

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were little changed in trading on Monday in a quiet session, ahead of the much anticipated US CPI release later tonight. Benchmark UST yields finished the session mixed by between -1 to +1 bp, with the UST curve steepening slightly for the session. **The benchmark 2Y UST yield fell by 1bp to 4.47% while the benchmark 10Y UST closed the day at 4.18%, unchanged for the day.** US CPI numbers for January are scheduled to be released tonight, where the markets expect inflation to moderate at both the headline and core level. Headline inflation is expected to ebb to 2.9% y/y (prior: 3.4%) while core inflation is expected to reduce to 3.7% y/y (prior: 3.9%).

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.47	-1
5-yr UST	4.14	0
10-yr UST	4.18	0
30-yr UST	4.38	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.38	-4	3.42	0
5-yr	3.54	0	3.55	-1
7-yr	3.71	0	3.74	0
10-yr	3.81	0	3.84	0
15-yr	3.99	0	3.96	0
20-yr	4.06	1	4.11	0
30-yr	4.08	-12	4.27	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.52	0
3-yr	3.47	1
5-yr	3.58	2
7-yr	3.69	0
10-yr	3.83	0

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM3bn 20yr GII 8/43 on Wednesday 14 Feb, with an additional RM2bn private placement

MGS/GII

- Local govovies were mixed in trading on Friday in a quiet trading session before the CNY holidays. Secondary market volume plunged by 60% to RM1.27bn versus the RM3.20bn that was traded the day before. Benchmark yields settled mixed between -4 to +1 bps for the day, except for the 30yr MGS which declined 12bps on a late odd lot trade, which should reverse today. **The benchmark 5Y MGS 4/28 saw its yield unchanged at 3.54% while the benchmark 10Y MGS 11/33 was also unchanged in yield for the day at 3.81%.** Trading interest was seen in the benchmark 3Y GII, 7Y MGS, 10Y MGS/GII and 15Y MGS, as well as the off-the-run MGS 9/24 and 7/32 and the GII 10/32. Trading in GIIs stood at 35% of total govovies trading for the day, versus the 31% the day before. The next key event domestically is reopening of the 20yr GII on Wednesday, before the release of the 4Q and 2023 GDP numbers on Friday.

Corp Bonds/Sukuk

- It was dead quiet in the Corporate Bonds/Sukuk space on Friday, with most market participants out already for the long weekend. Only a handful of papers exchanged hands today with volumes plunging by 56% to RM391m, from the RM886m that traded on Thursday. There was no trading at all in the GG and AAA markets, with interest for the day only seen in the AA segment of the market. The bulk of the market volume for the day was seen in the secondary market debuts for UEM Sunrise's 2/31 and 2/34, which swapped hands at 4.57% and 4.80% respectively. Interest was also seen in TANJUNG bonds, with the 3/28 traded at an unchanged level of 4.97%, while the little traded 9/29 settled the day at 5.18%, a whopping 85bps lower than its last print about 18 months ago.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.032	25	3.262	02/08/2024	-23
MGS	07/24	3.074	10	3.158	02/08/2024	-8
MGS	09/24	3.216	130	3.228	02/08/2024	-1
MGS	03/25	3.256	12	3.273	02/08/2024	-2
MGS	09/25	3.320	19	3.365	02/08/2024	-5
MGS	07/26	3.380	2	3.414	02/08/2024	-3
MGS	03/27	3.477	11	3.470	02/05/2024	1
MGS	05/27	3.452	5	3.452	02/08/2024	0
MGS	11/27	3.501	8	3.491	02/08/2024	1
MGS	04/28	3.535	19	3.539	02/08/2024	0
MGS	06/28	3.567	14	3.561	02/08/2024	1
MGS	04/29	3.615	20	3.612	02/08/2024	0
MGS	04/30	3.707	1	3.710	02/08/2024	0
MGS	04/31	3.766	180	3.766	02/08/2024	0
MGS	06/31	3.788	25	3.788	02/08/2024	0
MGS	04/32	3.821	10	3.811	02/02/2024	1
MGS	07/32	3.813	93	3.841	02/08/2024	-3
MGS	04/33	3.847	6	3.844	02/08/2024	0
MGS	11/33	3.811	95	3.813	02/08/2024	0
MGS	05/35	3.906	20	3.922	02/08/2024	-2
MGS	04/37	3.957	8	3.967	02/08/2024	-1
MGS	06/38	3.988	71	3.988	02/08/2024	0
MGS	10/42	4.055	2	4.052	02/08/2024	0
MGS	07/48	4.169	1	4.178	02/08/2024	-1
MGS	03/53	4.083	33	4.200	02/08/2024	-12
GII	08/25	3.337	30	3.312	02/08/2024	3
GII	03/26	3.381	5	3.378	02/07/2024	0
GII	09/26	3.418	60	3.415	02/08/2024	0
GII	07/28	3.547	23	3.557	02/08/2024	-1
GII	10/28	3.600	2	3.572	02/07/2024	3
GII	09/30	3.737	40	3.738	02/08/2024	0
GII	10/30	3.767	1	3.764	02/08/2024	0
GII	10/32	3.836	80	3.834	02/07/2024	0
GII	08/33	3.836	133	3.832	02/08/2024	0
GII	08/37	4.000	40	4.013	02/08/2024	-1
GII	11/49	4.246	30	4.255	02/07/2024	-1
			1265			

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*
YTL Power International Berhad	08/32	AA1	3.969	10	4.098	10/1/2024	-13	17
Anih Berhad	11/29	AA	4.145	20	4.458	12/4/2023	-31	49
Tanjung Bin Energy Sdn Berhad	03/28	AA3	4.968	10	4.968	8/2/2024	0	150
Tanjung Bin Energy Sdn Berhad	09/29	AA3	5.178	40	6.030	13/7/2022	-85	153
Solar Management (Seremban) Sdn Berhad	10/32	AA3	5.038	1	5.179	11/12/2023	-14	124
Malakoff Power Berhad	12/27	AA-	4.683	10	4.817	31/1/2023	-13	121
UEM Sunrise Berhad	02/31	AA-	4.570	100	n/a	n/a	457	80
UEM Sunrise Berhad	02/34	AA-	4.800	200	n/a	n/a	480	99
				391				

* 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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