

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Wednesday, with gains seen in the shorter dated maturities while longer dated bonds fell, amidst an unexpected decline in weekly jobless claims to the lowest since last February and FOMC minutes of the Dec 18 meeting showed that many participants were eager to slow the pace of rate cuts. Benchmark yields were mixed across the curve. **The benchmark 2Y UST yield was 1bp lower for the day at 4.28% while the benchmark 10Y UST yield advanced by 1bp to 4.69%.** Tonight sees the release of the Challenger job cuts report, amidst the closure of government offices and equity markets to mark a national day of mourning for former President Jimmy Carter.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.28 | -1 |
| 5-yr UST | 4.46 | 0 |
| 10-yr UST | 4.69 | 1 |
| 30-yr UST | 4.93 | 2 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.46 | 1 | 3.33 | -1 |
| 5-yr | 3.60 | 0 | 3.62 | -1 |
| 7-yr | 3.77 | 0 | 3.76 | 2 |
| 10-yr | 3.82 | 0 | 3.83 | 0 |
| 15-yr | 3.94 | 0 | 3.95 | 0 |
| 20-yr | 4.03 | -1 | 4.07 | 0 |
| 30-yr | 4.18 | 0 | 4.18 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.57 | 2 |
| 3-yr | 3.51 | 2 |
| 5-yr | 3.56 | 2 |
| 7-yr | 3.64 | 1 |
| 10-yr | 3.73 | 2 |

Source : Bloomberg

MGS/GII

- Local govovies were mixed in trading on Wednesday amidst higher IRS rates domestically which took cue from the move lower is USTs overnight. Secondary market volume advanced by 18% to RM4.70bn from the RM3.98bn that changed hands on Tuesday. Overall benchmark yields ended the day mixed by between -1 to +2bps (prior: -2 to +3bps). **The benchmark 5Y MGS 8/29 yield was little changed for the day at 3.60% while the yield on the benchmark 10Y MGS 7/34 was also unchanged at 3.82%.** Trading activity for the day was led by the benchmark 7Y MGS while decent interest was also seen in the off-the-run MGS 9/25, GII 10/25 and MGS 4/26, as well as in the benchmark 3Y MGS, 5Y MGS and 30Y GII. The share of GII trading for the day rose to 44% of overall govovies trading from the 30% seen the previous session. There are no domestic economic releases for the day ahead.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Wednesday, with secondary market volume for the day receding by 17% to RM459m versus the RM552m that traded on Tuesday. Trading for the day was evenly split among the GG, AAA and AA-rated segments of the market. In the GG universe, DANA 10/33 led the interest, closing at 3.90, 3bps higher from where it last traded. In the AAA-space, trading was led by TNB 8/38, which settled the day at 4.04%, 1bp lower compared to its last print. In the AA-rated arena, decent interest was seen in IMTIAZ 10/28 and IMTIAZ 5/29, which closed at 3.85% and 3.88% respectively, both little changed from where the bonds last printed.

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 03/25 | 3.132 | 81 | 3.181 | 01/07/2025 | -5 |
| MGS | 09/25 | 3.223 | 294 | 3.252 | 01/07/2025 | -3 |
| MGS | 04/26 | 3.296 | 310 | 3.334 | 01/03/2025 | -4 |
| MGS | 07/26 | 3.332 | 42 | 3.333 | 01/07/2025 | 0 |
| MGS | 11/26 | 3.360 | 5 | 3.365 | 01/07/2025 | -1 |
| MGS | 05/27 | 3.455 | 246 | 3.444 | 01/07/2025 | 1 |
| MGS | 11/27 | 3.481 | 3 | 3.474 | 01/07/2025 | 1 |
| MGS | 06/28 | 3.542 | 40 | 3.539 | 01/07/2025 | 0 |
| MGS | 08/29 | 3.604 | 282 | 3.600 | 01/07/2025 | 0 |
| MGS | 04/30 | 3.688 | 34 | 3.680 | 01/07/2025 | 1 |
| MGS | 04/31 | 3.769 | 105 | 3.768 | 01/07/2025 | 0 |
| MGS | 06/31 | 3.779 | 8 | 3.776 | 01/07/2025 | 0 |
| MGS | 07/32 | 3.790 | 582 | 3.800 | 01/07/2025 | -1 |
| MGS | 04/33 | 3.829 | 4 | 3.836 | 01/06/2025 | -1 |
| MGS | 11/33 | 3.833 | 27 | 3.840 | 01/07/2025 | -1 |
| MGS | 07/34 | 3.815 | 191 | 3.815 | 01/07/2025 | 0 |
| MGS | 05/35 | 3.859 | 3 | 3.839 | 01/07/2025 | 2 |
| MGS | 04/37 | 3.941 | 1 | 3.932 | 01/07/2025 | 1 |
| MGS | 04/39 | 3.942 | 20 | 3.943 | 01/07/2025 | 0 |
| MGS | 10/42 | 4.044 | 12 | 4.036 | 01/07/2025 | 1 |
| MGS | 09/43 | 4.080 | 15 | 4.092 | 01/02/2025 | -1 |
| MGS | 05/44 | 4.030 | 36 | 4.044 | 01/07/2025 | -1 |
| MGS | 03/46 | 4.101 | 3 | 4.093 | 01/07/2025 | 1 |
| MGS | 06/50 | 4.145 | 143 | 4.132 | 01/07/2025 | 1 |
| MGS | 03/53 | 4.180 | 166 | 4.175 | 01/07/2025 | 0 |
| GII | 08/25 | 3.238 | 10 | 3.259 | 01/07/2025 | -2 |
| GII | 10/25 | 3.274 | 417 | 3.250 | 01/07/2025 | 2 |
| GII | 03/26 | 3.318 | 10 | 3.311 | 01/07/2025 | 1 |
| GII | 09/26 | 3.332 | 171 | 3.346 | 01/07/2025 | -1 |
| GII | 07/27 | 3.454 | 180 | 3.451 | 01/07/2025 | 0 |
| GII | 09/27 | 3.463 | 120 | 3.464 | 01/06/2025 | 0 |
| GII | 07/28 | 3.532 | 60 | 3.529 | 01/07/2025 | 0 |
| GII | 07/29 | 3.615 | 10 | 3.621 | 01/07/2025 | -1 |
| GII | 09/30 | 3.708 | 120 | 3.704 | 01/07/2025 | 0 |
| GII | 10/31 | 3.764 | 119 | 3.748 | 01/07/2025 | 2 |
| GII | 10/32 | 3.807 | 200 | 3.804 | 01/07/2025 | 0 |
| GII | 11/34 | 3.833 | 150 | 3.831 | 01/07/2025 | 0 |
| GII | 09/39 | 3.950 | 90 | 3.947 | 01/07/2025 | 0 |
| GII | 09/41 | 4.018 | 130 | 4.013 | 01/07/2025 | 0 |
| GII | 08/43 | 4.071 | 10 | 4.069 | 01/07/2025 | 0 |
| GII | 11/49 | 4.142 | 1 | 4.128 | 01/07/2025 | 1 |
| GII | 05/52 | 4.188 | 20 | 4.098 | 01/06/2025 | 9 |
| GII | 03/54 | 4.183 | 230 | 4.184 | 01/07/2025 | 0 |
| | | | 4702 | | | |

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* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|------------------------|
| Perbadanan Tabung Pendidikan Tinggi Nasional | 03/27 | GG | 3.556 | 10 | 3.772 | 7/4/2022 | -22 | 19 |
| DanaInfra Nasional Berhad | 02/28 | GG | 3.635 | 10 | 3.681 | 28/11/2024 | -5 | 19 |
| Malaysia Rail Link Sdn Berhad | 07/28 | GG | 3.696 | 10 | 3.711 | 12/6/2024 | -1 | 16 |
| DanaInfra Nasional Berhad | 10/33 | GG | 3.904 | 25 | 3.869 | 9/10/2024 | 3 | 9 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 08/35 | GG | 3.929 | 20 | 3.989 | 28/10/2024 | -6 | 11 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 09/36 | GG | 3.944 | 15 | 4.017 | 12/11/2024 | -7 | 12 |
| DanaInfra Nasional Berhad | 10/36 | GG | 3.949 | 20 | 4.016 | 12/11/2024 | -7 | 13 |
| DanaInfra Nasional Berhad | 11/38 | GG | 4.004 | 10 | 3.999 | 21/3/2024 | 0 | 5 |
| DanaInfra Nasional Berhad | 07/39 | GG | 4.015 | 10 | 4.027 | 11/12/2024 | -1 | 7 |
| Prasarana Malaysia Berhad | 08/39 | GG | 4.019 | 10 | 3.999 | 11/9/2024 | 2 | 7 |
| DanaInfra Nasional Berhad | 10/42 | GG | 4.052 | 10 | 4.075 | 29/8/2024 | -2 | 0 |
| Gas Malaysia Distribution Sdn Berhad | 12/27 | AAA | 3.782 | 10 | 4.221 | 26/10/2023 | -44 | 33 |
| Sarawak Petchem Sdn Berhad | 07/29 | AAA | 3.877 | 20 | 3.898 | 16/12/2024 | -2 | 26 |
| Danga Capital Berhad | 01/30 | AAA | 3.884 | 10 | 3.942 | 28/10/2024 | -6 | 27 |
| Amanat Lebuhraya Rakyat Berhad | 10/31 | AAA | 3.979 | 20 | 4.031 | 3/12/2024 | -5 | 19 |
| Pengurusan Air Selangor Sdn Berhad | 04/33 | AAA | 3.988 | 5 | 3.999 | 11/12/2024 | -1 | 19 |
| Pengurusan Air Selangor Sdn Berhad | 09/37 | AAA | 4.097 | 20 | 4.099 | 15/7/2024 | 0 | 15 |
| Tenaga Nasional Berhad | 08/38 | AAA | 4.038 | 40 | 4.051 | 7/1/2025 | -1 | 9 |
| Tenaga Nasional Berhad | 06/47 | AAA | 4.199 | 30 | 4.199 | 31/12/2024 | 0 | 15 |
| Johor Plantations Group Berhad | 09/39 | AA1 | 4.109 | 5 | 4.108 | 31/12/2024 | 0 | 16 |
| Imtiaz Sukuk II Berhad | 10/28 | AA2 | 3.852 | 30 | 3.848 | 3/1/2025 | 0 | 31 |
| Imtiaz Sukuk II Berhad | 05/29 | AA2 | 3.881 | 30 | 3.878 | 3/1/2025 | 0 | 34 |
| Pelabuhan Tanjung Pelepas Sdn Berhad | 06/30 | AA | 3.990 | 10 | 3.869 | 12/9/2024 | 12 | 38 |
| OSK Rated Bond Sdn Berhad | 09/30 | AA | 4.028 | 10 | 4.064 | 9/12/2024 | -4 | 33 |
| SD Guthrie Berhad (fka Sime Darby Plantation Berhad) | 03/16 | AA | 3.987 | 10 | 4.011 | 7/1/2025 | -2 | -6 |
| AEON Credit Service (M) Berhad | 02/28 | AA3 | 3.905 | 10 | 3.908 | 6/1/2025 | 0 | 46 |
| UEM Sunrise Berhad | 01/26 | AA- | 3.805 | 30 | 3.777 | 5/12/2024 | 3 | 53 |
| Malaysian Resources Corporation Berhad | 02/26 | AA- | 4.055 | 10 | 4.152 | 27/9/2024 | -10 | 78 |
| DRB-Hicom Berhad | 12/26 | AA- | 3.898 | 6 | 4.558 | 2/1/2025 | -66 | 53 |
| Hong Leong Bank Berhad | 11/17 | A1 | 4.540 | 2 | 4.100 | 20/12/2024 | 44 | 49 |
| JB Cocoa Sdn Berhad | 11/27 | A+ | 5.127 | 1 | 5.215 | 16/12/2024 | -9 | 168 |
| DRB-Hicom Berhad | 12/14 | A | 5.687 | 1 | 5.320 | 21/11/2024 | 37 | 164 |
| | | | | 459 | | | | |

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

| Rating Action | | | |
|---|---|---|--------------------------------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Al Rajhi Banking & Investment Corporation (Malaysia) Berhad | Financial Institution Ratings | AA1/Stable/P1 | Affirmed |
| First Abu Dhabi Bank P.J.S.C. | Financial Institution Ratings RM3bn Islamic/Conventional Medium-Term Note Programme (2010/2030): Senior Notes Subordinated Notes | AAA/Stable/P1 AAA/Stable AA1/Stable | Affirmed Affirmed Affirmed |

Source: RAM, MARC

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