

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Monday, continuing the fall registered on Friday, as market participants await March's CPI report later in the week, amidst upcoming UST supply. Benchmark yields were higher by between 0 and 4bps for the day, with the UST curve bear flattening. **The benchmark 2yr UST yield was 4bps higher for the session at 4.79%, while the benchmark 10yr UST yield was 2bps higher for the day at 4.42%.** 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	4.79	4
5-yr UST	4.43	4
10-yr UST	4.42	2
30-yr UST	4.55	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	0	3.47	2
5-yr	3.71	3	3.61	0
7-yr	3.83	2	3.78	2
10-yr	3.90	3	3.89	2
15-yr	3.99	1	3.96	0
20-yr	4.10	1	3.97	-14
30-yr	4.20	1	4.25	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.63	1
3-yr	3.66	3
5-yr	3.77	4
7-yr	3.88	2
10-yr	4.01	3

Source : Bloomberg

MGS/GII

- Local govies fell in trading on Monday, taking cue from the sharp sell-off in US Treasuries last Friday after a bumper US jobs report. Secondary market volume for the day rose slightly by 6% to RM3.67bn, versus the RM3.46bn that was exchanged hands the previous session. Benchmark yields closed higher between 0 and 3bps for the day, except for the 20Y GII which was mismarked due to a small odd lot trade and should correct the next session. **The benchmark 5Y MGS 4/28 saw its yield higher by 3bps for the day at 3.71% while the benchmark 10Y MGS 11/33 was also 3bps higher in yield at 3.90%.** Trading interest was seen in the benchmark 5Y MGS, 7Y MGS/GII, 10Y MGS/GII as well as in the off-the-run GII 10/24, GII 10/30, GII 7/36 and the MGS 11/27. The market share of GII trading receded to 46% versus the 49% share seen on Friday. There are no further economic reports scheduled in this holiday shortened week.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets saw another subdued trading session on Monday, with secondary market volume receding by 8% to RM296m, compared to RM323m that traded on Friday. Trading interest for the day was led by the GG and A-rated segment of the market. In GG space, PTPTN 2/34 led trading, settling the day at 3.97%, up 2bps in yield versus its last print. In the AAA segment, PASB 10/30 and TNB 8/40 saw interest, closing the day at 3.94% (up 4bps versus last print) and 4.20% (unchanged) respectively. Meanwhile in the AA space, EDRA 1/26 saw interest and settled for the day at 3.85%, 3bps higher compared to its last traded level. In the A-rated universe, decent trading interest was seen in BIMB 3/30, which settled the session at 4.00%, unchanged compared to where it last traded.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.294	130	3.223	04/04/2024	7
MGS	03/25	3.389	43	3.360	04/05/2024	3
MGS	09/25	3.388	1	3.362	04/05/2024	3
MGS	04/26	3.443	56	3.467	04/05/2024	-2
MGS	07/26	3.491	141	3.446	04/05/2024	4
MGS	05/27	3.518	30	3.518	04/05/2024	0
MGS	11/27	3.560	170	3.543	04/05/2024	2
MGS	04/28	3.632	89	3.605	04/05/2024	3
MGS	04/29	3.681	5	3.626	04/04/2024	6
MGS	08/29	3.707	552	3.679	04/05/2024	3
MGS	04/30	3.803	23	3.776	04/05/2024	3
MGS	04/31	3.826	228	3.803	04/05/2024	2
MGS	06/31	3.847	121	3.816	04/05/2024	3
MGS	07/32	3.881	20	3.838	04/05/2024	4
MGS	04/33	3.897	7	3.880	04/04/2024	2
MGS	11/33	3.897	256	3.867	04/05/2024	3
MGS	07/34	3.889	1	3.833	04/05/2024	6
MGS	05/35	3.935	80	3.897	04/05/2024	4
MGS	04/37	3.979	2	3.979	04/05/2024	0
MGS	06/38	3.989	1	3.975	04/05/2024	1
MGS	05/40	4.009	2	4.003	04/05/2024	1
MGS	10/42	4.098	21	4.085	04/05/2024	1
MGS	06/50	4.150	7	4.174	04/05/2024	-2
MGS	03/53	4.202	1	4.192	04/05/2024	1
GII	08/24	3.303	80	3.261	04/04/2024	4
GII	10/24	3.314	280	3.282	04/04/2024	3
GII	03/26	3.408	29	3.404	04/04/2024	0
GII	09/26	3.468	10	3.454	04/05/2024	1
GII	07/27	3.536	2	3.449	04/04/2024	9
GII	07/29	3.706	74	3.676	04/04/2024	3
GII	09/30	3.784	130	3.764	04/05/2024	2
GII	10/30	3.797	410	3.806	04/04/2024	-1
GII	10/31	3.812	260	3.789	04/05/2024	2
GII	10/32	3.872	20	3.863	04/04/2024	1
GII	08/33	3.889	159	3.865	04/05/2024	2
GII	10/35	3.754	3	3.976	03/26/2024	-22
GII	07/36	3.939	152	3.928	04/05/2024	1
GII	09/39	3.957	1	3.957	04/05/2024	0
GII	05/52	4.291	45	4.141	04/05/2024	15
GII	03/54	4.253	30	4.248	04/05/2024	0
			3671			

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*
Small Medium Enterprise Development Bank	04/27	GG	3.560	5	3.688	13/9/2023	-13	5
Perbadanan Tabung Pendidikan Tinggi Nasior	02/34	GG	3.966	100	3.948	2/4/2024	2	8
Cagamas Berhad	09/24	AAA	3.571	10	3.597	4/4/2024	-3	22
Johor Corporation	06/27	AAA	3.995	10	3.985	3/4/2024	1	49
Pengurusan Air Selangor Sdn Berhad	10/30	AAA	3.939	15	3.898	14/3/2024	4	12
Amanat Lebuhraya Rakyat Berhad	10/35	AAA	4.279	10	4.924	17/2/2023	-65	39
Amanat Lebuhraya Rakyat Berhad	10/37	AAA	4.470	10	4.761	23/11/2023	-29	48
Tenaga Nasional Berhad	08/40	AAA	4.200	15	4.201	5/4/2024	0	21
Edra Energy Sdn Berhad	01/26	AA3	3.854	10	3.827	12/3/2024	3	43
Affin Islamic Bank Berhad	12/27	AA3	4.324	1	4.049	2/4/2024	27	71
Eco World Capital Berhad	10/27	AA-	4.650	1	4.860	20/3/2024	-21	104
Bank Islam Malaysia Berhad	03/30	A1	3.997	110	3.992	2/4/2024	0	24
				296				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
YNH Property Berhad	Islamic Medium-Term Notes Programme	BBB-/Negative	Downgraded

Source: RAM, MARC

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