

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries remained under pressure for a 2nd straight day on Monday, amid continued anxiousness ahead of the US election which is just days away. Investors were also wary over the impending announcement of quarterly refunding (expected to be higher) and a flurry of record debt supply totaling \$185bn this week, of which the auctions of \$69bn 2Y and \$70bn 5Y bonds have been completed overnight with lukewarm demand. Overall benchmark UST yields rose 3-5bps across the curve, with the benchmark 2Y note yields climbing 3bps higher to 4.14% while the 10Y bond yields rose 4bps to 4.28%. We expect trading in UST to remain supported by safety bids as market sentiments are expected to remain fragile amid US election angst and upcoming jobs and inflation data starting with JOLTS tonight. Other key US data on deck for the remaining week include ADP, nonfarm payroll and other job data, core PCE, and advanced 3Q GDP.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.14	3
5-yr UST	4.12	5
10-yr UST	4.28	4
30-yr UST	4.53	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	3	3.42	2
5-yr	3.66	3	3.64	0
7-yr	3.89	4	3.69	-18
10-yr	3.90	3	3.93	3
15-yr	4.02	2	4.00	0
20-yr	4.15	2	4.17	2
30-yr	4.23	0	4.20	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	1
3-yr	3.53	2
5-yr	3.58	4
7-yr	3.66	3
10-yr	3.76	2

Source : Bloomberg

MGS/GII

- Local govies traded on a softer note again amid a quiet trading session on Monday, as investors prefer to stay on the sideline amid US election and Israel-Iran tension, in our view. Overall benchmark yields added 0-4bps across the curve except for the 7Y GII 10/31 which fell 18bps on the day to 3.69%, ahead of its reopening sale today. **The benchmark 5Y MGS 8/29 yields added 3bps for the day to 3.66% while the yield on the benchmark 10Y MGS 7/34 also added 3bps to 3.90%.** Secondary market volume continued dwindling, by 11.4% on the day to RM2.86bn (prior RM3.23bn), of which GII trade accounted for a third (prior 41%) of the overall volume transacted on Monday. Front end off the run MGS 3/25 and 9/25, GII 10/25 led the pack with RM496m, RM593m, and RM390m transacted respectively, last closed at 3.15% (-4bps), 3.30% (+5ps) and 3.31% (+4bps). All eyes will be on the reopening sale of RM5.0bn 7Y GII 10/31 today.

Upcoming Government Bond Tender

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

Corp Bonds/Sukuk

- The corporate bond/sukuk market remained mixed amid heavier trade on Monday. Secondary market volume gained some traction to RM564m (prior RM237m), with the number of issuances being traded nearly tripled to 32. GG papers continued to garner the most interests, led by the debut of MRL 4/25 which saw RM250m done at 3.31%. Other GG papers included LPPSA 8/35 and 3/36 which saw a combined RM40m dealt at 3.99-4.00%. In the AAA-rated space, DANGA 1/30 took center stage with RM40m changed hands at 3.94% (+12bps). We saw a good mixture of names that attracted investors' interests on the day, spanning from energy, infra, finance, and property. AA-rated MYEG 8/27 debuted at 5.68%, with RM6m dealt.

Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.15	496	3.19	10/25/2024	-4
MGS 09/25	3.30	593	3.25	10/25/2024	5
MGS 04/26	3.34	1	3.33	10/24/2024	1
MGS 07/26	3.38	0	3.38	10/25/2024	0
MGS 11/26	3.42	1	3.40	10/24/2024	2
MGS 03/27	3.51	1	3.37	10/15/2024	14
MGS 05/27	3.52	47	3.49	10/25/2024	3
MGS 04/28	3.62	1	3.56	10/25/2024	6
MGS 06/28	3.62	7	3.59	10/25/2024	3
MGS 04/29	3.64	1	3.62	10/25/2024	2
MGS 08/29	3.66	105	3.63	10/25/2024	3
MGS 04/30	3.73	167	3.69	10/25/2024	4
MGS 04/31	3.89	146	3.84	10/25/2024	4
MGS 06/31	3.88	25	3.85	10/25/2024	4
MGS 07/32	3.90	15	3.86	10/25/2024	4
MGS 04/33	3.91	10	3.90	10/25/2024	1
MGS 11/33	3.93	54	3.91	10/25/2024	2
MGS 07/34	3.90	84	3.87	10/25/2024	3
MGS 05/35	3.95	4	3.94	10/25/2024	2
MGS 04/37	4.00	1	3.99	10/25/2024	1
MGS 06/38	4.03	17	4.01	10/25/2024	2
MGS 04/39	4.02	2	4.00	10/25/2024	2
MGS 05/40	4.07	2	4.04	10/25/2024	3
MGS 10/42	4.10	2	4.08	10/25/2024	2
MGS 09/43	4.12	0	4.09	10/22/2024	3
MGS 05/44	4.15	62	4.13	10/25/2024	2
MGS 07/48	4.20	0	4.19	10/24/2024	1
MGS 06/50	4.20	21	4.14	10/25/2024	6
MGS 03/53	4.23	36	4.24	10/25/2024	0
GII 10/25	3.31	390	3.27	10/25/2024	4
GII 09/26	3.42	5	3.40	10/23/2024	2
GII 06/27	3.54	20	3.39	10/22/2024	15
GII 09/27	3.54	10	3.44	10/24/2024	10
GII 10/31	3.69	150	3.86	10/25/2024	-18
GII 10/32	3.93	20	3.87	10/25/2024	6
GII 11/34	3.93	160	3.91	10/25/2024	3
GII 03/38	4.01	1	3.97	10/24/2024	4
GII 08/43	4.17	120	4.15	10/25/2024	2
GII 11/49	4.09	0	4.10	10/25/2024	-1
GII 05/52	4.24	20	4.22	10/25/2024	2
GII 03/54	4.20	60	4.22	10/24/2024	-2
		<u>2859</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread
		YTM	(RM mil)	YTM	Trade Date (mm/dd/yyyy)		
Malaysia Rail Link Sdn Berhad	04/25	GG	3.31	250			5
Danainfra Nasional Berhad	04/35	GG	3.97	10	3.84	09/06/2024	13
Lembaga Pembiayaan Perumahan Sektor Awam	08/35	GG	3.99	20	3.86	09/06/2024	13
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.00	20	4.00	10/25/2024	0
Malaysia Airport Holdings Berhad	12/26	AAA	3.75	2	3.82	06/05/2024	-7
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.80	4	3.81	04/24/2024	-1
Pengurusan Air SPV Berhad	02/29	AAA	3.84	10	3.83	09/18/2024	1
Rantau Abang Capital Berhad	03/29	AAA	3.91	20	3.79	09/06/2024	12
Danum Capital Berhad	06/29	AAA	3.86	20	3.76	10/02/2024	10
Danga Capital Berhad	01/30	AAA	3.94	40	3.82	10/14/2024	12
Pengurusan Air SPV Berhad	02/31	AAA	3.92	10	3.87	10/18/2024	5
Tenaga Nasional Berhad	11/31	AAA	4.00	5	3.85	10/09/2024	15
Tenaga Nasional Berhad	08/32	AAA	3.94	4	4.15	10/17/2024	-21
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	4.01	6	3.94	10/18/2024	7
CIMB Islamic Bank Berhad	03/34	AAA	4.13	20	4.04	10/16/2024	9
Pengurusan Air Selangor Sdn Berhad	10/38	AAA	4.07	10	4.06	10/09/2024	1
Pengurusan Air Selangor Sdn Berhad	10/48	AAA	4.25	3	4.24	08/28/2024	1
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.23	0	4.55	10/25/2024	-32
YTL Power International Berhad	10/39	AA1	4.28	10	4.24	10/16/2024	4
Sime Darby Property Berhad	12/30	AA+	3.97	10	4.01	07/03/2024	-4
PONSB Capital Berhad	06/27	AA2	4.17	1	4.13	10/03/2024	5
SP Setia Berhad	06/28	AA	3.94	1	3.92	07/18/2024	2
Exsim Capital Resources Berhad	06/27	AA3	5.09	6	5.14	07/09/2024	-5
Cypark Ref Sdn Berhad	06/29	AA3	4.68	4	5.10	05/10/2023	-43
AmBank (M) Berhad	03/31	AA3	3.90	20	3.87	10/14/2024	2
UEM Sunrise Berhad	02/26	AA-	3.79	5	3.77	08/21/2024	2
Southern Power Generation Sdn Berhad	10/26	AA-	3.81	4	3.79	08/28/2024	2
MY E.G. Services Berhad	08/27	AA-	5.68	6			568
MMC Port Holdings Sdn Berhad	04/32	AA-	4.17	20	4.00	08/14/2024	17
Sinar Kamiri Sdn Berhad	01/36	AA-	5.23	6	5.24	07/30/2024	-1
UMW Holdings Berhad	04/18	AA-	4.15	10	4.04	09/19/2024	11
George Kent (Malaysia) Berhad	03/26	A+	4.86	6	5.21	09/25/2023	-35
				<u>564</u>			

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
MMC Port Holdings Sdn Bhd	RM1.0 billion Sukuk Murabahah Programme	AA-IS/ Stable	Affirmed
Amanat Lebuhraya Rakyat Berhad	RM5.5 billion Sukuk Programme	AAAIS/ Stable	Affirmed

Source: RAM, MARC

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