

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Friday, amidst a lack of new catalysts. Hawkish comments from Fed Governor Michelle Bowman emphasizing that policy was not on a preset course, and that she remains willing to raise rates should progress on inflation stall or reverse weighed on the market. Benchmark yields closed higher by between 3 and 5bps for the day, as the UST curve bear steepened slightly. **The benchmark 2yr UST yield was 3bps higher for the session at 4.83%, while the benchmark 10yr UST yield was 5bps higher for the day at 4.42%.** There will be a few Fed speakers to watch out for today, amidst a lack of economic data releases scheduled.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.83	3
5-yr UST	4.45	5
10-yr UST	4.42	5
30-yr UST	4.56	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.54	-3	3.51	0
5-yr	3.68	0	3.68	5
7-yr	3.79	0	3.74	0
10-yr	3.86	2	3.87	1
15-yr	4.00	0	4.02	0
20-yr	4.13	1	4.14	2
30-yr	4.23	0	4.24	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	0
3-yr	3.61	0
5-yr	3.70	2
7-yr	3.79	2
10-yr	3.93	3

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn 15Y benchmark GII 9/39 on Tuesday, 21 May (with an additional RM2bn to be privately placed)

MGS/GII

- Local govovies were mostly lower in trading on Friday in a quieter session, amidst final Malaysia 1Q GDP coming in north of expectations and the flash estimate last month. The announcement of the RM3bn 15Y benchmark GII reopening auction set for Tuesday also weighed on the market. Secondary market volume for the day plunged by 45% to RM3.39bn, versus the RM6.14bn that traded on Thursday. Benchmark yields closed mixed between -3 and +5 bps for the day. **The benchmark 5Y MGS 8/29 was little changed for the session at 3.68% while the benchmark 10Y MGS 11/33 was 2bps higher for the day at 3.86%.** Trading interest was led by the benchmark 5Y MGS, while interest was also seen in the off-the-run MGS 6/24, GII 8/24, MGS 3/25 and GII 5/52, as well as in the benchmark 5Y GII, 7Y MGS and 10Y GII. The market share of GII trading for the day receded to 42% versus the 64% share seen the prior session. Next up for the markets later today is the release of the April export and trade numbers.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid in a slightly more active trading session to close the week on Friday, with secondary market volume for the day inching higher by 4% to RM621m, compared to the RM595m that changed hands on Thursday. Trading interest for the day was led by the AAA-rated segment of the market. In the GG universe, trading was led by little traded PRASA 3/25, which settled the day at 3.43%, a whopping 65bps lower from its last print more than 18 months ago. Meanwhile in the AAA space, trading interest was led by CAGA 3/25 in its secondary market debut, closing for the day at 3.60%. Interest was also seen in SEB 7/30 and AIRSEL 12/30, which settled the day at 3.95% (-1bps from last print) and 3.94% (-13bps) respectively. In AA territory, trading was YTLP 3/37, which closed the day at 4.17%, unchanged versus where it last traded. In high yield territory, SPRE 7/25 and SPRE 7/27 saw decent interest, settling at 14.19% (+669bps) and 16.02% (+1255bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.221	252	3.570	05/16/2024	-35
MGS	07/24	3.220	15	3.169	05/16/2024	5
MGS	09/24	3.261	101	3.285	05/14/2024	-2
MGS	03/25	3.365	202	3.346	05/16/2024	2
MGS	09/25	3.362	26	3.346	05/16/2024	2
MGS	03/27	3.541	3	3.604	05/14/2024	-6
MGS	05/27	3.537	74	3.565	05/15/2024	-3
MGS	11/27	3.591	3	3.561	05/16/2024	3
MGS	04/28	3.601	8	3.643	05/16/2024	-4
MGS	06/28	3.658	60	3.658	05/16/2024	0
MGS	08/29	3.677	483	3.673	05/16/2024	0
MGS	04/30	3.755	50	3.753	05/16/2024	0
MGS	04/31	3.788	180	3.785	05/16/2024	0
MGS	06/31	3.803	39	3.862	05/14/2024	-6
MGS	07/32	3.849	8	3.848	05/16/2024	0
MGS	04/33	3.884	20	3.884	05/16/2024	0
MGS	11/33	3.862	83	3.842	05/16/2024	2
MGS	07/34	3.886	84	3.858	05/16/2024	3
MGS	05/35	3.967	1	3.994	05/14/2024	-3
MGS	06/38	4.009	2	4.182	05/16/2024	-17
MGS	04/39	4.004	47	4.000	05/16/2024	0
MGS	05/40	4.065	23	4.056	05/15/2024	1
MGS	10/42	4.108	101	4.103	05/16/2024	0
MGS	05/44	4.128	20	4.117	05/16/2024	1
MGS	07/48	4.201	35	4.262	05/15/2024	-6
MGS	06/50	4.234	7	4.224	05/16/2024	1
MGS	03/53	4.225	31	4.222	05/16/2024	0
GII	08/24	3.285	150	3.263	05/13/2024	2
GII	10/24	3.265	58	3.193	05/16/2024	7
GII	03/26	3.456	1	3.502	05/15/2024	-5
GII	09/26	3.512	60	3.510	05/16/2024	0
GII	07/28	3.684	198	3.637	05/16/2024	5
GII	10/28	3.704	2	3.713	05/07/2024	-1
GII	07/29	3.698	143	3.677	05/16/2024	2
GII	10/32	3.862	23	3.868	05/16/2024	-1
GII	08/33	3.870	230	3.864	05/16/2024	1
GII	07/36	3.937	20	3.978	05/15/2024	-4
GII	03/38	3.989	1	3.999	05/14/2024	-1
GII	09/39	4.015	113	4.011	05/16/2024	0
GII	09/41	4.070	71	4.065	05/16/2024	0
GII	08/43	4.143	80	4.118	05/16/2024	2
GII	05/47	4.078	2	4.184	05/16/2024	-11
GII	05/52	4.248	191	4.252	05/16/2024	0
GII	03/54	4.238	90	4.244	05/16/2024	-1
			3389			

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*
Prasarana Malaysia Berhad	03/25	GG	3.432	140	4.078	14/10/2022	-65	6
Pengurusan Air SPV Berhad	06/26	GG	3.546	5	3.567	13/5/2024	-2	8
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.723	30	3.696	5/3/2024	3	5
Cagamas Berhad	03/25	AAA	3.602	120	n/a	n/a	360	23
Cagamas Berhad	04/25	AAA	3.601	20	3.551	6/5/2024	5	23
Sarawak Energy Berhad	07/30	AAA	3.954	50	3.963	13/5/2024	-1	20
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.939	40	4.068	7/12/2023	-13	15
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.980	10	3.930	16/4/2024	5	16
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.988	30	3.979	20/12/2023	1	16
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	4.019	10	4.048	27/3/2024	-3	19
Pengurusan Air SPV Berhad	02/34	AAA	4.049	10	4.049	16/5/2024	0	20
GENM Capital Berhad	08/25	AA1	4.250	1	4.252	16/5/2024	0	88
YTL Power International Berhad	03/37	AA1	4.169	30	4.169	16/5/2024	0	16
YTL Power International Berhad	08/38	AA1	4.169	10	4.239	7/5/2024	-7	16
Sime Darby Property Berhad	08/28	AA+	3.958	10	3.998	7/5/2024	-4	33
Edra Energy Sdn Berhad	01/26	AA3	3.891	10	3.854	8/4/2024	4	43
Edra Energy Sdn Berhad	07/26	AA3	3.907	10	4.264	17/10/2023	-36	44
Gamuda Berhad	11/26	AA3	3.841	20	3.857	7/5/2024	-2	29
Gamuda Berhad	03/31	AA3	4.019	10	4.078	26/4/2024	-6	23
Westports Malaysia Berhad	05/39	AA3	4.210	10	4.249	15/5/2024	-4	20
7-Eleven Malaysia Holdings Berhad	06/24	AA-	4.034	10	4.272	14/11/2023	-24	66
MMC Corporation Berhad	11/27	AA-	4.008	1	3.993	1/4/2024	2	45
Point Zone (M) Sdn Berhad	03/30	AA-	3.981	10	3.980	16/5/2024	0	23
CIMB Group Holdings Berhad	12/21	A1	4.251	10	4.331	3/4/2024	-8	13
Tropicana Corporation Berhad	04/26	A	8.748	1	9.998	13/5/2024	-125	528
SPR Energy (M) Sdn Berhad	07/25	B1	14.188	7	7.500	23/8/2022	669	1082
SPR Energy (M) Sdn Berhad	07/27	B1	16.022	7	3.470	21/9/2020	1255	1247
				621				

* 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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