

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were firmer in trading on Friday, with the shorter dated maturities leading the move higher, amidst personal income and spending numbers for August coming in south of market expectations, and a slightly cooler than expected monthly change in the core PCE index for the month. Benchmark yields closed lower by between 3 and 7bps for the day, with the UST curve bull steepening. **The benchmark 2yr UST yield was 7bps lower for the session at 3.56%, while the benchmark 10yr UST yield declined by 5bps for the day to 3.75%.** Tonight sees a pretty light data calendar, with only regional activity reports due out of Chicago and Dallas. There are also speeches scheduled by Fed Chair Powell and Governor Bowman to keep an eye on for further clues about the path of monetary easing.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.56	-7
5-yr UST	3.51	-6
10-yr UST	3.75	-5
30-yr UST	4.10	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	-1	3.31	1
5-yr	3.51	-1	3.45	0
7-yr	3.68	0	3.69	0
10-yr	3.72	-1	3.75	0
15-yr	3.90	1	3.91	-1
20-yr	4.03	0	4.05	1
30-yr	4.18	0	4.20	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.51	1
3-yr	3.40	2
5-yr	3.43	0
7-yr	3.53	0
10-yr	3.63	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies were mixed in trading on Friday in a busier trading session to end the week, amidst a lukewarm reopening auction of the benchmark 30Y GII 3/54, which drew a low BTC of 1.860x. Secondary market volume rose by 28% to RM4.99bn compared to the RM3.91bn that traded on Thursday. Benchmark yields closed mixed between -1 and +1 bp for the day. **The benchmark 5Y MGS 8/29 saw its yield decline 1bp for the day to 3.51% while the yield on the benchmark 10Y MGS 7/34 was also 1bp lower for the session at 3.72%.** Trading interest was led by the off-the-run MGS 3/25, while interest was also seen in the off-the-run MGS 9/25 and MGS 7/32, as well as in the benchmark 3Y MGS, 5Y MGS, 7Y MGS, 10Y MGS and 30Y GII. Trading in GIIs as a proportion of total govovies trading receded to 32% versus the 35% share seen the previous session.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Friday, with secondary market volume for the day inching lower by 5% to RM554m versus the RM584m that changed hands on Thursday. Trading for the day was led by the AAA-rated segment. In the GG universe, activity was again led by DANA 7/44, which closed at 4.10%, little changed from where it last traded the day before. Over in the AAA space, interest was led by MANJUNG 11/24, which closed at 3.34%, 5bps lower versus where it last traded. Interest was also seen in TNBPG 3/30 and TNBPG 3/33, which settled the day at 3.76% (-17bps versus last print) and 3.87% (-1bp) respectively. Meanwhile in the AA-rated universe, activity was led by MRCB 10/31, which closed at 4.35%, a massive 23bps lower compared to where it last traded. SP Setia 4/32 also saw interest, settling the day at 4.00%, unchanged versus its last print.

Daily Trades: Government Bond

Securities	Closing		Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	
MGS	03/25	3.104	831	3.064	09/26/2024	4
MGS	09/25	3.158	808	3.185	09/26/2024	-3
MGS	04/26	3.249	20	3.267	09/26/2024	-2
MGS	07/26	3.294	12	3.202	09/26/2024	9
MGS	11/26	3.271	25	3.243	09/26/2024	3
MGS	05/27	3.335	198	3.343	09/26/2024	-1
MGS	11/27	3.375	95	3.385	09/26/2024	-1
MGS	04/28	3.449	34	3.455	09/26/2024	-1
MGS	06/28	3.468	116	3.460	09/26/2024	1
MGS	04/29	3.521	80	3.494	09/24/2024	3
MGS	08/29	3.506	277	3.511	09/26/2024	-1
MGS	04/30	3.598	53	3.599	09/26/2024	0
MGS	04/31	3.680	185	3.683	09/26/2024	0
MGS	06/31	3.691	35	3.692	09/25/2024	0
MGS	07/32	3.731	174	3.742	09/26/2024	-1
MGS	04/33	3.761	45	3.768	09/25/2024	-1
MGS	11/33	3.759	104	3.769	09/26/2024	-1
MGS	07/34	3.717	197	3.723	09/26/2024	-1
MGS	05/35	3.810	2	3.802	09/26/2024	1
MGS	04/37	3.883	10	3.885	09/26/2024	0
MGS	06/38	3.913	17	3.913	09/26/2024	0
MGS	04/39	3.900	5	3.894	09/26/2024	1
MGS	05/40	3.964	5	3.964	09/26/2024	0
MGS	10/42	4.019	20	4.028	09/26/2024	-1
MGS	07/48	4.114	20	4.118	09/26/2024	0
MGS	06/50	4.147	23	4.152	09/26/2024	0
MGS	03/53	4.176	4	4.176	09/26/2024	0
GII	10/24	3.157	100	3.138	09/26/2024	2
GII	08/25	3.176	6	3.108	09/26/2024	7
GII	10/25	3.219	119	3.217	09/26/2024	0
GII	03/26	3.291	75	3.275	09/26/2024	2
GII	09/26	3.312	54	3.302	09/26/2024	1
GII	07/27	3.394	2	3.375	09/25/2024	2
GII	09/27	3.404	31	3.380	09/26/2024	2
GII	07/28	3.452	42	3.452	09/25/2024	0
GII	08/28	3.468	30	3.471	09/25/2024	0
GII	10/28	3.471	7	3.475	09/25/2024	0
GII	07/29	3.521	14	3.505	09/26/2024	2
GII	09/30	3.624	168	3.630	09/26/2024	-1
GII	10/30	3.645	23	3.636	09/26/2024	1
GII	10/31	3.690	10	3.693	09/26/2024	0
GII	10/32	3.763	55	3.758	09/25/2024	0
GII	06/33	3.910	51	3.780	09/24/2024	13
GII	08/33	3.795	22	3.787	09/26/2024	1
GII	11/34	3.750	80	3.749	09/26/2024	0
GII	07/36	3.870	6	3.854	09/26/2024	2
GII	03/38	3.883	11	3.883	09/26/2024	0
GII	09/39	3.907	8	3.913	09/26/2024	-1
GII	08/43	4.047	65	4.039	09/26/2024	1
GII	05/47	4.002	12	4.103	09/26/2024	-10
GII	11/49	4.139	24	4.130	09/26/2024	1
GII	05/52	4.195	10	4.091	09/26/2024	10
GII	03/54	4.197	568	4.185	09/25/2024	1
			4987			

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*
Prasarana Malaysia Berhad	02/40	GG	3.999	10	3.999	25/9/2024	0	10
DanaInfra Nasional Berhad	07/44	GG	4.099	80	4.100	26/9/2024	0	6
DanaInfra Nasional Berhad	09/50	GG	4.170	20	4.249	16/2/2024	-8	13
Manjung Island Energy Berhad	11/24	AAA	3.342	50	3.390	11/9/2024	-5	16
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.706	10	3.847	5/7/2024	-14	37
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.738	10	3.751	6/9/2024	-1	30
TNB Power Generation Sdn Berhad	03/30	AAA	3.762	40	3.929	11/6/2024	-17	16
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.823	10	3.814	26/9/2024	1	22
TNB Power Generation Sdn Berhad	03/33	AAA	3.869	40	3.880	5/9/2024	-1	14
Johor Corporation	07/33	AAA	3.968	20	3.989	24/9/2024	-2	24
Danum Capital Berhad	02/34	AAA	3.928	10	3.948	25/9/2024	-2	20
Danum Capital Berhad	08/34	AAA	3.939	20	n/a	n/a	394	22
Pengurusan Air Selangor Sdn Berhad	08/44	AAA	4.129	40	4.133	18/9/2024	0	9
Pengurusan Air Selangor Sdn Berhad	08/49	AAA	4.219	20	4.213	18/9/2024	1	18
AmBank Islamic Berhad	09/27	AA2	3.746	2	n/a	n/a	375	41
Konsortium ProHAWK Sdn Berhad	06/33	AA2	4.164	10	4.494	12/12/2023	-33	44
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA	3.645	10	3.764	23/5/2024	-12	46
SP Setia Berhad	04/32	AA	3.998	20	3.998	9/9/2024	0	28
Malayan Cement Berhad (fka Lafarge Malaysia B	07/29	AA3	3.999	10	3.997	26/9/2024	0	49
Edra Energy Sdn Berhad	07/32	AA3	4.041	5	4.007	10/9/2024	3	33
Solar Management (Seremban) Sdn Berhad	10/32	AA3	4.731	4	4.879	23/7/2024	-15	102
Edra Energy Sdn Berhad	07/33	AA3	4.050	5	4.037	26/9/2024	1	32
Edra Energy Sdn Berhad	07/35	AA3	4.107	10	4.108	26/9/2024	0	39
Edra Energy Sdn Berhad	01/36	AA3	4.127	10	4.128	26/9/2024	0	41
Edra Energy Sdn Berhad	07/36	AA3	4.147	10	4.150	12/9/2024	0	43
Edra Energy Sdn Berhad	01/37	AA3	4.167	10	4.169	12/9/2024	0	45
Malaysian Resources Corporation Berhad	02/26	AA-	4.152	4	4.158	19/9/2024	-1	97
Malaysian Resources Corporation Berhad	10/31	AA-	4.348	60	4.628	24/5/2024	-28	66
Yinson Holdings Berhad	12/26	A1	4.645	1	5.310	22/8/2024	-67	138
IJM Land Berhad	03/19	A2	4.945	1	4.656	9/8/2024	29	90
TG Excellence Berhad	02/20	A	5.701	1	5.942	26/9/2024	-24	166
Tropicana Corporation Berhad	09/19	A-	8.155	2	88.758	12/9/2024	-8060	411
				554				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
SIBS Sdn Bhd	Proposed Islamic Medium-Term Notes (IMTN) Programme of up to RM3bn and Islamic Commercial Papers (ICP) Programme of up to RM500m, with a combined aggregate limit of up to RM3bn	AA-/Stable/MARC-1	Assigned Preliminary Ratings
SMJ Energy Sdn Bhd	Multi-Currency Islamic Medium Term Notes (Sukuk Wakalah) Programme of up to RM10bn	AAA/Stable	Affirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.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.