

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries halted two straight days of selloffs and rebounded on Tuesday, pushing yields down 3-4bps across the curve as much weaker JOLTS job openings at its lowest since Jan-21 somewhat boosted rate cut bets, although this was cushioned by a bigger than expected increase in consumer confidence. Treasuries were also boosted by healthy demand for its 2Y FRN and 7Y note sales with BTC of 2.95x and 2.74x respectively. **The benchmark 2Y note yields fell 4bps to 4.10% while the 10Y bond yields pared back 3bps to 4.25%.** Investors are shifting their focus to the quarterly refunding announcement tonight with eyes on its potential implication on debt ceiling with its deadline next due in January next year. This aside, we will see the release of ADP private sector job report and advanced 3Q GDP tonight which is expected to show smaller job gains skewed by hurricanes effect but a still resilient US economy in 3Q nonetheless. However, fragile sentiments amid uncertainties in view of the fast approaching US presidential election will keep investors and hence UST on edge.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.10	-4
5-yr UST	4.08	-4
10-yr UST	4.25	-3
30-yr UST	4.50	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.51	-2	3.46	5
5-yr	3.67	2	3.64	0
7-yr	3.91	2	3.92	23
10-yr	3.93	3	3.95	2
15-yr	4.02	0	4.00	0
20-yr	4.14	0	4.04	-14
30-yr	4.24	1	4.20	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	0
3-yr	3.54	1
5-yr	3.58	1
7-yr	3.67	1
10-yr	3.77	1

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

### MGS/GII

- Local govvnies traded mixed but on the weaker side as investors preferred to stay on the sideline ahead of key event risks and data releases in the US. On the local front, the reopening auction of 7Y GII 10/31 garnered decent interests printing a BTC just shy of the 2.0x handle (at 1.997x) at an average yield of 3.914%. This benchmark 7Y GII took center stage with RM810m transacted, last at 3.92% (+23bps normalizing from the 18bps decline a day earlier). Other papers which attracted sizeable trading interests include GII 11/34, MGS 3/25, and benchmark MGS 4/31. Overall benchmark yields closed mixed between -2 to +5bps (save for the -14bps in 20Y GII due to odd lot trades and 7Y GII mentioned earlier). **The benchmark 5Y MGS 8/29 yields added 2bps for the day to 3.67% while the yield on the benchmark 10Y MGS 7/34 added 3bps to 3.93%.** Secondary market volume continued to retreat, by 31.1% on the day to RM1.97bn (prior RM2.86bn), of which GII trade accounted for 54% (prior 33%) of the overall volume done on Tuesday. Markets will take cue from UST and external developments and continue to stay cautious as we head into Deepavali holiday tomorrow.

### Corp Bonds/Sukuk

- The corporate bond/sukuk market traded in a more biddish tone on Tuesday although trading turned a tad lighter with secondary market volume shaving 32.6% on the day to RM380m (prior: RM564m). The number of issuances being traded was also reduced to 24 (prior: 32). Against the norm, there were no GG papers being traded, and AAA-rated papers stole the limelight accounting for RM312m or 82% of total volumes done for the day. Topping the list were CIMB Islamic 3/34 (RM74m @ 4.13%), followed by Putrajaya Bina 3/25 (RM70m @ 3.45%), Danum 2/25 (RM30m @ 3.42%) and TNBP 3/33 (RM30m @ 4.00%). Putrajaya Holdings 4/25 and 5/25 also saw a combined RM30m last dealt at 3.46-3.48% (down 10-12bps).

## Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.23	178	3.15	10/28/2024	8
MGS 09/25	3.29	50	3.30	10/28/2024	-1
MGS 07/26	3.43	22	3.38	10/28/2024	4
MGS 11/26	3.43	6	3.42	10/28/2024	1
MGS 05/27	3.51	10	3.52	10/28/2024	-2
MGS 11/27	3.54	1	3.52	10/25/2024	2
MGS 04/28	3.60	12	3.62	10/28/2024	-3
MGS 06/28	3.62	36	3.62	10/28/2024	0
MGS 04/29	3.65	1	3.64	10/28/2024	1
MGS 08/29	3.67	32	3.66	10/28/2024	2
MGS 04/30	3.74	2	3.73	10/28/2024	1
MGS 04/31	3.91	276	3.89	10/28/2024	2
MGS 04/32	3.89	0	3.85	10/25/2024	3
MGS 04/33	3.92	1	3.91	10/28/2024	0
MGS 11/33	3.93	114	3.93	10/28/2024	0
MGS 07/34	3.93	29	3.90	10/28/2024	3
MGS 05/35	3.97	3	3.95	10/28/2024	1
MGS 04/37	4.01	0	4.00	10/28/2024	1
MGS 06/38	4.03	4	4.03	10/28/2024	0
MGS 04/39	4.02	54	4.02	10/28/2024	0
MGS 05/40	4.08	21	4.07	10/28/2024	0
MGS 10/42	4.09	2	4.10	10/28/2024	-1
MGS 09/43	4.13	0	4.12	10/28/2024	1
MGS 05/44	4.14	11	4.15	10/28/2024	0
MGS 03/46	4.20	0	4.17	10/24/2024	4
MGS 07/48	4.20	10	4.20	10/28/2024	0
MGS 06/50	4.20	20	4.20	10/28/2024	0
MGS 03/53	4.24	3	4.23	10/28/2024	1
GII 10/25	3.32	20	3.31	10/28/2024	2
GII 03/26	3.37	1	3.35	10/23/2024	2
GII 09/26	3.47	1	3.42	10/28/2024	5
GII 10/30	3.75	1	3.74	10/25/2024	1
GII 10/31	3.92	810	3.69	10/28/2024	23
GII 10/32	3.93	40	3.93	10/28/2024	0
GII 11/34	3.95	135	3.93	10/28/2024	2
GII 07/36	3.87	10	3.99	10/24/2024	-12
GII 03/38	3.83	3	4.01	10/28/2024	-18
GII 08/43	4.04	0	4.17	10/28/2024	-14
GII 05/52	4.24	50	4.24	10/28/2024	1
		<u>1970</u>			

## Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Danum Capital Berhad	02/25	AAA	3.42	30	3.46	10/23/2024	-4	14
Putrajaya Bina Sdn Berhad	03/25	AAA	3.45	70	3.79	07/24/2023	-34	17
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.46	20	3.56	08/26/2024	-10	19
Putrajaya Holdings Sdn Berhad	05/25	AAA	3.48	10	3.60	08/26/2024	-12	20
Danga Capital Berhad	02/26	AAA	3.61	15	3.62	10/23/2024	-1	34
Pengurusan Air SPV Berhad	06/27	AAA	3.79	6	3.79	10/03/2024	0	27
Pengurusan Air SPV Berhad	09/27	AAA	3.79	10	3.86	07/22/2024	-6	28
TNB Power Generation Sdn Berhad	03/30	AAA	3.87	20	3.76	09/27/2024	11	22
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.97	6	4.29	10/10/2024	-32	7
CIMB Islamic Bank Berhad	07/32	AAA	4.08	20			408	17
TNB Power Generation Sdn Berhad	03/33	AAA	4.00	30	3.87	09/27/2024	13	10
CIMB Islamic Bank Berhad	03/34	AAA	4.13	74	4.13	10/28/2024	0	22
Tenaga Nasional Berhad	08/38	AAA	4.09	1	3.97	10/02/2024	12	7
Malayan Banking Berhad	08/31	AA1	3.85	2	3.85	10/07/2024	0	-5
Imtiaz Sukuk II Berhad	04/26	AA2	3.72	10	3.72	08/20/2024	0	45
AmBank Islamic Berhad	05/31	AA2	4.06	20	3.98	10/18/2024	8	16
AEON Credit Service (M) Berhad	02/27	AA3	3.81	10	3.81	10/22/2024	0	41
Mumtaz Rakyat Sukuk Berhad	06/31	AA3	4.04	3	4.14	06/07/2024	-10	14
Affin Bank Berhad	07/32	A1	4.43	0	3.90	08/23/2024	53	52
SunREIT Perpetual Bond Berhad	04/19	A1	4.30	0	4.51	10/25/2024	-21	15
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	04/27	A+	3.96	10	3.73	08/05/2024	23	56
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.68	8	3.75	10/16/2024	-8	3
Bank Islam Malaysia Berhad	10/23	A3	4.28	4	4.27	10/17/2024	2	13
Yinson Holdings Berhad	11/22	A-	6.76	1	6.85	10/18/2024	-9	261
				<u>1</u>				
				<u>380</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Southern Power Generation Sdn Bhd	Outstanding Sukuk Wakalah of RM3.2 bil	AA-1S / Stable	Affirmed
Exsim Capital Resources Berhad	Proposed RM310 mil issuance (Tranche 6 IMTN) under RM2 bil Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Assigned

Source: RAM, MARC

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