

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries came under renewed pressure on Friday, as investors turned increasingly anxious with the fast approaching of US elections on 5-Nov. Disappointing durable goods orders casted doubts on business outlook ahead although University of Michigan consumer sentiments and Kansas City services index showed some improvement. Overall benchmark UST yields rose 3bps across the curve, with the benchmark 2Y and 10Y bond yields rising 3bps each to 4.11% and 4.24% respectively. We expect trading in UST to remain supported by safety bids as we kickstart the week under the influence of heightened Middle-east tension following Israel's retaliation strike on Iran over the weekend. Key US data namely nonfarm and other job data, core PCE, and advanced 3Q GDP will however keep investors edgy, in addition to a flurry of debt supply this week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.11	3
5-yr UST	4.06	3
10-yr UST	4.24	3
30-yr UST	4.50	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	0	3.40	0
5-yr	3.63	-1	3.64	-1
7-yr	3.84	0	3.86	2
10-yr	3.87	-1	3.91	-1
15-yr	4.00	0	4.00	-2
20-yr	4.13	-1	4.15	0
30-yr	4.24	1	4.19	-3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	0
3-yr	3.50	0
5-yr	3.54	-1
7-yr	3.63	-1
10-yr	3.74	-1

Source : Bloomberg

Upcoming Government Bond Tender

RM5.0bn 7Y reopening of MGII 10/31 on 29 October (Tuesday)

MGS/GII

- Local govies finally shrugged off days of selling pressure, and rebounded across most part of the MGS/ GII curve, except for 30Y MGS and 7Y GII on Friday. Yields fell 1-3bps overall (prior: -2 to +3bps). **The benchmark 5Y MGS 8/29 saw its yield dipping 1bp for the day to 3.63% while the yield on the benchmark 10Y MGS 7/34 also lost 1bp to 3.87%.** Trading activity in the secondary market lost some steam to RM3.23bn on Friday, pulling back further from RM3.85bn traded a day earlier. Trading interest was led by off the run MGS 9/25 and GII 10/25, and benchmark 7Y MGS 4/31 and 10Y GII 8/33. Trading in GIIs as a proportion of total govies trading increased to 41% (prior 36%). Next up will be reopening sale of RM5.0bn 7Y GII 10/31 on Tuesday, the last sale for the month.

Corp Bonds/Sukuk

- Trading activities in the corporate bond/sukuk market continued trading on a mixed note amid a quieter session on Friday. Secondary market volume fell sharply by 75% on the day to RM237m (prior RM931m), with only 12 issuances being traded. GG papers continued to garner the most interests, accounting more than half of total transacted volumes in the corporate bond space. PTPTN '29 and LPPSA '36 took the lead with RM60m changed hands each, last at 3.67% (-3bps) and 4.00% (+10bps) respectively. In the AAA-rated segment, Mercedes-Benz '26 saw RM40m last done 5bps higher at 3.74% while in the AA-rated space, MBB '17 and MMC Port '27 saw RM30m and RM20m transacted respectively, at 4.06% and 3.86%.

Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.19	116	3.22	10/24/2024	-3
MGS 09/25	3.25	338	3.25	10/24/2024	0
MGS 07/26	3.38	93	3.34	10/24/2024	5
MGS 05/27	3.49	162	3.49	10/24/2024	0
MGS 11/27	3.52	115	3.50	10/24/2024	1
MGS 04/28	3.56	2	3.58	10/24/2024	-2
MGS 06/28	3.59	129	3.61	10/24/2024	-2
MGS 04/29	3.62	1	3.64	10/24/2024	-1
MGS 08/29	3.63	148	3.63	10/24/2024	-1
MGS 04/30	3.69	1	3.71	10/24/2024	-2
MGS 04/31	3.84	194	3.84	10/24/2024	0
MGS 06/31	3.85	1	3.80	10/23/2024	4
MGS 04/32	3.85	5	3.79	10/24/2024	6
MGS 07/32	3.86	138	3.86	10/24/2024	1
MGS 04/33	3.90	12	3.83	10/23/2024	7
MGS 11/33	3.91	176	3.92	10/24/2024	0
MGS 07/34	3.87	1	3.88	10/24/2024	-1
MGS 05/35	3.94	1	3.91	10/24/2024	3
MGS 04/37	3.99	20	4.00	10/23/2024	0
MGS 06/38	4.01	22	4.01	10/24/2024	0
MGS 04/39	4.00	21	4.01	10/24/2024	0
MGS 05/40	4.04	51	4.03	10/24/2024	1
MGS 10/42	4.08	2	4.08	10/24/2024	0
MGS 05/44	4.13	10	4.14	10/24/2024	-1
MGS 06/50	4.14	25	4.00	10/24/2024	14
MGS 03/53	4.24	110	4.23	10/24/2024	1
GII 08/25	3.24	160	3.25	10/24/2024	-1
GII 10/25	3.27	365	3.24	10/24/2024	2
GII 07/28	3.58	10	3.59	10/23/2024	-1
GII 10/28	3.58	10	3.52	10/24/2024	6
GII 07/29	3.64	10	3.65	10/24/2024	-1
GII 09/30	3.72	10	3.68	10/24/2024	4
GII 10/30	3.74	60	3.71	10/24/2024	3
GII 10/31	3.86	65	3.84	10/24/2024	2
GII 10/32	3.87	130	3.86	10/24/2024	1
GII 08/33	3.91	200	3.87	10/22/2024	3
GII 11/34	3.91	265	3.91	10/24/2024	-1
GII 09/39	4.00	10	4.02	10/24/2024	-2
GII 08/43	4.15	20	4.15	10/23/2024	0
GII 05/47	4.07	2	4.12	10/18/2024	-6
GII 11/49	4.10	0	4.21	10/24/2024	-11
GII 05/52	4.22	16	4.22	10/24/2024	-1
GII 03/54	4.19	0	4.22	10/24/2024	-3
		<u>3228</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol (RM mil)	Previous	Previous Trade Date (mm/dd/yyyy)	Chg (bp)	Spread Against MGS*	
		YTM		YTM				
DanaInfra Nasional Berhad	07/27	GG	3.55	10	3.48	10/18/2024	7	7
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.67	60	3.70	06/26/2024	-3	11
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.00	60	3.90	08/22/2024	10	14
DanaInfra Nasional Berhad	02/44	GG	4.23	10	4.21	10/22/2024	1	8
Mercedes-Benz Services Malaysia Sdn Berhad	08/26	AAA	3.74	40	3.69	10/15/2024	5	37
Tenaga Nasional Berhad	08/40	AAA	4.13	1	4.15	10/11/2024	-3	12
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.55	0	3.96	10/08/2024	59	70
CIMB Group Holdings Berhad	12/32	AA2	4.08	1	4.32	09/12/2024	-24	23
Malayan Banking Berhad	02/17	AA3	4.06	30	4.13	10/18/2024	-7	-9
UEM Sunrise Berhad	04/25	AA-	3.70	5	4.12	10/23/2024	-42	44
MMC Port Holdings Sdn Berhad	04/27	AA-	3.86	20	3.80	10/04/2024	5	49
SunReit Perpetual Bond Berhad	04/19	A1	4.51	1	4.30	10/24/2024	21	37
				<u>1</u>				
				<u>237</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sarawak Energy Berhad	RM15.0 bil Sukuk Musyarakah Programme (2011/2036)	AAA/Stable	Affirmed

Source: RAM, MARC

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