

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Monday after US March retail sales came in much stronger than anticipated, leading to a further dialing back of rate cut expectations by the Fed. Benchmark yields were higher by between 2 and 9bps for the day, with the UST curve bear steepening as the longer dated maturities bore the brunt of the sell-off. **The benchmark 2yr UST yield was 2bps higher for the session at 4.92%, while the benchmark 10yr UST yield was 8bps higher for the day at 4.60%.** Tonight sees the release of US industrial production, housing starts and building permits for March, as well as the regional New York Fed services monthly activity survey.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.92	2
5-yr UST	4.62	6
10-yr UST	4.60	8
30-yr UST	4.72	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.55	4	3.50	0
5-yr	3.72	-2	3.65	1
7-yr	3.85	1	3.82	2
10-yr	3.92	0	3.91	-1
15-yr	4.04	-1	4.03	0
20-yr	4.13	-2	4.12	0
30-yr	4.21	-2	4.27	2

* Market indicative levels

MGS/GII

- Local govies were mixed in trading in a more active session amidst the geopolitical tensions over the weekend, which appeared to have de-escalated somewhat as the markets opened for the week. Secondary market volume for the day nearly tripled to RM3.11bn, versus the RM1.05bn that changed hands on Friday. Benchmark yields closed mixed between -2 and +4 bps for the day. **The benchmark 5Y MGS 4/28 saw its yield fall by 2bps for the day to 3.72% while the benchmark 10Y MGS 11/33 was little changed for the session at 3.92%.** Trading interest was seen in the benchmark 5Y MGS, 7Y MGS and 10Y MGS, as well as in the off-the-run 24s, with the GII 5/24, MGS 6/24, GII 8/24 and MGS 9/24 all seeing decent activity. The market share of GII was stable at 32%, similar to the share seen the previous session. Next up for the domestic markets is the auction of RM3bn of the new 15yr benchmark MGS (with an additional RM2bn to be privately placed) later today.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.63	-1
3-yr	3.66	1
5-yr	3.78	1
7-yr	3.90	0
10-yr	4.03	0

Source : Bloomberg

Upcoming Government Bond Tender

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

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets restarted today after a very quiet session on Friday. Secondary market volume for the day rose more than tenfold to RM487m, compared to RM46m that traded the previous session. Trading interest for the day was led by the AAA-rated segment of the market. In the GG space, trading interest was led by LPPSA 3/36, which closed the day at 4.05%, down 5bps in yield versus its last print. Over in the AAA segment of the market, interest was led by PLUS 1/36 and PLUS 1/37, which settled the day at 4.03% and 4.07% respectively, both up 3bps from their last traded levels. In the AA universe, trading interest was led by HL Assurance 1/30, which closed the day at 4.07%, lower by 14bps compared to where it last traded. Over in the A-rated side of things, trading interest was led by BIMB 3/30, which closed the session at 4.00%, unchanged 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	3.277	285	3.312	04/12/2024	-3
MGS	07/24	3.280	50	3.353	04/09/2024	-7
MGS	09/24	3.281	165	3.251	04/09/2024	3
MGS	09/25	3.403	1	3.395	04/12/2024	1
MGS	04/26	3.452	1	3.412	04/09/2024	4
MGS	07/26	3.516	30	3.512	04/12/2024	0
MGS	11/26	3.548	6	3.484	04/12/2024	6
MGS	03/27	3.519	30	3.523	04/12/2024	0
MGS	05/27	3.552	30	3.508	04/09/2024	4
MGS	11/27	3.577	22	3.583	04/12/2024	-1
MGS	04/28	3.633	88	3.649	04/12/2024	-2
MGS	06/28	3.654	33	3.667	04/12/2024	-1
MGS	04/29	3.713	10	3.692	04/12/2024	2
MGS	08/29	3.717	205	3.738	04/12/2024	-2
MGS	04/30	3.806	30	3.804	04/12/2024	0
MGS	04/31	3.852	430	3.840	04/12/2024	1
MGS	07/32	3.918	44	3.910	04/12/2024	1
MGS	11/33	3.915	334	3.913	04/12/2024	0
MGS	05/35	3.973	101	3.935	04/12/2024	4
MGS	06/38	4.035	92	4.049	04/12/2024	-1
MGS	05/40	4.094	2	4.038	04/12/2024	6
MGS	10/42	4.128	52	4.146	04/12/2024	-2
MGS	03/46	4.175	1	4.178	04/12/2024	0
MGS	06/50	4.188	22	4.159	04/12/2024	3
MGS	03/53	4.205	48	4.222	04/12/2024	-2
GII	05/24	3.238	150	3.367	04/04/2024	-13
GII	08/24	3.280	240	3.303	04/08/2024	-2
GII	08/25	3.388	2	3.382	04/12/2024	1
GII	03/26	3.419	5	3.451	04/12/2024	-3
GII	09/26	3.503	1	3.501	04/12/2024	0
GII	07/28	3.646	60	3.636	04/12/2024	1
GII	07/29	3.726	20	3.738	04/12/2024	-1
GII	09/30	3.822	22	3.799	04/09/2024	2
GII	10/31	3.819	90	3.819	04/12/2024	0
GII	10/32	3.897	60	3.872	04/08/2024	2
GII	06/33	3.905	10	3.912	04/12/2024	-1
GII	08/33	3.913	100	3.925	04/12/2024	-1
GII	07/36	3.977	30	3.939	04/09/2024	4
GII	08/43	4.121	30	4.121	04/12/2024	0
GII	05/52	4.300	82	4.145	04/12/2024	16
GII	03/54	4.274	100	4.253	04/08/2024	2
			3112			

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*
Malaysia Debt Ventures Berhad	04/29	GG	3.784	40	3.754	5/3/2024	3	6
DanaInfra Nasional Berhad	02/31	GG	3.890	10	3.828	19/3/2024	6	4
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.051	50	4.099	28/11/2023	-5	14
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.051	20	3.980	21/3/2024	7	14
Infracap Resources Sdn Berhad	04/26	AAA	3.667	30	3.684	18/3/2024	-2	23
Pengurusan Air SPV Berhad	06/26	AAA	3.731	3	3.737	4/4/2024	-1	30
Pengurusan Air SPV Berhad	06/27	AAA	3.784	10	3.832	23/1/2024	-5	24
Pengerang LNG (Two) Sdn Berhad	10/27	AAA	3.823	10	4.006	28/11/2023	-18	18
Pengurusan Air SPV Berhad	10/29	AAA	3.916	10	3.911	23/1/2024	0	12
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/30	AAA	3.934	5	3.939	4/4/2024	0	8
Malaysia Airport Holdings Berhad	12/31	AAA	4.019	10	4.006	19/3/2024	1	15
Johor Corporation	07/33	AAA	4.008	30	3.979	18/3/2024	3	12
Cagamas Berhad	10/33	AAA	4.030	30	4.019	17/1/2024	1	12
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.029	40	3.999	25/3/2024	3	12
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.068	40	4.039	14/3/2024	3	4
Sabah Credit Corporation	01/27	AA1	4.001	2	4.037	15/2/2024	-4	46
YTL Power International Berhad	06/28	AA1	3.894	10	4.142	6/12/2023	-25	25
Batu Kawan Berhad	02/29	AA1	3.901	2	4.117	7/12/2023	-22	18
YTL Power International Berhad	03/29	AA1	3.923	2	3.878	13/2/2024	4	20
Kuala Lumpur Kepong Berhad	03/32	AA1	3.941	8	3.960	4/3/2024	-2	7
CIMB Group Holdings Berhad	12/31	AA2	3.842	1	3.853	3/4/2024	-1	-3
Pelabuhan Tanjung Pelepas Sdn Berhad	08/27	AA	3.933	10	3.917	29/2/2024	2	39
Hong Leong Assurance Berhad	01/30	AA3	4.069	40	4.212	5/1/2024	-14	27
MMC Port Holdings Sdn Berhad	04/27	AA-	3.990	2	3.971	14/3/2024	2	45
Anih Berhad	11/27	AA-	4.711	1	4.356	7/3/2023	36	107
Bank Islam Malaysia Berhad	03/30	A1	4.000	60	3.997	8/4/2024	0	21
Hong Leong Bank Berhad	11/17	A1	4.247	2	4.025	9/4/2024	22	12
TG Excellence Berhad	02/20	A	5.077	10	5.886	3/4/2024	-81	95
Affin Bank Berhad	06/18	A3	4.935	1	4.291	9/4/2024	64	81
				487				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Westports Malaysia Sdn Bhd	RM5bn Sukuk Wakalah Programme	AAA/Stable	Assigned
	RM2bn Sukuk Musharakah Programme	AAA/Stable	Affirmed

Source: RAM, MARC

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