

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were higher in trading on Tuesday, amidst a decent auction of USD58bn of 3yr USTs, which was awarded at 4.605% compared to 4.608% in pre-auction trading. The Fed's Kashkari was also on the wires questioning whether rates were restrictive enough given the recent inflation prints. Benchmark yields closed lower by between 0 and 4bps for the day, as the UST curve continued its recent flattening. **The benchmark 2yr UST yield was unchanged for the session at 4.83%, while the benchmark 10yr UST yield was 3bps lower for the day at 4.46%.** There are no major economic releases scheduled for tonight, and the Treasury refunding continues with the scheduled sale of USD42bn of 10yr USTs.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.83	0
5-yr UST	4.47	-2
10-yr UST	4.46	-3
30-yr UST	4.60	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	1	3.53	0
5-yr	3.72	0	3.70	1
7-yr	3.82	-3	3.84	0
10-yr	3.91	0	3.92	0
15-yr	4.02	0	4.02	-3
20-yr	4.18	-1	4.15	0
30-yr	4.28	0	4.27	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	0
3-yr	3.67	-1
5-yr	3.75	-1
7-yr	3.86	-2
10-yr	3.98	-1

Source : Bloomberg

MGS/GII

- Local govies were mixed in trading on Tuesday in a busy session on a day with little in the way of domestic economic data ahead of BNM's interest rate decision on Thursday. Secondary market volume for the day surged by 52% to RM3.60bn, versus the RM2.37bn that traded on Monday. Benchmark yields closed mixed between -3 and +1 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield little changed for the session at 3.72% while the benchmark 10Y MGS 11/33 was also unchanged for the day at 3.91%.** Trading interest was again led by the benchmark 3Y GII, while interest was also seen in the benchmark 3Y MGS, 5Y GII, 7Y GII and 15Y MGS, as well as in a series of off-the-run 24s (MGS 6/24, MGS 7/24, and MGS 9/24). The market share of GII trading for the day receded slightly to 43% compared to the 47% share seen the previous session. The next key event for the domestic markets is the BNM MPC policy decision this coming Thursday.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets witnessed a much more lively trading session on Tuesday, with secondary market volume for the day surging by 96% to RM926m, compared to the RM473m that exchanged hands on Monday. Trading interest for the day was led by the GG segment of the market, where trading was led by PRASA 3/42, which settled at 4.16%, 8bps higher versus where it last traded. Interest was also seen in DANA 11/41 and FELDA 3/36, which closed the day at 4.15% (secondary market debut) and 4.02% (+1bp versus its last print) respectively. Meanwhile in the AAA space, trading interest was led by CIMB 5/24, which settled for the day at 3.49%, unchanged versus where it last traded. Trading in the AA universe was led by CIMB 6/24, which closed at 3.28%, lower by 29bps compared to its last print, while interest was also seen in the newly issued Amlslamic 5/31, which settled the day at 4.10% in its secondary trading debut.

## Daily Trades: Government Bond

Securities	Closing		Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.199	186	3.313	05/06/2024	-11
MGS	07/24	3.290	400	3.250	05/06/2024	4
MGS	09/24	3.293	250	3.291	05/06/2024	0
MGS	03/25	3.333	29	3.371	05/06/2024	-4
MGS	09/25	3.372	37	3.388	05/06/2024	-2
MGS	04/26	3.461	17	3.529	05/06/2024	-7
MGS	07/26	3.492	7	3.501	05/06/2024	-1
MGS	11/26	3.542	32	3.529	05/06/2024	1
MGS	03/27	3.554	5	3.564	05/06/2024	-1
MGS	05/27	3.588	278	3.578	05/06/2024	1
MGS	11/27	3.624	28	3.595	05/06/2024	3
MGS	04/28	3.670	43	3.674	05/06/2024	0
MGS	06/28	3.666	67	3.685	05/06/2024	-2
MGS	04/29	3.734	13	3.762	05/06/2024	-3
MGS	08/29	3.724	107	3.726	05/06/2024	0
MGS	04/30	3.785	123	3.833	05/03/2024	-5
MGS	04/31	3.824	79	3.855	05/06/2024	-3
MGS	07/32	3.905	4	3.913	05/06/2024	-1
MGS	11/33	3.905	16	3.905	05/06/2024	0
MGS	07/34	3.918	5	3.906	05/06/2024	1
MGS	05/35	4.004	5	4.004	05/06/2024	0
MGS	04/37	4.034	26	4.041	05/06/2024	-1
MGS	06/38	4.061	6	4.059	05/06/2024	0
MGS	04/39	4.015	150	4.018	05/06/2024	0
MGS	05/40	4.097	11	4.100	05/06/2024	0
MGS	10/42	4.178	96	4.186	05/06/2024	-1
MGS	07/48	4.242	8	4.223	05/06/2024	2
MGS	03/53	4.276	4	4.275	05/06/2024	0
GII	05/24	3.334	50	3.259	04/24/2024	8
GII	08/24	3.269	60	3.252	05/03/2024	2
GII	10/24	3.299	17	3.276	05/06/2024	2
GII	08/25	3.410	18	3.437	05/03/2024	-3
GII	10/25	3.412	10	3.435	05/06/2024	-2
GII	03/26	3.499	30	3.499	05/06/2024	0
GII	09/26	3.528	478	3.525	05/06/2024	0
GII	07/27	3.633	3	3.634	05/06/2024	0
GII	09/27	3.582	36	3.585	05/06/2024	0
GII	07/28	3.696	309	3.688	05/06/2024	1
GII	10/28	3.713	16	3.733	05/06/2024	-2
GII	07/29	3.741	5	3.739	05/06/2024	0
GII	09/30	3.839	15	3.844	05/06/2024	0
GII	10/30	3.886	7	3.827	05/06/2024	6
GII	10/31	3.804	180	3.804	05/06/2024	0
GII	10/32	3.911	26	3.950	05/06/2024	-4
GII	11/34	3.892	45	4.014	04/26/2024	-12
GII	07/36	3.968	9	4.022	05/06/2024	-5
GII	09/39	4.022	125	4.052	05/06/2024	-3
GII	09/41	4.084	5	4.113	05/06/2024	-3
GII	08/43	4.154	84	4.154	05/06/2024	0
GII	05/52	4.241	14	4.289	05/06/2024	-5
GII	03/54	4.271	21	4.268	05/06/2024	0
			3597			

## 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*
DanaInfra Nasional Berhad	11/25	GG	3.495	40	3.500	3/5/2024	0	1
DanaInfra Nasional Berhad	09/30	GG	3.837	15	3.854	7/9/2023	-2	3
Prasarana Malaysia Berhad	12/30	GG	3.837	10	3.859	10/1/2024	-2	0
Lembaga Pembiayaan Perumahan Sektor Awam	07/33	GG	3.930	5	3.878	30/1/2024	5	3
Federal Land Development Authority	03/36	GG	4.019	80	4.010	28/2/2024	1	11
DanaInfra Nasional Berhad	10/41	GG	4.145	50	4.385	3/1/2022	-24	11
DanaInfra Nasional Berhad	11/41	GG	4.145	100	n/a	n/a	415	-3
Prasarana Malaysia Berhad	03/42	GG	4.156	150	4.075	8/3/2024	8	-2
DanaInfra Nasional Berhad	05/42	GG	4.184	10	4.092	21/3/2024	9	0
Prasarana Malaysia Berhad	09/42	GG	4.204	10	4.164	29/1/2024	4	2
CIMB Bank Berhad	05/24	AAA	3.486	45	3.490	15/2/2024	0	10
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.700	5	3.641	13/3/2024	6	31
TNB Western Energy Berhad	01/26	AAA	4.020	10	3.959	19/3/2024	6	53
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.762	5	3.735	24/4/2024	3	27
Johor Corporation	06/27	AAA	4.048	15	3.981	22/4/2024	7	47
Bank Pembangunan Malaysia Berhad	10/27	AAA	3.826	10	4.365	4/1/2023	-54	25
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	3.908	30	3.812	25/3/2024	10	24
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.958	20	4.266	8/11/2023	-31	15
TNB Western Energy Berhad	01/30	AAA	4.324	10	4.348	23/4/2024	-2	52
Sarawak Energy Berhad	04/31	AAA	3.978	30	4.014	3/5/2024	-4	14
Sarawak Energy Berhad	07/33	AAA	4.030	5	4.114	3/5/2024	-8	13
Pengurusan Air Selangor Sdn Berhad	04/38	AAA	4.119	10	4.079	15/3/2024	4	9
Tenaga Nasional Berhad	08/40	AAA	4.173	2	4.159	26/4/2024	1	14
CIMB Group Holdings Berhad	06/24	AA1	3.282	70	3.568	26/4/2024	-29	-11
Kuala Lumpur Kepong Berhad	09/29	AA1	3.928	30	4.440	4/4/2024	-51	20
YTL Power International Berhad	08/35	AA1	4.179	20	4.109	4/4/2024	7	27
YTL Power International Berhad	08/38	AA1	4.239	20	4.249	6/5/2024	-1	21
Sime Darby Property Berhad	08/28	AA+	3.998	1	4.007	8/12/2023	-1	33
Ambank Islamic Berhad	05/31	AA2	4.100	40	n/a	n/a	410	26
Gamuda Berhad	11/26	AA3	3.857	20	3.863	26/4/2024	-1	28
Gamuda Berhad	11/29	AA3	3.978	20	3.988	20/2/2024	-1	17
Malaysian Reinsurance Berhad	10/32	AA3	4.864	3	4.649	10/1/2024	22	99
UDA Holdings Berhad	05/30	AA-	4.796	20	5.170	28/4/2023	-37	99
MMC Port Holdings Sdn Berhad	04/32	AA-	4.178	10	4.269	26/2/2024	-9	30
Southern Power Generation Sdn Berhad	10/32	AA-	4.229	5	4.527	16/8/2023	-30	35
Magnum Corp Sdn Berhad	01/28	NR(LT)	5.495	1	5.357	3/1/2024	14	182
				926				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Hong Leong Investment Bank Berhad	RM1bn Multi-Currency Tier-2 Subordinated Notes Programme	AA1/Stable	Assigned

Source: RAM, MARC

**Hong Leong Bank Berhad**

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