

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to trade lower on Tuesday as the market continued to reprice the timing and magnitude of expected Fed cuts this year, amidst hawkish comments by Fed Chair Powell, who mentioned that recent economic data “shows a lack of progress on inflation”. Benchmark yields were higher by between 5 and 8bps for the day, with the UST curve bear steepening slightly. **The benchmark 2yr UST yield was 7bps higher for the session at 4.99%, while the benchmark 10yr UST yield was 6bps higher for the day at 4.67%.** Next up for the markets tonight is the scheduled release of the Federal Reserve’s latest Beige Book.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.99	7
5-yr UST	4.70	8
10-yr UST	4.67	6
30-yr UST	4.76	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.60	5	3.49	-2
5-yr	3.76	4	3.69	4
7-yr	3.88	2	3.83	1
10-yr	3.95	4	3.94	3
15-yr	4.06	0	4.03	0
20-yr	4.18	5	4.13	1
30-yr	4.23	2	4.28	0

* Market indicative levels

MGS/GII

- Local govies were weaker in trading in a more active session amidst a decent issuance of RM3bn of the new 15Y MGS 4/39, as the market took the lead from the overnight fall in the US Treasury market. Secondary market volume for the day surged by 47% to RM4.58bn, versus the RM3.11bn that was traded on Monday. Benchmark yields closed mixed between -2 and +5 bps for the day. **The benchmark 5Y MGS 4/28 saw its yield rise by 4bps for the day to 3.76% while the benchmark 10Y MGS 11/33 yield was also 4bps higher at 3.95%.** Trading for the day was led by the new 15Y MGS benchmark while interest was also seen in the benchmark 5Y MGS, 10Y MGS/GII and 30Y GII, as well as in the off-the-run MGS 3/25, MGS 11/27, MGS 7/32 and MGS 7/34. The market share of GII rose a touch to 34%, from the 32% share seen the previous session. The new 15Y MGS 4/39 auction itself saw demand from the insurance community and cleared at 4.054% with a decent BTC of 2.159x.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	2
3-yr	3.71	5
5-yr	3.82	4
7-yr	3.94	4
10-yr	4.04	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets saw a more active session in trading on Tuesday, as secondary market volume for the day surged by 76% to RM857m, compared to RM487m that exchanged hands on Monday. Trading interest for the day was led by the GG segment of the market, with DANA 10/35 topping the volume charts, and closing the day at 4.02%, up 7bps in yield versus its last trade. Interest was also seen in DANA 10/32 and PRASA 3/47, which settled for the day at 3.97% (-5bps from last print) and 4.20% (+4bps) respectively. Over in the AAA space, trading interest was led by DANUM 2/25, which closed the day at 3.61%, down 1bp in yield versus where it last traded. Meanwhile, in the AA universe, trading interest was led by AMBank 3/32, which settled for the day at 4.00%, lower by 5bps versus its last print. Over in the A-rated side of things, trading interest was led by HLBB 4.45% Perps, which closed the session at 4.10%, 29bps higher 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	3.177	163	3.277	04/15/2024	-10
MGS	09/24	3.260	15	3.281	04/15/2024	-2
MGS	03/25	3.415	205	3.386	04/09/2024	3
MGS	09/25	3.439	110	3.403	04/15/2024	4
MGS	07/26	3.518	30	3.516	04/15/2024	0
MGS	11/26	3.504	7	3.548	04/15/2024	-4
MGS	03/27	3.544	9	3.519	04/15/2024	2
MGS	05/27	3.600	100	3.552	04/15/2024	5
MGS	11/27	3.595	213	3.577	04/15/2024	2
MGS	04/28	3.673	135	3.652	04/15/2024	2
MGS	06/28	3.641	52	3.654	04/15/2024	-1
MGS	04/29	3.745	1	3.713	04/15/2024	3
MGS	08/29	3.755	247	3.717	04/15/2024	4
MGS	04/30	3.857	99	3.806	04/15/2024	5
MGS	04/31	3.875	54	3.852	04/15/2024	2
MGS	06/31	3.889	1	3.875	04/15/2024	1
MGS	07/32	3.940	330	3.918	04/15/2024	2
MGS	04/33	3.924	1	3.921	04/15/2024	0
MGS	11/33	3.954	219	3.915	04/15/2024	4
MGS	07/34	3.960	427	3.923	04/15/2024	4
MGS	04/37	3.995	9	3.986	04/15/2024	1
MGS	06/38	4.073	34	4.035	04/15/2024	4
MGS	04/39	4.058	440	n/a	n/a	406
MGS	05/40	4.099	2	4.094	04/15/2024	0
MGS	10/42	4.180	48	4.128	04/15/2024	5
MGS	03/46	4.051	1	4.175	04/15/2024	-12
MGS	06/50	4.159	40	4.188	04/15/2024	-3
MGS	03/53	4.228	32	4.205	04/15/2024	2
GII	05/24	3.238	196	3.238	04/15/2024	0
GII	08/24	3.243	41	3.280	04/15/2024	-4
GII	10/24	3.367	23	3.314	04/08/2024	5
GII	10/25	3.435	30	3.440	04/12/2024	0
GII	09/26	3.486	180	3.503	04/15/2024	-2
GII	09/27	3.583	4	3.499	04/04/2024	8
GII	07/28	3.687	100	3.646	04/15/2024	4
GII	07/29	3.768	180	3.726	04/15/2024	4
GII	09/30	3.830	20	3.822	04/15/2024	1
GII	10/30	3.809	9	3.797	04/08/2024	1
GII	10/31	3.852	140	3.819	04/15/2024	3
GII	10/32	3.913	71	3.897	04/15/2024	2
GII	06/33	3.940	5	3.905	04/15/2024	4
GII	08/33	3.943	200	3.913	04/15/2024	3
GII	11/34	3.937	10	3.870	04/05/2024	7
GII	10/35	3.959	10	3.754	04/08/2024	21
GII	07/36	3.988	20	3.977	04/15/2024	1
GII	03/38	4.011	18	3.927	04/04/2024	8
GII	09/39	4.032	30	4.032	04/12/2024	0
GII	08/43	4.128	10	4.121	04/15/2024	1
GII	05/47	4.238	4	4.199	04/05/2024	4
GII	03/54	4.278	255	4.274	04/15/2024	0
			4577			

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	10/32	GG	3.967	60	4.017	22/11/2023	-5	5
Prasarana Malaysia Berhad	12/32	GG	3.968	40	3.899	22/1/2024	7	5
DanaInfra Nasional Berhad	02/33	GG	3.960	10	3.885	14/2/2024	8	4
DanaInfra Nasional Berhad	05/35	GG	4.011	20	4.912	19/5/2022	-90	7
DanaInfra Nasional Berhad	10/35	GG	4.020	150	3.949	1/3/2024	7	8
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.051	10	4.051	15/4/2024	0	11
DanaInfra Nasional Berhad	05/36	GG	4.048	20	3.988	22/1/2024	6	11
DanaInfra Nasional Berhad	10/36	GG	4.058	40	3.972	22/3/2024	9	1
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.040	2	4.069	23/1/2024	-3	0
Lembaga Pembiayaan Perumahan Sektor Awam	07/38	GG	4.074	40	4.010	21/3/2024	6	3
Lembaga Pembiayaan Perumahan Sektor Awam	03/45	GG	4.169	20	4.130	3/4/2024	4	2
Prasarana Malaysia Berhad	03/47	GG	4.199	60	4.154	2/4/2024	4	5
Prasarana Malaysia Berhad	09/47	GG	4.199	5	4.200	5/2/2024	0	5
Cagamas Berhad	09/24	AAA	3.587	15	3.571	8/4/2024	2	24
Malaysia Airports Capital Berhad	12/24	AAA	3.701	20	3.544	22/12/2023	16	35
Danum Capital Berhad	02/25	AAA	3.608	50	3.622	5/4/2024	-1	26
Danum Capital Berhad	05/30	AAA	3.972	5	3.910	8/2/2024	6	17
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.931	5	3.867	26/3/2024	6	13
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	3.923	2	3.978	26/3/2024	-6	12
SEP Resources (M) Sdn Berhad	12/30	AAA	3.977	4	4.100	23/12/2021	-12	11
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.930	10	4.210	17/11/2023	-28	4
Cagamas Berhad	10/33	AAA	4.019	30	4.030	15/4/2024	-1	8
Tenaga Nasional Berhad	08/40	AAA	4.417	2	4.261	9/4/2024	16	37
GENM Capital Berhad	08/25	AA1	4.247	11	4.297	22/2/2024	-5	90
Genting Capital Berhad	06/27	AA1	4.172	1	4.485	4/4/2024	-31	60
Sabah Credit Corporation	07/29	AA1	4.116	30	4.342	8/5/2023	-23	38
Besraya (M) Sdn Berhad	07/27	AA2	3.942	2	3.751	23/6/2021	19	37
CIMB Thai Bank Public Company Limited	07/29	AA3	4.059	2	4.109	26/12/2023	-5	32
Hong Leong Assurance Berhad	01/30	AA3	4.069	20	4.069	15/4/2024	0	27
AmBank (M) Berhad	03/32	AA3	4.001	100	4.056	15/2/2024	-5	11
AmBank Islamic Berhad	06/33	AA3	4.026	10	4.036	12/3/2024	-1	11
Cypark Ref Sdn Berhad	06/39	AA3	5.327	2	5.943	4/8/2022	-62	128
Anih Berhad	11/24	AA-	4.400	2	3.922	2/1/2024	48	105
UEM Sunrise Berhad	04/25	AA-	4.601	1	4.000	18/3/2024	60	125
UEM Sunrise Berhad	03/26	AA-	4.018	20	4.085	12/3/2024	-7	57
Guan Chong Berhad	01/30	AA-	4.478	20	4.437	19/1/2024	4	68
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/37	AA-	5.107	1	5.329	19/2/2024	-22	106
Hong Leong Bank Berhad	11/17	A1	4.095	10	3.806	29/3/2024	29	-5
TG Excellence Berhad	02/20	A	5.075	4	5.077	15/4/2024	0	93
Affin Bank Berhad	06/18	A3	4.904	1	4.935	15/4/2024	-3	76
Bank Muamalat Malaysia Berhad	09/22	BBB	5.189	1	5.634	3/4/2024	-45	105
Eco World Capital Assets	08/24	NR(LT)	5.508	1	5.442	1/4/2024	7	216
				857				

* 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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