

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were lower in trading on Wednesday, amidst an auction of USD42bn of 10yr USTs which saw mediocre demand, with the auction tailing a basis point. The Fed's Susan Collins mentioned overnight that the US economy needs to slow further in the coming months to cool price pressures. Benchmark yields closed higher by between 1 and 4bps for the day, as the UST curve bear steepened. **The benchmark 2yr UST yield was 1bp higher for the session at 4.84%, while the benchmark 10yr UST yield was 4bps higher for the day at 4.49%.** Weekly jobless claims are scheduled for release tonight, and the Treasury refunding this week concludes with the sale of USD25bn 30yr USTs.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.84	1
5-yr UST	4.50	3
10-yr UST	4.49	4
30-yr UST	4.64	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	0	3.52	0
5-yr	3.73	0	3.70	0
7-yr	3.84	1	3.84	0
10-yr	3.91	1	3.91	-1
15-yr	4.03	1	4.02	0
20-yr	4.16	-2	4.16	1
30-yr	4.15	-13	4.28	1

* Market indicative levels

MGS/GII

- Local govies were mixed in trading on Wednesday in a slightly lighter session ahead of BNM's interest rate decision on Thursday. Secondary market volume for the day receded by 11% to RM3.21bn, versus the RM3.60bn that exchanged hands the previous session. Benchmark yields closed mixed between -2 and +1 bps for the day, except for the 30y MGS which saw a few late odd lot trades at elevated levels. **The benchmark 5Y MGS 8/29 saw its yield little changed for the session at 3.73% while the benchmark 10Y MGS 11/33 was 1bp higher for the day at 3.91%.** Trading interest was led by the benchmark 7Y GII, while interest was also seen in the benchmark 5Y MGS, 7Y MGS, 10Y MGS, 15Y MGS and 20Y MGS, as well as in the off-the-run MGS 6/24 and MGS 4/29. The market share of GII trading for the day plunged to 29% versus the 43% share seen on Tuesday. BNM is widely expected to leave rates unchanged later today, but there is a growing risk that they change their tone on inflation.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	0
3-yr	3.66	0
5-yr	3.75	1
7-yr	3.86	0
10-yr	3.98	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets also saw a more subdued trading session on Wednesday with the market mixed for the day. Secondary market volume for the day declined by 32% to RM631m, compared to the RM926m that traded that day before. Trading interest for the day was dominated by the AA rated segment of the market. In the GG markets, trading was led by PLUS 12/38, which settled at 4.06%, 4bps lower versus where it last traded. Meanwhile in the AAA space, trading interest was led by PASB 2/31 and Sarawak Petchem 7/37, which closed the day at 4.00% (+5bps versus its last print) and 4.19% (-7bps) respectively. Trading in the AA universe was led by selling down of two recently priced UDA bonds, UDA 5/31 and UDA 5/29, which closed the day at their primary levels of 4.88% and 4.76% respectively, in their secondary market debuts. Interest was also seen in PMAH 8/25, which settled the day at 3.83%, a whopping 52bps lower compared to where it last traded.

Daily Trades: Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	06/24	3.275	250	3.199	05/07/2024	8
MGS	09/25	3.406	73	3.372	05/07/2024	3
MGS	07/26	3.520	53	3.492	05/07/2024	3
MGS	11/26	3.524	6	3.542	05/07/2024	-2
MGS	03/27	3.582	56	3.554	05/07/2024	3
MGS	05/27	3.592	31	3.588	05/07/2024	0
MGS	11/27	3.609	40	3.624	05/07/2024	-2
MGS	04/28	3.670	10	3.670	05/07/2024	0
MGS	06/28	3.679	100	3.666	05/07/2024	1
MGS	04/29	3.718	134	3.734	05/07/2024	-2
MGS	08/29	3.727	164	3.724	05/07/2024	0
MGS	04/31	3.838	267	3.824	05/07/2024	1
MGS	06/31	3.865	60	3.868	05/06/2024	0
MGS	07/32	3.906	4	3.905	05/07/2024	0
MGS	11/33	3.912	181	3.905	05/07/2024	1
MGS	07/34	3.920	115	3.918	05/07/2024	0
MGS	05/35	3.981	3	4.004	05/07/2024	-2
MGS	04/37	4.026	30	4.034	05/07/2024	-1
MGS	06/38	4.021	21	4.061	05/07/2024	-4
MGS	04/39	4.027	230	4.015	05/07/2024	1
MGS	05/40	4.095	119	4.097	05/07/2024	0
MGS	10/42	4.160	312	4.178	05/07/2024	-2
MGS	09/43	4.188	20	4.217	05/02/2024	-3
MGS	06/50	4.288	7	4.267	05/07/2024	2
MGS	03/53	4.150	4	4.276	05/07/2024	-13
GII	10/24	3.458	1	3.299	05/07/2024	16
GII	10/25	3.411	129	3.412	05/07/2024	0
GII	09/26	3.523	100	3.528	05/07/2024	0
GII	07/27	3.599	1	3.633	05/07/2024	-3
GII	07/28	3.696	10	3.696	05/07/2024	0
GII	07/29	3.736	60	3.741	05/07/2024	0
GII	10/30	3.854	6	3.886	05/07/2024	-3
GII	10/31	3.799	360	3.804	05/07/2024	0
GII	06/33	3.907	30	3.974	05/06/2024	-7
GII	08/33	3.909	110	3.916	05/06/2024	-1
GII	03/38	3.977	7	4.055	05/06/2024	-8
GII	09/39	4.022	21	4.022	05/07/2024	0
GII	08/43	4.161	5	4.154	05/07/2024	1
GII	05/47	4.234	1	4.234	05/06/2024	0
GII	05/52	4.290	41	4.241	05/07/2024	5
GII	03/54	4.277	40	4.271	05/07/2024	1
			3213			

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*
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.059	80	4.094	30/4/2024	-4	3
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.079	20	4.019	18/3/2024	6	5
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.099	10	4.099	3/5/2024	0	7
Pengurusan Air SPV Berhad	06/27	AAA	3.837	1	3.834	22/4/2024	0	26
Pengerang LNG (Two) Sdn Berhad	10/27	AAA	3.850	5	3.823	15/4/2024	3	27
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.958	10	3.931	16/4/2024	3	17
Johor Corporation	07/30	AAA	3.907	10	4.100	12/1/2024	-19	12
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/30	AAA	3.968	10	3.934	15/4/2024	3	18
Pengurusan Air SPV Berhad	02/31	AAA	3.998	20	3.949	26/3/2024	5	17
Petroleum Sarawak Exploration & Production Sdr	03/31	AAA	4.019	10	4.055	29/4/2024	-4	19
Tenaga Nasional Berhad	08/33	AAA	4.008	10	4.019	23/4/2024	-1	12
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/33	AAA	4.049	10	4.029	5/2/2024	2	16
Sarawak Energy Berhad	06/35	AAA	4.080	15	4.079	21/2/2024	0	17
Sarawak Petchem Sdn Berhad	07/37	AAA	4.189	20	4.259	26/1/2024	-7	16
Sabah Development Bank Berhad	07/24	AA1	5.198	10	4.059	19/4/2024	114	181
GENM Capital Berhad	08/25	AA1	4.249	1	4.252	6/5/2024	0	86
YTL Power International Berhad	03/33	AA1	4.280	2	4.101	16/1/2024	18	39
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.753	1	3.747	6/5/2024	1	37
Press Metal Aluminium Holdings Berhad	08/25	AA2	3.833	32	4.354	24/4/2024	-52	45
OSK Rated Bond Sdn Berhad	09/33	AA	4.189	10	4.399	29/12/2023	-21	30
Malaysian Reinsurance Berhad	10/32	AA3	4.864	2	4.864	7/5/2024	0	100
Edra Energy Sdn Berhad	01/37	AA3	4.338	20	4.329	25/3/2024	1	31
Jimah East Power Sdn Berhad	06/25	AA-	3.996	10	4.138	18/1/2024	-14	61
Jimah East Power Sdn Berhad	12/25	AA-	4.045	20	4.248	18/7/2023	-20	56
Malaysian Resources Corporation Berhad	10/26	AA-	4.483	1	4.877	30/4/2024	-39	99
UDA Holdings Berhad	05/29	AA-	4.760	50	n/a	n/a	476	103
UDA Holdings Berhad	05/31	AA-	4.880	240	n/a	n/a	488	105
Sunsuria Berhad	10/25	A+	5.468	1	5.613	18/9/2023	-15	208
Tan Chong Motor Holdings Berhad	03/27	A+	5.366	1	5.378	15/3/2024	-1	179
Tropicana Corporation Berhad	09/19	A-	13.136	1	15.607	30/4/2024	-247	896
				631				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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