/26/2024 | 2 |
| MGS | 05/35 | 3.956 | 4 | 3.950 | 06/26/2024 | 1 |
| MGS | 04/37 | 4.015 | 31 | 4.004 | 06/26/2024 | 1 |
| MGS | 06/38 | 4.019 | 40 | 4.000 | 06/26/2024 | 2 |
| MGS | 04/39 | 4.000 | 10 | 4.009 | 06/26/2024 | -1 |
| MGS | 05/40 | 4.093 | 38 | 4.062 | 06/26/2024 | 3 |
| MGS | 10/42 | 4.120 | 9 | 4.100 | 06/26/2024 | 2 |
| MGS | 09/43 | 4.151 | 1 | 4.128 | 06/25/2024 | 2 |
| MGS | 03/46 | 4.195 | 4 | 4.202 | 06/19/2024 | -1 |
| MGS | 06/50 | 4.222 | 74 | 4.215 | 06/26/2024 | 1 |
| GII | 10/24 | 3.223 | 10 | 3.195 | 06/26/2024 | 3 |
| GII | 08/25 | 3.285 | 16 | 3.304 | 06/26/2024 | -2 |
| GII | 10/25 | 3.292 | 763 | 3.301 | 06/26/2024 | -1 |
| GII | 09/26 | 3.451 | 246 | 3.455 | 06/26/2024 | 0 |
| GII | 07/27 | 3.536 | 10 | 3.532 | 06/25/2024 | 0 |
| GII | 09/27 | 3.536 | 8 | 3.535 | 06/25/2024 | 0 |
| GII | 07/28 | 3.622 | 240 | 3.614 | 06/26/2024 | 1 |
| GII | 10/28 | 3.638 | 23 | 3.627 | 06/26/2024 | 1 |
| GII | 12/28 | 3.649 | 70 | 3.639 | 06/26/2024 | 1 |
| GII | 07/29 | 3.649 | 90 | 3.643 | 06/26/2024 | 1 |
| GII | 09/30 | 3.754 | 250 | 3.751 | 06/26/2024 | 0 |
| GII | 10/30 | 3.752 | 7 | 3.761 | 06/24/2024 | -1 |
| GII | 10/31 | 3.791 | 30 | 3.788 | 06/26/2024 | 0 |
| GII | 10/32 | 3.855 | 160 | 3.851 | 06/24/2024 | 0 |
| GII | 08/33 | 3.869 | 130 | 3.861 | 06/26/2024 | 1 |
| GII | 11/34 | 3.860 | 20 | 3.859 | 06/26/2024 | 0 |
| GII | 07/36 | 3.968 | 44 | 3.965 | 06/26/2024 | 0 |
| GII | 08/43 | 4.125 | 63 | 4.128 | 06/26/2024 | 0 |
| GII | 11/49 | 4.124 | 1 | 4.126 | 06/26/2024 | 0 |
| GII | 05/52 | 4.250 | 10 | 4.170 | 06/24/2024 | 8 |
| GII | 03/54 | 4.244 | 70 | 4.238 | 06/26/2024 | 1 |
| | | | 4156 | | | |

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 | 10/39 | GG | 4.059 | 9 | 4.119 | 26/4/2024 | -6 | 4 |
| Prasarana Malaysia Berhad | 09/42 | GG | 4.119 | 10 | 4.184 | 9/5/2024 | -7 | -1 |
| Pengerang LNG (Two) Sdn Berhad | 10/29 | AAA | 3.834 | 10 | 3.889 | 28/2/2024 | -5 | 19 |
| Petroleum Sarawak Exploration & Production Sdr | 11/29 | AAA | 3.847 | 70 | 3.919 | 20/5/2024 | -7 | 20 |
| CIMB Islamic Bank Berhad | 03/34 | AAA | 3.998 | 40 | 4.008 | 18/6/2024 | -1 | 13 |
| Sarawak Petchem Sdn Berhad | 07/34 | AAA | 4.029 | 10 | 4.279 | 13/12/2023 | -25 | 16 |
| Sarawak Petchem Sdn Berhad | 07/35 | AAA | 4.059 | 20 | 4.078 | 7/6/2024 | -2 | 19 |
| Sarawak Petchem Sdn Berhad | 07/36 | AAA | 4.099 | 10 | 4.269 | 21/12/2023 | -17 | 23 |
| Projek Lebuhraya Usahasama Berhad | 01/37 | AAA | 4.049 | 50 | 4.059 | 25/6/2024 | -1 | 4 |
| Sarawak Petchem Sdn Berhad | 07/37 | AAA | 4.119 | 10 | 4.189 | 9/5/2024 | -7 | 11 |
| Johor Corporation | 07/38 | AAA | 4.129 | 20 | 4.119 | 13/6/2024 | 1 | 11 |
| Pengurusan Air Selangor Sdn Berhad | 10/38 | AAA | 4.079 | 10 | 4.118 | 12/6/2024 | -4 | 6 |
| SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad) | 10/38 | AAA | 4.180 | 60 | 4.184 | 19/6/2024 | 0 | 17 |
| Hong Leong Bank Berhad | 06/33 | AA1 | 3.958 | 30 | 3.980 | 4/6/2024 | -2 | 11 |
| Hong Leong Bank Berhad | 06/34 | AA1 | 3.989 | 10 | 3.989 | 25/6/2024 | 0 | 12 |
| YTL Power International Berhad | 03/36 | AA1 | 4.147 | 50 | 4.149 | 24/6/2024 | 0 | 28 |
| edotco Malaysia Sdn Berhad | 09/27 | AA+ | 3.825 | 20 | 3.844 | 21/6/2024 | -2 | 29 |
| edotco Malaysia Sdn Berhad | 09/32 | AA+ | 4.009 | 40 | 4.068 | 18/4/2024 | -6 | 18 |
| Solarpack Suria Sungai Petani Sdn Berhad | 10/35 | AA2 | 4.549 | 10 | n/a | n/a | 455 | 68 |
| Solarpack Suria Sungai Petani Sdn Berhad | 10/36 | AA2 | 4.599 | 7 | 4.938 | 5/12/2023 | -34 | 73 |
| SP Setia Berhad | 06/28 | AA | 3.918 | 2 | 3.948 | 27/5/2024 | -3 | 32 |
| Gamuda Land (T12) Sdn Berhad | 10/27 | AA3 | 3.927 | 3 | 3.918 | 23/5/2024 | 1 | 39 |
| Edra Energy Sdn Berhad | 01/29 | AA3 | 3.996 | 10 | 3.989 | 12/6/2024 | 1 | 35 |
| Malayan Cement Berhad (fka Lafarge Malaysia B | 12/29 | AA3 | 4.138 | 12 | 4.237 | 12/3/2024 | -10 | 49 |
| Tanjung Bin Energy Sdn Berhad | 03/31 | AA3 | 5.169 | 10 | 5.141 | 26/6/2024 | 3 | 137 |
| Gamuda Berhad | 06/33 | AA3 | 4.088 | 10 | 4.119 | 24/6/2024 | -3 | 24 |
| UEM Sunrise Berhad | 02/26 | AA- | 3.863 | 2 | 4.088 | 5/3/2024 | -23 | 42 |
| MNRB Holdings Berhad | 03/34 | A1 | 4.223 | 21 | 4.117 | 18/6/2024 | 11 | 36 |
| CIMB Group Holdings Berhad | 05/16 | A1 | 4.240 | 25 | n/a | n/a | 424 | 11 |
| Tropicana Corporation Berhad | 06/25 | A | 5.347 | 1 | 5.300 | 24/6/2024 | 5 | 203 |
| TG Excellence Berhad | 02/20 | A | 4.931 | 1 | 5.180 | 21/6/2024 | -25 | 80 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3 | 4.226 | 10 | 4.227 | 24/6/2024 | 0 | 43 |
| Affin Islamic Bank Berhad | 10/18 | A3 | 4.451 | 1 | 4.388 | 16/5/2024 | 6 | 32 |
| Yinson Holdings Berhad | 11/22 | A3 | 5.737 | 1 | 6.251 | 26/6/2024 | -51 | 161 |
| | | | | 604 | | | | |

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

| Rating Action | | | |
|-------------------------|---|--------------------------|------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| AC First Genesis Berhad | Senior Sukuk issued under RM3bn Sukuk Ijarah Programme: Class A Class B | AAA/Stable AA2/Stable | Affirmed |
| YNH Property Berhad | Islamic Medium-Term Notes Programme (Sukuk Wakalah) | BB/Negative | Downgraded |

Source: RAM, MARC

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