

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Thursday, despite a strong auction of USD25bn sale of new 30yr UST notes, as weekly jobless claims fell more than expected adding to evidence of a still strong labour market, and the Fed's Thomas Barkin reiterated that policy makers can afford to be patient about the timing of rate cuts. Benchmark UST yields finished the session higher by between 3 to 5bps. **The benchmark 2Y UST yield rose by 3bps to 4.46% while the benchmark 10Y UST closed the day at 4.16%, 4bps higher in yield for the day.** The BLS is due to release its annual adjustments for CPI for the last five years later today, so that may influence market direction before the next key economic release being the US January CPI numbers early next week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.46	3
5-yr UST	4.12	5
10-yr UST	4.16	4
30-yr UST	4.35	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.42	3	3.42	-1
5-yr	3.54	1	3.56	-1
7-yr	3.71	1	3.74	0
10-yr	3.81	1	3.83	-1
15-yr	3.99	-1	3.96	0
20-yr	4.05	-1	4.11	0
30-yr	4.20	0	4.27	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.52	1
3-yr	3.45	-1
5-yr	3.57	-1
7-yr	3.69	0
10-yr	3.83	0

Source : Bloomberg

MGS/GII

- Local govies were mixed in trading on Thursday in a relatively lighter trading session. Secondary market volume fell by 26% to RM3.20bn versus the RM4.33bn that was traded the day before. Benchmark yields settled mixed between -1 to +3bps for the day. **The benchmark 5Y MGS 4/28 saw its yield rise by 1bp to 3.54% while the benchmark 10Y MGS 11/33 also saw a similar 1bp increase in yield for the day to close at 3.81%.** Trading interest was seen in the off-the-run MGS 6/24, 3/25, 4/33 and the GII 9/39, while the benchmark 5yr GII, 7Y GII, 10Y MGS/GII and 30Y MGS also saw decent interest. Trading in GIIs receded with its share of total govies trading for the day declining to 31% from the 43% share seen on Wednesday. With nothing on the economic calendar domestically today, the market should take the cue from trading in USTs.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market traded higher in another decently active session on Thursday, with volumes declining a touch to RM886m, a decrease of 13% from the RM1.02bn that exchanged hands the day before. Interest was focused in the AAA segment of the market which accounted for slightly more than half of the daily volume. DANA 10/36 and 11/36 led trading in the GG space, with both closing at 3.98%, 1bp lower in yield for the day. In the AAA-rated market, trading interest was led by MAHB 4/27 which settled the day at 3.76%, 5bps lower than its last print. Interest was also seen in MAHB 12/28 and TNB 8/30, which closed at 3.84% (-5bps) and 3.93% (-3bps) respectively. Over in the AA space, trading was led by ORIX 11/26, which settled at 3.95%, 5bps lower than its last print. Meanwhile in banks/financials, RHB 11/28 saw some interest and closed the day at 3.91%, 9bps lower versus its previous trade.

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	3.262	561	3.167	02/07/2024	10
MGS	07/24	3.158	0	3.196	02/07/2024	-4
MGS	09/24	3.228	10	3.218	02/07/2024	1
MGS	03/25	3.273	255	3.255	02/07/2024	2
MGS	09/25	3.365	43	3.294	02/07/2024	7
MGS	04/26	3.435	0	3.385	02/05/2024	5
MGS	07/26	3.414	84	3.387	02/07/2024	3
MGS	11/26	3.358	0	3.393	02/07/2024	-3
MGS	05/27	3.452	30	3.436	02/06/2024	2
MGS	11/27	3.491	70	3.489	02/07/2024	0
MGS	04/28	3.539	6	3.531	02/07/2024	1
MGS	06/28	3.561	52	3.579	02/07/2024	-2
MGS	09/28	3.566	4	3.633	01/19/2024	-7
MGS	04/29	3.612	10	3.613	02/07/2024	0
MGS	08/29	3.590	13	3.611	02/07/2024	-2
MGS	04/30	3.710	5	3.703	02/07/2024	1
MGS	04/31	3.766	143	3.762	02/07/2024	0
MGS	06/31	3.788	2	3.780	02/07/2024	1
MGS	07/32	3.841	15	3.827	02/07/2024	1
MGS	04/33	3.844	252	3.853	02/07/2024	-1
MGS	11/33	3.813	150	3.799	02/07/2024	1
MGS	07/34	3.813	49	3.839	02/07/2024	-3
MGS	05/35	3.922	61	3.891	02/07/2024	3
MGS	04/37	3.967	3	3.959	02/07/2024	1
MGS	06/38	3.988	60	3.997	02/07/2024	-1
MGS	05/40	3.979	76	4.009	02/07/2024	-3
MGS	10/42	4.047	30	4.052	02/07/2024	0
MGS	09/43	4.109	0	4.099	02/07/2024	1
MGS	03/46	4.158	16	4.158	02/07/2024	0
MGS	07/48	4.178	17	4.173	02/07/2024	0
MGS	06/50	4.062	9	4.150	02/07/2024	-9
MGS	03/53	4.200	170	4.202	02/07/2024	0
GII	08/25	3.312	4	3.316	02/07/2024	0
GII	10/25	3.324	20	3.315	02/07/2024	1
GII	09/26	3.415	30	3.429	02/07/2024	-1
GII	06/27	3.498	21	3.936	12/09/2022	-44
GII	06/27	3.498	32	3.499	02/07/2024	0
GII	07/27	3.473	2	3.500	02/07/2024	-3
GII	07/28	3.557	167	3.570	02/06/2024	-1
GII	09/30	3.738	90	3.743	02/07/2024	0
GII	10/30	3.764	24	3.770	02/07/2024	-1
GII	06/33	3.836	82	3.838	02/07/2024	0
GII	08/33	3.832	150	3.837	02/07/2024	-1
GII	10/35	3.896	6	3.929	01/29/2024	-3
GII	07/36	3.929	20	3.928	02/07/2024	0
GII	08/37	4.013	0	3.960	02/07/2024	5
GII	03/38	3.963	32	3.959	02/07/2024	0
GII	09/39	3.990	170	3.994	02/07/2024	0
GII	09/41	4.042	40	4.034	02/07/2024	1
GII	08/43	4.107	50	4.107	02/07/2024	0
GII	05/47	4.200	11	4.230	02/07/2024	-3
GII	05/52	4.266	50	4.268	02/07/2024	0
			3197			

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*
Khazanah Nasional Berhad	03/24	GG	3.512	30	3.444	6/2/2024	7	22
Prasarana Malaysia Berhad	08/26	GG	3.474	10	3.627	8/9/2023	-15	8
Lembaga Pembiayaan Perumahan Sektor Awam	09/28	GG	3.597	40	3.847	25/9/2023	-25	6
DanaInfra Nasional Berhad	10/36	GG	3.979	60	3.989	7/2/2024	-1	-1
DanaInfra Nasional Berhad	11/36	GG	3.979	60	3.989	7/2/2024	-1	-1
Prasarana Malaysia Berhad	02/50	GG	4.240	50	4.265	24/1/2024	-2	19
Cagamas Berhad	10/24	AAA	3.681	20	3.655	6/2/2024	3	39
TNB Western Energy Berhad	01/25	AAA	3.872	1	3.980	21/8/2023	-11	58
Danum Capital Berhad	02/25	AAA	3.635	20	3.806	20/11/2023	-17	34
Malaysia Airport Holdings Berhad	04/25	AAA	3.630	25	3.651	2/2/2024	-2	34
Malaysia Airport Holdings Berhad	12/26	AAA	3.736	20	3.747	7/2/2024	-1	34
Malaysia Airport Holdings Berhad	04/27	AAA	3.760	110	3.807	22/1/2024	-5	36
Danum Capital Berhad	05/27	AAA	3.799	5	4.103	11/10/2023	-30	40
Johor Corporation	06/27	AAA	4.075	25	4.151	30/1/2024	-8	68
Cagamas Berhad	07/27	AAA	3.839	10	3.800	6/2/2024	4	44
Danga Capital Berhad	09/27	AAA	3.736	10	3.737	26/1/2024	0	26
F&N Capital Sdn Berhad	10/27	AAA	3.847	5	4.103	20/11/2023	-26	37
Malaysia Airport Holdings Berhad	11/27	AAA	3.831	10	3.751	11/1/2024	8	36
Bank Simpanan Nasional Berhad	10/28	AAA	3.847	5	3.978	8/12/2023	-13	31
Malaysia Airport Holdings Berhad	12/28	AAA	3.837	35	3.890	18/1/2024	-5	30
Danga Capital Berhad	01/30	AAA	3.901	10	4.267	1/11/2023	-37	25
TNB Power Generation Sdn Berhad	03/30	AAA	3.885	5	4.108	17/4/2023	-22	23
Danum Capital Berhad	05/30	AAA	3.910	10	4.239	6/11/2023	-33	26
Tenaga Nasional Berhad	08/30	AAA	3.931	30	3.961	9/1/2024	-3	16
Pengurusan Air SPV Berhad	11/30	AAA	3.968	10	4.131	20/7/2023	-16	20
Malaysia Airport Holdings Berhad	11/30	AAA	3.990	10	3.948	30/1/2024	4	22
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.995	5	3.979	12/1/2024	2	23
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.975	10	4.050	12/12/2023	-7	18
Johor Corporation	07/33	AAA	4.028	3	4.258	22/11/2023	-23	23
Pengurusan Air SPV Berhad	02/34	AAA	4.028	5	n/a	n/a	403	22
Danum Capital Berhad	02/34	AAA	3.975	10	4.018	19/1/2024	-4	17
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.009	10	4.089	8/3/2024	-8	20
Danum Capital Berhad	02/35	AAA	3.990	20	4.048	17/1/2024	-6	18
Tenaga Nasional Berhad	08/38	AAA	4.066	10	4.167	7/2/2024	-10	8
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/38	AAA	4.107	4	4.090	30/1/2024	2	12
Pengurusan Air Selangor Sdn Berhad	04/43	AAA	4.229	10	4.299	19/1/2024	-7	18
Pengurusan Air Selangor Sdn Berhad	10/43	AAA	4.229	5	4.368	9/3/2024	-14	18
Sabah Development Bank Berhad	08/25	AA1	4.244	20	4.282	31/1/2024	-4	90
RHB Bank Berhad	11/28	AA1	3.907	30	3.997	9/1/2024	-9	37
Malayan Banking Berhad	08/31	AA1	3.800	10	3.796	6/2/2024	0	3
United Overseas Bank (Malaysia) Berhad	10/32	AA1	3.901	1	3.892	31/1/2024	1	10
YTL Power International Berhad	08/35	AA1	4.038	5	4.060	7/2/2024	-2	23
ORIX Credit Malaysia Sdn Berhad	11/26	AA2	3.946	50	4.000	27/11/2023	-5	55
RHB Islamic Bank Berhad	05/29	AA2	3.666	10	3.730	5/1/2024	-6	13
Tanjung Bin Energy Sdn Berhad	09/25	AA3	4.752	1	5.009	5/12/2023	-26	141
Tanjung Bin Energy Sdn Berhad	03/27	AA3	4.879	1	5.458	31/5/2023	-58	148
Tanjung Bin Energy Sdn Berhad	03/28	AA3	4.968	1	4.970	7/2/2024	0	149
IJM Corporation Berhad	08/28	AA3	3.981	2	4.259	5/7/2023	-28	45
Tanjung Bin Energy Sdn Berhad	09/28	AA3	5.098	10	5.429	15/6/2023	-33	157
AEON Credit Service (M) Berhad	12/28	AA3	4.110	15	4.252	22/12/2023	-14	58
IJM Corporation Berhad	04/29	AA3	4.012	3	4.178	14/8/2023	-17	48
MMC Corporation Berhad	11/25	AA-	3.975	2	4.095	15/12/2023	-12	63
UMW Holdings Berhad	04/18	AA-	4.414	2	4.449	22/12/2023	-4	36
Affin Islamic Bank Berhad	10/18	A3	4.617	2	4.618	2/2/2024	0	57
DRB-Hicom Berhad	12/14	A-	5.204	1	5.086	23/1/2024	12	115
Bank Muamalat Malaysia Berhad	09/22	BBB	5.551	1	5.064	6/2/2024	49	150
Eco World Capital	08/24	NR(LT)	4.720	1	5.377	23/1/2024	-66	143
Mah Sing Group Berhad	03/25	NR(LT)	5.522	1	5.298	6/2/2024	22	223
Cypark Renewable Energy	04/20	NR(LT)	6.482	1	6.482	7/2/2024	0	243

886

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Hektar MTN Satu Sdn Bhd	Guaranteed Tranche(s) of up to RM230 million (under its RM500 million MTN programme)	AAA(fg)/Stable	Assigned

Source: RAM, MARC

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