

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries regained some ground in trading on Wednesday, after dovish comments from the Fed's Goolsbee, who suggested that January's unexpectedly high inflation reading shouldn't necessarily be an impediment to an interest rate cut in the months ahead. Benchmark UST yields finished the session lower by between 3-8 bps, with the UST curve bull-steepening for the session. **The benchmark 2Y UST yield fell by 8bps to 4.58% while the benchmark 10Y UST closed the day at 4.26%, down 6bps in yield for the day.** The odds of a Fed cut by May rose a touch to 46% from 37% the previous day. The next key release for the markets will be the US January retail sales numbers, which are scheduled for release later tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.58	-8
5-yr UST	4.24	-8
10-yr UST	4.26	-6
30-yr UST	4.44	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	2	3.42	-1
5-yr	3.55	0	3.57	1
7-yr	3.72	-3	3.77	4
10-yr	3.85	3	3.86	2
15-yr	4.01	2	3.99	2
20-yr	4.08	1	4.15	3
30-yr	4.23	14	4.30	3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	2
3-yr	3.50	3
5-yr	3.64	4
7-yr	3.76	7
10-yr	3.90	7

Source : Bloomberg

MGS/GII

- Local govies were better offered again in trading on Wednesday as the market took the lead from the overnight sell-off in USTs the night before, as the MYR IRS market also saw levels shifting higher in a steepening move. Secondary market volume firmed up by 30% to RM2.83bn versus the RM2.17bn that exchanged hands the day before. Benchmark yields settled mixed between -3 to +4 bps for the day, except for the 30yr MGS which rose by 14bps for the day, correcting a late odd-lot trade two sessions ago. **The benchmark 5Y MGS 4/28 saw its yield unchanged at 3.55% while the benchmark 10Y MGS 11/33 was 3bps higher in yield for the day at 3.85%.** Trading interest was seen in the benchmark 3Y MGS, 10Y MGS/GII, 20Y MGS/GII and 30Y MGS, as well as the off-the-run GII 5/24 and MGS 6/28. Trading in GIIs as a proportion of total govvy trading increased to 42%, versus the 31% seen the day before. The GII 8/43 was the most actively traded bond for the day, after strong re-opening auction of RM3bn of it (high BTC of 3.037x, and short tail of 0.8bps) led to an increase in trading interest.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- It was a busier session in the Corporate Bonds/Sukuk markets on Wednesday after two lackluster trading sessions, with volumes more than doubling to RM902m (prev: RM419m) with bonds better bid in general. Trading was again concentrated in the AA segment of the market. In the GG space, activity was led by DANA 10/26 and DANA 3/34, which settled at 3.50% (-9bps from last print) and 3.91% (unchanged) respectively. PASB 7/37 led trading in the AAA sector, and settled the day at 4.10%, 8bps lower versus previous traded level. Over in the AA segment of the market, trading was led by PBB 7/29, which closed at 3.68%, some 6bps lower versus last traded levels. Elsewhere in banks/financials, A-rated BIMB 11/31 also garnered interest and closed the day at 4.23%, 3bps lower than its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.256	10	3.212	02/13/2024	4
MGS	07/24	3.210	76	3.253	02/13/2024	-4
MGS	03/25	3.236	23	3.289	02/13/2024	-5
MGS	09/25	3.304	75	3.344	02/13/2024	-4
MGS	04/26	3.351	13	3.362	02/13/2024	-1
MGS	07/26	3.399	153	3.377	02/13/2024	2
MGS	11/26	3.233	25	3.436	02/13/2024	-20
MGS	05/27	3.442	72	3.430	02/13/2024	1
MGS	11/27	3.496	24	3.447	02/13/2024	5
MGS	04/28	3.547	57	3.547	02/13/2024	0
MGS	06/28	3.594	201	3.569	02/13/2024	2
MGS	04/29	3.631	5	3.620	02/13/2024	1
MGS	08/29	3.604	50	3.592	02/13/2024	1
MGS	04/30	3.717	48	3.744	02/13/2024	-3
MGS	04/31	3.787	53	3.765	02/13/2024	2
MGS	06/31	3.816	25	3.788	02/09/2024	3
MGS	07/32	3.841	32	3.817	02/13/2024	2
MGS	04/33	3.834	15	3.847	02/09/2024	-1
MGS	11/33	3.852	345	3.821	02/13/2024	3
MGS	07/34	3.835	19	3.822	02/13/2024	1
MGS	05/35	3.919	7	3.897	02/13/2024	2
MGS	04/37	3.985	8	3.957	02/09/2024	3
MGS	06/38	4.009	69	3.990	02/13/2024	2
MGS	05/40	4.035	20	4.015	02/13/2024	2
MGS	10/42	4.079	81	4.065	02/13/2024	1
MGS	09/43	4.130	5	4.109	02/08/2024	2
MGS	03/46	4.153	20	4.028	02/13/2024	13
MGS	06/50	4.178	30	4.260	02/13/2024	-8
MGS	03/53	4.226	91	4.083	02/13/2024	14
GII	05/24	3.149	260	3.151	02/13/2024	0
GII	03/26	3.405	10	3.400	02/13/2024	0
GII	09/26	3.417	20	3.425	02/13/2024	-1
GII	07/27	3.487	5	3.481	02/13/2024	1
GII	09/27	3.525	27	3.516	02/13/2024	1
GII	07/28	3.567	75	3.555	02/13/2024	1
GII	09/30	3.771	10	3.732	02/13/2024	4
GII	10/30	3.781	7	3.766	02/13/2024	2
GII	10/32	3.877	1	3.836	02/13/2024	4
GII	06/33	3.861	50	3.836	02/08/2024	3
GII	08/33	3.862	130	3.843	02/13/2024	2
GII	11/34	3.890	20	3.826	02/07/2024	6
GII	03/38	3.990	10	3.969	02/13/2024	2
GII	09/41	4.100	10	3.922	02/13/2024	18
GII	08/43	4.152	510	4.119	02/13/2024	3
GII	11/49	4.264	10	4.246	02/09/2024	2
GII	05/52	4.300	20	4.266	02/08/2024	3
			2825			

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	10/26	GG	3.496	60	3.585	5/1/2024	-9	9
DanaInfra Nasional Berhad	02/33	GG	3.885	40	3.950	9/1/2024	-7	6
DanaInfra Nasional Berhad	03/34	GG	3.907	60	3.904	13/2/2024	0	7
DanaInfra Nasional Berhad	10/36	GG	4.018	30	3.979	8/2/2024	4	1
DanaInfra Nasional Berhad	11/36	GG	4.018	20	3.979	8/2/2024	4	1
Prasarana Malaysia Berhad	01/38	GG	4.019	10	4.060	24/1/2024	-4	1
DanaInfra Nasional Berhad	06/38	GG	4.020	25	4.010	7/2/2024	1	1
DanaInfra Nasional Berhad	06/38	GG	4.020	20	4.038	11/1/2024	-2	1
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.019	20	4.035	30/1/2024	-2	1
DanaInfra Nasional Berhad	02/49	GG	4.200	5	4.209	6/2/2024	-1	13
Bakun Hydro Power Generation Sdn Berhad (fka S	08/26	AAA	3.666	20	3.773	12/9/2023	-11	32
Malaysia Airport Holdings Berhad	12/26	AAA	3.728	10	3.721	13/2/2024	1	32
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.922	5	3.908	2/2/2024	1	37
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.919	5	4.108	29/8/2023	-19	25
TNB Power Generation Sdn Berhad	03/33	AAA	3.972	5	3.999	31/1/2024	-3	15
Pengurusan Air Selangor Sdn Berhad	07/37	AAA	4.099	50	4.178	11/1/2024	-8	9
Public Bank Berhad	07/29	AA1	3.679	130	3.739	22/1/2024	-6	12
YTL Power International Berhad	03/30	AA1	3.898	30	4.057	21/12/2023	-16	23
Malayan Banking Berhad	08/31	AA1	3.795	21	3.800	8/2/2024	0	0
Kuala Lumpur Kepong Berhad	03/32	AA1	4.009	30	3.979	31/1/2024	3	20
Imtiaz Sukuk II Berhad	10/28	AA2	4.003	40	3.997	7/2/2024	1	45
RHB Islamic Bank Berhad	05/29	AA2	3.646	1	3.666	8/2/2024	-2	9
CIMB Group Holdings Berhad	12/31	AA2	3.966	20	4.119	6/9/2023	-15	16
Kimanis Power Sdn Berhad	08/24	AA	3.607	20	3.881	28/4/2023	-27	31
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA	3.916	15	3.897	13/2/2024	2	51
OSK Rated Bond Sdn Berhad	09/30	AA	4.108	40	4.118	29/1/2024	-1	32
AmBank (M) Berhad	11/33	AA3	4.185	30	4.431	23/1/2024	-25	34
Malakoff Power Berhad	12/27	AA-	4.642	20	4.683	9/2/2024	-4	116
LBS Bina Berhad	01/29	AA-	4.769	1	4.771	31/1/2024	0	121
MMC Port Holdings Sdn Berhad	04/29	AA-	4.138	20	4.178	17/1/2024	-4	58
MMC Corporation Berhad	11/29	AA-	4.126	10	4.198	6/2/2024	-7	46
Malakoff Power Berhad	12/30	AA-	4.898	20	5.107	26/9/2023	-21	111
Bank Islam Malaysia Berhad	11/31	A1	4.227	70	4.257	18/9/2023	-3	42
				902				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Impian Ekspressi Sdn Bhd	RM450m guaranteed MTN programme (2013/2024)	AAA(bg)/Stable	Withdrawn

Source: RAM, MARC

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