

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were weaker in trading on Friday, amidst the ISM Manufacturing index for December unexpectedly rising from the month before, driven by an increase in new orders. Benchmark yields were higher across the curve in a rather parallel move. **The benchmark 2Y UST yield was 4bps higher for the day at 4.28% while the benchmark 10Y UST yield also advanced by 4bps to 4.60%.** Tonight sees the release of the US factory orders for November, as well as the final S&P Global US Services and composite PMIs for December. The Fed's Cook is also scheduled to be making some comments.

MGS/GII

- Local govies were firmer in trading on Friday, amidst the announcement of RM5bn reopening of the MGS 7/32 to kick off the auction calendar for the year, which will see the bond taking over as the new 7yr benchmark, with the auction set for Tuesday. Secondary market volume surged by 101% to RM5.41bn from the RM2.69bn that traded on Thursday. Overall benchmark yields ended the day lower by between 0 to 5bps (prior: -2 to +4bps). **The benchmark 5Y MGS 8/29 yield fell 1bp for the day to 3.60% while the yield on the benchmark 10Y MGS 7/34 also declined by 1bp to 3.81%.** Trading activity for the day was led by the off-the-run GII 10/32, while decent interest was also seen in the benchmark 7Y MGS/GII, 10Y GII and 20Y GII, as well as in the off-the-run GII 9/41. The share of GII trading for the day climbed to 60% of overall govies trading from the 41% seen the day before. There are no domestic economic releases scheduled for the day ahead.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.28	4
5-yr UST	4.41	4
10-yr UST	4.60	4
30-yr UST	4.81	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.44	-2	3.34	-1
5-yr	3.60	-1	3.61	-2
7-yr	3.77	0	3.74	0
10-yr	3.81	-1	3.82	0
15-yr	3.95	-1	3.94	-2
20-yr	4.04	0	4.06	-1
30-yr	4.17	-5	4.18	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	-1
3-yr	3.48	-2
5-yr	3.52	-1
7-yr	3.60	0
10-yr	3.69	-1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM5bn of the MGS 7/32 on Tuesday, 07 Jan

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Friday as activity picked up further. Secondary market volume for the day surged by 75% to RM822m versus the RM471m that changed hands on Thursday. Trading for the day was again led by the AA-rated segment. In the GG universe, PASB 6/38 led interest, closing the day at 4.01% higher by 12bps compared to where the bond last traded. In the AAA space, trading was led by DANGA 2/26 and DANUM 5/27, which settled for the day at 3.64% (-1bp from last print) and 3.79% (-2bps) respectively. In the AA-rated segment of the market, interest was led by MBB 4.13% Perps and UEMS 9/26, which closed at 4.05% (-35bps) and 3.86% (+3bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.154	54	3.218	01/02/2025	-6
MGS	09/25	3.249	4	3.282	01/02/2025	-3
MGS	04/26	3.334	1	3.362	01/02/2025	-3
MGS	07/26	3.335	91	3.353	01/02/2025	-2
MGS	11/26	3.366	1	3.382	01/02/2025	-2
MGS	05/27	3.443	273	3.465	01/02/2025	-2
MGS	11/27	3.464	20	3.471	01/02/2025	-1
MGS	06/28	3.539	10	3.571	01/02/2025	-3
MGS	04/29	3.588	25	3.590	01/02/2025	0
MGS	08/29	3.604	80	3.611	01/02/2025	-1
MGS	04/30	3.666	127	3.666	01/02/2025	0
MGS	04/31	3.766	378	3.767	01/02/2025	0
MGS	06/31	3.770	1	3.767	01/02/2025	0
MGS	04/32	3.785	120	3.805	11/26/2024	-2
MGS	07/32	3.788	156	3.746	01/02/2025	4
MGS	04/33	3.810	20	3.826	01/02/2025	-2
MGS	11/33	3.834	21	3.844	01/02/2025	-1
MGS	07/34	3.813	146	3.822	01/02/2025	-1
MGS	05/35	3.850	1	3.858	01/02/2025	-1
MGS	04/37	3.937	61	3.932	01/02/2025	0
MGS	06/38	3.975	1	3.987	01/02/2025	-1
MGS	04/39	3.947	82	3.956	01/02/2025	-1
MGS	10/42	4.025	288	4.033	01/02/2025	-1
MGS	05/44	4.041	103	4.043	01/02/2025	0
MGS	06/50	4.110	62	4.132	01/02/2025	-2
MGS	03/53	4.169	16	4.214	01/02/2025	-5
GII	10/25	3.255	111	3.285	01/02/2025	-3
GII	03/26	3.337	100	3.322	01/02/2025	2
GII	09/26	3.335	21	3.342	01/02/2025	-1
GII	07/28	3.529	40	3.568	12/31/2024	-4
GII	07/29	3.609	280	3.626	01/02/2025	-2
GII	09/30	3.690	110	3.697	01/02/2025	-1
GII	10/31	3.739	320	3.739	01/02/2025	0
GII	10/32	3.793	445	3.796	01/02/2025	0
GII	06/33	3.809	100	3.820	01/02/2025	-1
GII	08/33	3.817	120	3.825	12/31/2024	-1
GII	11/34	3.823	304	3.828	01/02/2025	0
GII	10/35	3.853	20	3.879	12/30/2024	-3
GII	07/36	3.909	171	3.923	01/02/2025	-1
GII	08/37	3.942	20	3.954	12/18/2024	-1
GII	03/38	3.966	3	3.967	01/02/2025	0
GII	09/39	3.938	178	3.962	01/02/2025	-2
GII	09/41	4.016	300	4.024	01/02/2025	-1
GII	08/43	4.063	420	4.075	01/02/2025	-1
GII	11/49	4.120	180	4.151	01/02/2025	-3
GII	05/52	4.096	12	4.198	01/02/2025	-10
GII	03/54	4.183	10	4.186	12/31/2024	0
			5406			

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
PONSB Capital Berhad	RM4bn Islamic Medium Term Notes Programme (2021/2051)	AA2(s)/Stable	Affirmed
	RM1bn Islamic Commercial Papers Programme (2021/2028)	P1(s)	Affirmed
Export-Import Bank of Malaysia Berhad	Financial institution ratings	AAA/Stable/P1	Affirmed
EXIM Sukuk Malaysia Berhad	USD1bn Multi-Currency Sukuk Issuance Programme	AAA(s)/Stable	Affirmed

Source: RAM, MARC

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