

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries tumbled on Friday after a surprisingly strong US monthly jobs report trimmed market expectations for Fed rate cuts. Fed fund futures indicated that market participants only expect a cut from the Fed in September, versus an expected cut in July before the jobs report. Benchmark yields surged higher by between 8 and 10bps for the day, with the UST curve shifting higher in a nearly parallel fashion. **The benchmark 2yr UST yield was 10bps higher for the session at 4.75%, while the benchmark 10yr UST yield was 9bps higher for the day at 4.40%.** The next key release for the markets is the March CPI report that is scheduled for release on Wednesday, where current market expectations are for a rise in the headline rate of inflation, while core inflation is expected to moderate a touch. In addition, FOMC minutes will be closely watched as well for the week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.75	10
5-yr UST	4.39	10
10-yr UST	4.40	9
30-yr UST	4.55	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	1	3.45	0
5-yr	3.68	0	3.61	-1
7-yr	3.80	0	3.76	0
10-yr	3.87	-1	3.87	-1
15-yr	3.98	-1	3.96	0
20-yr	4.09	-1	4.12	1
30-yr	4.19	0	4.25	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.62	-1
3-yr	3.62	0
5-yr	3.73	1
7-yr	3.85	0
10-yr	3.98	2

Source : Bloomberg

MGS/GII

- Local govies were little changed in trading on Friday, amidst a solid auction of RM4.5bn of the new 7.5yr GII 10/31 bond which drew a strong BTC of 3.333x. Secondary market volume for the day rose slightly by 3% to RM3.46bn, versus the RM3.37bn that was traded on Thursday. Benchmark yields closed mixed between -1 and +1 bps for the day. **The benchmark 5Y MGS 4/28 saw its yield little changed for the day at 3.68% while the benchmark 10Y MGS 11/33 was 1bp lower in yield for the day at 3.87%.** Trading interest for the day was led by the new benchmark 7Y GII, while trading interest was also seen in the off-the-run MGS 4/28, MGS 7/34 and MGS 5/40, as well as in the benchmark 5Y MGS, 7Y MGS/GII, 10Y GII and the 15Y MGS. The market share of GII trading surged to 49% versus the 37% share seen the previous session. Up next for the markets domestically will be the release of industrial production for February later today.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets saw a subdued trading session on Friday, with secondary market volume plunging by 42% to RM323m, compared to RM557m that changed hands on Thursday. Trading interest for the day was led by the GG segment of the market, with DANA 2/25 the most actively traded bond, settling the day at 3.39%, 1bp higher versus its previously traded level. Interest was also seen in DANA 11/25, which closed the day at 3.45%, up 3bps versus its last print. Over in the AAA segment of the market, trading interest was led by CAGA 10/26, which settled for the day at 3.74%, unchanged versus where it last traded. Meanwhile in the AA space, trading interest was led by Press Metal 10/24 and GAMUDA 11/26, which ended the session at 3.73% (unchanged versus last print) and 3.80% (-32bps) respectively.

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	06/24	3.219	3	3.331	04/04/2024	-11
MGS	03/25	3.360	9	3.353	04/04/2024	1
MGS	09/25	3.362	76	3.384	04/04/2024	-2
MGS	04/26	3.467	4	3.410	04/03/2024	6
MGS	07/26	3.446	34	3.435	04/04/2024	1
MGS	11/26	3.401	1	3.412	04/04/2024	-1
MGS	05/27	3.518	1	3.504	04/04/2024	1
MGS	11/27	3.543	2	3.555	04/04/2024	-1
MGS	04/28	3.605	268	3.613	04/04/2024	-1
MGS	06/28	3.607	6	3.615	04/04/2024	-1
MGS	08/29	3.679	135	3.683	04/04/2024	0
MGS	04/30	3.776	15	3.804	04/04/2024	-3
MGS	04/31	3.803	152	3.806	04/04/2024	0
MGS	06/31	3.816	94	3.816	04/04/2024	0
MGS	07/32	3.838	31	3.857	04/04/2024	-2
MGS	11/33	3.867	119	3.873	04/04/2024	-1
MGS	07/34	3.833	281	3.881	04/04/2024	-5
MGS	04/37	3.979	27	3.997	04/04/2024	-2
MGS	06/38	3.975	193	3.984	04/04/2024	-1
MGS	05/40	4.003	301	4.011	04/04/2024	-1
MGS	06/50	4.174	3	4.187	04/04/2024	-1
MGS	03/53	4.192	11	4.189	04/04/2024	0
GII	09/26	3.454	61	3.456	04/03/2024	0
GII	07/28	3.611	50	3.618	04/04/2024	-1
GII	09/30	3.764	110	3.763	04/04/2024	0
GII	10/31	3.789	1033	n/a	n/a	379
GII	06/33	3.863	20	3.876	04/03/2024	-1
GII	08/33	3.865	140	3.877	04/04/2024	-1
GII	11/34	3.870	50	3.867	04/02/2024	0
GII	07/36	3.928	11	3.927	04/03/2024	0
GII	09/39	3.957	8	3.957	04/04/2024	0
GII	09/41	4.020	40	4.028	04/04/2024	-1
GII	08/43	4.117	61	4.108	04/03/2024	1
GII	05/47	4.199	62	4.247	04/02/2024	-5
GII	11/49	4.235	21	4.241	04/04/2024	-1
GII	03/54	4.248	30	4.247	04/04/2024	0
			3461			

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	02/25	GG	3.390	75	3.383	25/3/2024	1	5
DanaInfra Nasional Berhad	11/25	GG	3.450	50	3.423	15/3/2024	3	4
DanaInfra Nasional Berhad	03/44	GG	4.131	10	n/a	n/a	413	4
Cagamas Berhad	05/24	AAA	3.517	5	3.505	15/3/2024	1	18
Danum Capital Berhad	02/25	AAA	3.622	10	3.632	4/4/2024	-1	28
Bakun Hydro Power Generation Sdn Berhad (fka S)	08/26	AAA	3.655	5	3.683	20/3/2024	-3	24
Cagamas Berhad	08/26	AAA	3.743	15	3.719	12/1/2024	2	33
Cagamas Berhad	10/26	AAA	3.741	20	3.745	4/4/2024	0	24
Cagamas Berhad	11/28	AAA	3.858	15	4.268	17/11/2023	-41	19
GENM Capital Berhad	03/27	AA1	4.504	1	4.531	25/3/2024	-3	101
YTL Corporation Berhad	09/35	AA1	4.199	10	4.091	20/2/2024	11	33
YTL Power International Berhad	08/38	AA1	4.159	10	4.169	1/4/2024	-1	18
UMW Holdings Berhad	11/26	AA+	3.814	15	3.816	1/4/2024	0	32
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.725	20	3.728	4/4/2024	0	38
Press Metal Aluminium Holdings Berhad	09/30	AA2	3.978	10	4.015	13/3/2024	-4	23
Gamuda Berhad	11/26	AA3	3.795	20	4.110	15/6/2023	-32	30
Gamuda Land (T12) Sdn Berhad	10/28	AA3	3.938	10	3.968	28/2/2024	-3	27
AmBank (M) Berhad	11/33	AA3	4.084	10	4.087	4/4/2024	0	22
Point Zone (M) Sdn Berhad	03/32	AA-	4.079	10	4.149	19/1/2024	-7	25
DRB-Hicom Berhad	12/29	A+	4.966	1	5.160	3/4/2024	-19	122
Affin Islamic Bank Berhad	10/18	A3	4.388	1	4.543	4/4/2024	-16	30
Yinson Holdings Berhad	11/22	A3	6.521	1	6.527	26/3/2024	-1	243
Tropicana Corporation Berhad	09/19	A-	10.730	1	12.596	3/4/2024	-187	664
				323				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
SUNREIT Bond Berhad	RM10.0bn MTN Programme (2012/2047): Secured	AA1/Stable	Assigned
	Unsecured	AA2/Stable	Assigned
Konsortium Lebuh raya Utara-Timur (KL) Sdn Bhd (Kesturi)	RM2.3bn Sukuk Musharakah	AA-/Stable	Affirmed
	RM180m Redeemable Secured Junior Bonds	A-/Stable	Affirmed

Source: RAM, MARC

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