

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded higher on Friday, as intelligence reports of an imminent attack by Iran on Israel triggered a safe haven bid that sent yields lower after the sharp rise this week post the March CPI report. Benchmark yields were lower by between 5 and 7bps for the day. **The benchmark 2yr UST yield was 6bps lower for the session at 4.90%, while the benchmark 10yr UST yield was also 6bps lower for the day at 4.52%.** Tonight sees the release of the retail sales report for March, as well as the NAHB Housing Index and NY Fed's Empire Manufacturing reports for April, amidst the continued risk aversion after the weekend's geopolitical tensions.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.90	-6
5-yr UST	4.56	-7
10-yr UST	4.52	-6
30-yr UST	4.63	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.51	0	3.50	4
5-yr	3.74	4	3.64	1
7-yr	3.84	3	3.80	0
10-yr	3.91	3	3.92	3
15-yr	4.05	8	4.03	7
20-yr	4.15	5	4.12	12
30-yr	4.22	6	4.25	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.64	2
3-yr	3.65	1
5-yr	3.77	4
7-yr	3.90	5
10-yr	4.03	5

Source : Bloomberg

Upcoming Government Bond Tender

New issuance of RM3bn 15Y MGS on Tuesday, 16 Apr with an additional RM2bn to be privately placed.

MGS/GII

- Local govies traded broadly lower on Friday in a light session, after the plunge in US Treasuries during the Raya holidays, amidst many market participants domestically still yet to return from the break. Secondary market volume for the day plunged by 46% to RM1.05bn, versus the RM1.94bn that was traded on Tuesday. Benchmark yields closed higher by between 0 and 12bps for the day. **The benchmark 5Y MGS 4/28 saw its yield rise by 4bps for the day to 3.74% while the benchmark 10Y MGS 11/33 was 3bps higher in yield at 3.91%.** Trading interest was seen in the benchmark 5Y GII, 7Y MGS and 10Y MGS/GII, as well as in the off-the-run GII 10/25, GII 3/26 and MGS 11/26. The market share of GII trading rose to 32% versus the 23% share seen the previous session. The sale of the new 15yr benchmark MGS was announced, with RM5bn to be issued (inclusive of RM2bn to be privately placed), and the auction to be held on Tuesday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets was dead quiet on Friday amidst many market participants still being out for the Raya holidays, with only a handful of bonds being traded for the day. Secondary market volume for the day plunged by 74% to RM46m, compared to RM172m that traded on Tuesday. There were no GG or AA trades at all for the day, with trading interest being dominated by the AAA-rated segment of the market. In the AAA space, trading interest was seen in TM Tech 10/28, which closed the day at 3.85%, up 6bps in yield versus its last print. Interest was also seen in DANUM 6/29, which settled the day at 3.86%, up 1bp in yield versus where it last traded. Meanwhile over in the A-rated universe, trading interest was seen in MNRB 3/34, which closed the session at 4.32%, down 1bp in yield versus where it last printed.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.312	25	3.208	04/09/2024	10
MGS	09/25	3.395	1	3.373	04/09/2024	2
MGS	07/26	3.512	4	3.485	04/09/2024	3
MGS	11/26	3.484	70	3.448	04/09/2024	4
MGS	03/27	3.523	38	3.510	04/09/2024	1
MGS	11/27	3.583	35	3.569	04/09/2024	1
MGS	04/28	3.649	1	3.614	04/09/2024	4
MGS	06/28	3.667	4	3.628	04/09/2024	4
MGS	04/29	3.692	14	3.689	04/09/2024	0
MGS	08/29	3.738	18	3.699	04/09/2024	4
MGS	04/30	3.804	28	3.785	04/09/2024	2
MGS	04/31	3.840	60	3.814	04/09/2024	3
MGS	07/32	3.910	14	3.874	04/09/2024	4
MGS	11/33	3.913	300	3.885	04/09/2024	3
MGS	07/34	3.953	8	3.887	04/09/2024	7
MGS	05/35	3.935	13	3.951	04/09/2024	-2
MGS	04/37	3.979	1	3.982	04/09/2024	0
MGS	06/38	4.049	10	3.971	04/09/2024	8
MGS	10/42	4.146	24	4.098	04/09/2024	5
MGS	03/46	4.178	20	4.020	04/09/2024	16
MGS	06/50	4.159	12	4.175	04/09/2024	-2
MGS	03/53	4.222	20	4.164	04/09/2024	6
GII	08/25	3.382	3	3.326	04/09/2024	6
GII	10/25	3.440	87	3.377	04/04/2024	6
GII	03/26	3.451	62	3.408	04/08/2024	4
GII	09/26	3.501	15	3.458	04/09/2024	4
GII	07/28	3.636	65	3.623	04/09/2024	1
GII	07/29	3.738	1	3.706	04/09/2024	3
GII	10/31	3.819	1	3.804	04/09/2024	2
GII	08/33	3.925	50	3.895	04/09/2024	3
GII	09/39	4.032	24	3.962	04/09/2024	7
GII	08/43	4.121	24	4.004	04/09/2024	12
GII	11/49	4.251	1	4.235	04/05/2024	2
			1052			

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*
TM Technology Sdn Bhd	10/28	AAA	3.849	20	3.786	21/3/2024	6	13
Danum Capital Berhad	06/29	AAA	3.857	20	3.845	11/3/2024	1	13
MNRB Holdings Berhad	03/34	A1	4.318	5	4.324	2/4/2024	-1	41
DRB-Hicom Berhad	12/29	A+	4.638	1	4.965	9/4/2024	-33	84
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* 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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