

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were marginally higher in trading on Wednesday, after Fed Chair Powell reiterated the same message on the second day of his Congress semi-annual testimony, amidst a decent auction of USD39bn of 10yr USTs. Benchmark yields finished lower across the curve by 1bp for the day, in a parallel shift in the curve, with **the benchmark 2yr UST yield settling for the session at 4.62%, while the benchmark 10yr UST yield closed the day at 4.29%**. The focus shifts over to the CPI number for June, which is scheduled for release tonight, where the market expects a moderation in headline inflation while core inflation is expected to remain steady.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.62	-1
5-yr UST	4.24	-1
10-yr UST	4.29	-1
30-yr UST	4.48	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	0	3.42	0
5-yr	3.64	0	3.60	0
7-yr	3.78	0	3.74	-1
10-yr	3.85	0	3.87	1
15-yr	3.95	0	3.98	0
20-yr	4.11	0	4.12	0
30-yr	4.22	1	4.24	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	0
3-yr	3.57	-1
5-yr	3.62	-1
7-yr	3.73	0
10-yr	3.85	-1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM5bn of GII 11/34 on Friday, 12 July

MGS/GII

- Local govvnies were mixed in trading on Wednesday in a quieter session, amidst the announcement of more government bond supply in the form of the reopening of RM5bn of the GII 11/34, which will take over as the new 10Y GII benchmark after the auction on Friday. Secondary market volume for the day receded by 33% to RM3.55bn, compared to the RM5.34bn that traded on Tuesday. Benchmark yields closed mixed by between -1 and +1bps for the day. **The benchmark 5Y MGS 4/28 saw its yield little changed at 3.64% while the benchmark 10Y MGS 11/33 was also flattish at 3.85%**. Trading interest was led by the off-the-run GII 8/24, while keen interest was also seen in the off-the-run MGS 9/24, GII 10/24, GII 10/25, MGS 6/28 and MGS 7/32, as well as in the benchmark 3Y GII and 10Y GII. Trading in GIIs as a proportion of total govvy trading surged to 57% for the day versus the 26% share seen the previous day. Next up domestically is the decision from the BNM MPC meeting, where they are expected to stand pat on policy and maintain their neutral tone.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was also better bid in trading on Wednesday in a busier session, with secondary market volume surging by 76% to RM537m versus the RM305m that traded the day before. Trading interest was focused in the AAA and AA-rated segments of the market. In the GG universe, activity was led by DANA 11/25 and DANA 4/48, which closed the day at 3.47% (-6bps from last print) and 4.21% (+1bp) respectively. Over in the AAA space, trading interest was led by TNB 6/29, which settled for the day at 3.83%, little changed from its previous traded level. Meanwhile, trading in the AA territory was led by GENM 7/28 and Pujian 7/29, which closed at 4.53% (+38bps) and 4.30% (-100bps) respectively. In the A-rated segment, interest was seen in CIMB 4.31% Perps, which settled for the day at 4.23%, 1bp lower versus where the bond last traded.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	4.097	35	3.205	07/09/2024	89
MGS	09/24	3.175	380	3.195	07/09/2024	-2
MGS	03/25	3.274	36	3.229	07/09/2024	4
MGS	09/25	3.275	1	3.268	07/09/2024	1
MGS	07/26	3.381	45	3.387	07/09/2024	-1
MGS	11/26	3.354	7	3.406	07/04/2024	-5
MGS	05/27	3.494	57	3.492	07/09/2024	0
MGS	11/27	3.514	1	3.514	07/09/2024	0
MGS	04/28	3.575	15	3.581	07/09/2024	-1
MGS	06/28	3.600	211	3.606	07/09/2024	-1
MGS	04/29	3.636	28	3.634	07/05/2024	0
MGS	08/29	3.635	68	3.635	07/09/2024	0
MGS	04/30	3.736	70	3.738	07/09/2024	0
MGS	04/31	3.779	130	3.782	07/09/2024	0
MGS	04/32	3.859	5	3.853	06/13/2024	1
MGS	07/32	3.845	140	3.845	07/09/2024	0
MGS	04/33	3.857	1	3.866	07/09/2024	-1
MGS	11/33	3.846	40	3.850	07/09/2024	0
MGS	07/34	3.852	1	3.885	07/09/2024	-3
MGS	05/35	3.953	130	3.929	07/09/2024	2
MGS	04/39	3.955	75	3.964	07/09/2024	-1
MGS	05/40	4.060	4	4.060	07/09/2024	0
MGS	10/42	4.106	15	4.112	07/09/2024	-1
MGS	05/44	4.110	2	4.106	07/09/2024	0
MGS	07/48	4.190	5	4.205	07/05/2024	-1
MGS	06/50	4.214	10	4.220	07/09/2024	-1
MGS	03/53	4.221	2	4.215	07/09/2024	1
GII	08/24	3.198	400	3.204	07/04/2024	-1
GII	10/24	3.188	329	3.213	07/04/2024	-2
GII	08/25	3.227	2	3.264	07/09/2024	-4
GII	10/25	3.241	263	3.278	07/09/2024	-4
GII	03/26	3.362	1	3.416	07/09/2024	-5
GII	09/26	3.422	192	3.420	07/09/2024	0
GII	07/29	3.648	35	3.651	07/04/2024	0
GII	09/30	3.739	115	3.745	07/09/2024	-1
GII	10/30	3.748	45	3.744	07/09/2024	0
GII	10/31	3.772	30	3.787	07/09/2024	-2
GII	10/32	3.844	12	3.847	07/09/2024	0
GII	06/33	3.859	10	3.858	07/09/2024	0
GII	08/33	3.874	200	3.865	07/09/2024	1
GII	11/34	3.871	13	3.860	07/05/2024	1
GII	08/37	3.983	93	3.993	07/05/2024	-1
GII	09/39	3.980	110	3.982	07/09/2024	0
GII	09/41	4.059	42	4.063	07/09/2024	0
GII	08/43	4.119	68	4.116	07/09/2024	0
GII	05/47	4.186	80	4.189	07/09/2024	0
GII	11/49	4.123	2	4.132	07/09/2024	-1
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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	11/25	GG	3.466	20	3.530	7/6/2024	-6	15
Turus Pesawat Sdn Berhad	11/27	GG	3.671	10	3.975	25/10/2023	-30	14
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.040	10	4.041	24/6/2024	0	3
DanaInfra Nasional Berhad	04/48	GG	4.213	20	4.204	9/7/2024	1	9
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.245	10	4.262	4/7/2024	-2	12
Celcom Networks Sdn Berhad	08/24	AAA	3.459	40	3.465	1/7/2024	-1	14
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/24	AAA	3.906	10	4.335	18/1/2023	-43	59
Cagamas Berhad	11/25	AAA	3.700	40	3.758	8/12/2023	-6	38
Cagamas Berhad	06/26	AAA	3.659	10	n/a	n/a	366	22
Bank Simpanan Nasional Berhad	02/29	AAA	3.885	5	3.897	18/6/2024	-1	25
Tenaga Nasional Berhad	06/29	AAA	3.826	60	3.824	25/6/2024	0	19
Sarawak Energy Berhad	04/31	AAA	3.915	40	3.918	5/7/2024	0	13
Johor Corporation	07/33	AAA	4.018	10	4.018	1/7/2024	0	18
CIMB Islamic Bank Berhad	03/34	AAA	4.019	20	3.998	27/6/2024	2	16
GENM Capital Berhad	03/27	AA1	4.386	10	4.504	5/4/2024	-12	86
GENM Capital Berhad	07/28	AA1	4.526	30	4.150	9/7/2024	38	93
YTL Power International Berhad	08/29	AA1	3.901	20	4.002	10/5/2024	-10	26
Malayan Banking Berhad	10/30	AA1	3.710	10	3.647	22/3/2024	6	-2
Genting RMTN Berhad	03/32	AA1	4.729	10	4.780	28/6/2024	-5	91
Hong Leong Bank Berhad	06/34	AA1	3.991	2	3.989	2/7/2024	0	13
PONSB Capital Berhad	06/29	AA2	3.889	10	4.249	5/6/2024	-36	25
Malaysia Airport Holdings Berhad	12/14	AA2	4.293	2	4.348	30/5/2024	-5	17
OSK Rated Bond Sdn Berhad	09/33	AA	4.097	10	4.117	18/6/2024	-2	26
Edra Energy Sdn Berhad	01/27	AA3	3.908	20	4.400	10/6/2024	-49	47
Pujian Bayu Sdn Berhad	07/29	AA3	4.298	30	5.300	21/4/2022	-100	66
RP Hydro (Kelantan) Sdn Berhad	07/30	AA3	4.789	10	n/a	n/a	479	106
AmBank Islamic Berhad	12/30	AA3	3.872	10	3.865	13/6/2024	1	15
Malaysian Reinsurance Berhad	10/32	AA3	4.183	1	4.349	5/7/2024	-17	37
Jimah East Power Sdn Berhad	12/30	AA-	4.234	10	4.255	20/6/2024	-2	51
Southern Power Generation Sdn Berhad	04/35	AA-	4.228	20	5.366	27/9/2022	-114	36
Southern Power Generation Sdn Berhad	10/35	AA-	4.229	20	4.298	10/5/2024	-7	37
CIMB Group Holdings Berhad	05/16	A1	4.226	5	4.240	27/6/2024	-1	10
WCT Holdings Berhad	03/19	A-	5.409	2	6.307	16/5/2024	-90	128
				<u>537</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
AEON Credit Service (M) Berhad	Senior Sukuk Wakalah Programme Subordinated Sukuk Wakalah Programme	AA3/Stable A1/Stable	Affirmed Affirmed

Source: RAM, MARC

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