

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were little changed in Wednesday's trading, amidst decent economic data. Housing starts and building permits both increased by more than expected in June, while industrial production was also stronger than anticipated for the month. The Fed's Waller was also on the wires, adding to a growing chorus of Fed officials who have signaled that they are moving closer towards cutting interest rates. Benchmark yields finished higher across the curve by between 0 to 2bps for the day. **The benchmark 2yr UST yield was 2bps higher for the session at 4.44%, while the benchmark 10yr UST yield closed the day little changed at 4.16%.** Tonight sees the release of weekly jobless claims as well as the Leading Index for June.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.44	2
5-yr UST	4.08	0
10-yr UST	4.16	0
30-yr UST	4.38	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	-1	3.87	46
5-yr	3.59	0	3.57	0
7-yr	3.77	2	3.72	-1
10-yr	3.79	-3	3.83	-1
15-yr	3.95	0	3.96	-1
20-yr	4.08	0	4.08	-2
30-yr	4.18	0	4.20	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	1
3-yr	3.52	0
5-yr	3.55	0
7-yr	3.66	1
10-yr	3.76	1

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening auction of RM3bn of the benchmark 15Y MGS 4/39 (with an additional RM2bn to be privately placed) on Friday, 19 July

MGS/GII

- Local govovies were higher again in trading on Wednesday, on strong buying interest in an active session. Secondary market volume for the day increased by 25% to RM5.69bn, compared to the RM4.56bn that changed hands on Tuesday. Benchmark yields closed mixed by between -3 and +2bps for the day, with the exception of the 3yr GII, which was skewed by what looks to be a wrong big figure late trade. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.59% while the yield on the benchmark 10Y MGS 11/33 was 3bps lower at 3.79%.** Trading interest was led by the benchmark 5Y MGS, while keen interest was also seen in the benchmark 3Y MGS/GII and 10Y MGS, as well as in the off-the-run GII 7/29, GII 10/32 and GII 8/33. Trading in GIIs as a proportion of total govvy trading was stable at 49%, similar to the previous day's share. The announcement of more supply came today, with RM3bn of the benchmark 15Y MGS 4/39 to be auctioned on Friday. Next up domestically today is the release of the external trade numbers for June.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Wednesday, with secondary market volume rising further by 37% to RM631m versus the RM461m that traded on Tuesday. Trading interest was again led by the AAA segment of the market. In the GG universe, activity was dominated by LPPSA 4/39 which closed the day at 4.01%, 1bp higher versus where the bond last traded. Over in the AAA space, trading interest was led by CAGA 10/26, which settled the day at 3.69%, 2bps higher compared to its previously traded level. Interest was also seen in CELCOM 8/24 and PLUS 1/25, which closed at 3.51% (+5bps versus last print) and 3.59% (-1bp) respectively. Meanwhile in the AA territory, interest was led by AEON 2/27, which changed hands at 3.85%, 5bps lower compared to where it last traded.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.193	33	3.202	07/16/2024	-1
MGS	09/25	3.251	97	3.330	07/16/2024	-8
MGS	04/26	3.346	25	3.392	07/16/2024	-5
MGS	07/26	3.356	92	3.367	07/16/2024	-1
MGS	05/27	3.464	226	3.475	07/16/2024	-1
MGS	11/27	3.485	110	3.496	07/16/2024	-1
MGS	04/28	3.552	5	3.558	07/16/2024	-1
MGS	06/28	3.569	85	3.594	07/16/2024	-2
MGS	04/29	3.607	82	3.621	07/16/2024	-1
MGS	08/29	3.593	445	3.593	07/16/2024	0
MGS	04/30	3.715	80	3.708	07/16/2024	1
MGS	04/31	3.766	193	3.748	07/16/2024	2
MGS	06/31	3.775	94	3.782	07/16/2024	-1
MGS	07/32	3.805	45	3.824	07/16/2024	-2
MGS	04/33	3.830	52	3.837	07/16/2024	-1
MGS	11/33	3.786	348	3.819	07/16/2024	-3
MGS	07/34	3.801	112	3.810	07/16/2024	-1
MGS	05/35	3.867	180	3.879	07/16/2024	-1
MGS	04/37	3.926	253	3.948	07/16/2024	-2
MGS	06/38	3.982	30	3.959	07/16/2024	2
MGS	04/39	3.947	10	3.946	07/15/2024	0
MGS	05/40	4.030	129	4.030	07/16/2024	0
MGS	10/42	4.085	83	4.091	07/16/2024	-1
MGS	07/48	4.158	3	4.177	07/16/2024	-2
MGS	06/50	4.065	44	4.179	07/16/2024	-11
MGS	03/53	4.180	10	4.180	07/16/2024	0
GII	10/24	3.181	136	3.186	07/16/2024	0
GII	10/25	3.294	20	3.275	07/16/2024	2
GII	09/26	3.872	370	3.410	07/16/2024	46
GII	09/27	3.474	110	3.481	07/16/2024	-1
GII	07/28	3.572	190	3.572	07/16/2024	0
GII	07/29	3.605	230	3.618	07/16/2024	-1
GII	09/30	3.716	150	3.731	07/16/2024	-1
GII	10/30	3.727	60	3.751	07/16/2024	-2
GII	10/31	3.740	120	3.764	07/16/2024	-2
GII	10/32	3.814	240	3.814	07/16/2024	0
GII	06/33	3.831	50	3.835	07/16/2024	0
GII	08/33	3.828	350	3.835	07/16/2024	-1
GII	11/34	3.798	220	3.807	07/16/2024	-1
GII	07/36	3.894	201	3.921	07/16/2024	-3
GII	09/39	3.956	80	3.963	07/16/2024	-1
GII	09/41	4.048	76	3.936	07/16/2024	11
GII	08/43	4.083	120	4.102	07/16/2024	-2
GII	11/49	4.199	10	4.114	07/16/2024	9
GII	05/52	4.229	19	4.233	07/16/2024	0
GII	03/54	4.200	70	4.209	07/16/2024	-1
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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	10/28	GG	3.653	5	3.735	7/9/2023	-8	11
Prasarana Malaysia Berhad	12/32	GG	3.838	20	3.879	16/5/2024	-4	6
DanaInfra Nasional Berhad	11/34	GG	3.883	10	3.918	11/7/2024	-4	8
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	3.939	10	4.011	4/6/2024	-7	14
DanaInfra Nasional Berhad	10/36	GG	3.938	20	4.065	25/4/2024	-13	13
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.008	100	4.001	12/7/2024	1	6
DanaInfra Nasional Berhad	05/41	GG	4.061	10	4.212	8/12/2023	-15	11
Prasarana Malaysia Berhad	03/43	GG	4.110	10	4.283	12/9/2023	-17	3
Lembaga Pembiayaan Perumahan Sektor Awam	11/43	GG	4.131	10	4.305	15/9/2023	-17	5
DanaInfra Nasional Berhad	02/44	GG	4.119	20	4.154	23/2/2024	-4	4
Celcom Networks Sdn Berhad	08/24	AAA	3.507	50	3.459	10/7/2024	5	23
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.588	50	3.594	16/7/2024	-1	31
EKVE Sdn Berhad	01/26	AAA	3.889	30	3.925	21/6/2024	-4	51
Bank Simpanan Nasional Berhad	02/26	AAA	3.732	5	3.707	29/2/2024	3	36
Cagamas Berhad	10/26	AAA	3.690	60	3.668	28/5/2024	2	32
Bank Simpanan Nasional Berhad	10/26	AAA	3.767	20	3.862	5/12/2023	-10	39
Hong Leong Islamic Bank Berhad	11/26	AAA	3.735	20	n/a	n/a	374	36
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.731	20	4.065	31/10/2023	-33	36
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.887	10	3.939	30/5/2024	-5	29
Pengurusan Air SPV Berhad	09/30	AAA	3.924	5	3.954	28/6/2024	-3	24
Bank Pembangunan Malaysia Berhad	03/32	AAA	3.929	20	3.949	16/7/2024	-2	15
Pengurusan Air SPV Berhad	02/34	AAA	3.979	20	3.999	11/7/2024	-2	18
TNB Power Generation Sdn Berhad	06/37	AAA	4.059	10	4.048	2/4/2024	1	11
GENM Capital Berhad	03/27	AA1	4.441	1	4.386	10/7/2024	5	98
GENM Capital Berhad	07/28	AA1	4.144	1	4.279	16/7/2024	-14	60
Hong Leong Bank Berhad	06/34	AA1	3.963	5	3.965	16/7/2024	0	16
YTL Power International Berhad	03/36	AA1	4.128	2	4.129	15/7/2024	0	32
Malaysia Airport Holdings Berhad	12/14	AA2	4.311	10	4.293	10/7/2024	2	23
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA	3.797	10	3.841	25/6/2024	-4	42
Edra Energy Sdn Berhad	07/26	AA3	4.795	1	3.907	17/5/2024	89	142
AEON Credit Service (M) Berhad	02/27	AA3	3.849	20	3.895	13/6/2024	-5	39
AEON Credit Service (M) Berhad	09/28	AA3	3.910	5	3.952	14/6/2024	-4	36
Bank Islam Malaysia Berhad	07/31	AA3	4.022	10	4.060	11/7/2024	-4	28
Sinar Kamiri Sdn Berhad	01/28	AA-	4.919	10	5.498	25/1/2023	-58	137
Point Zone (M) Sdn Berhad	03/29	AA-	3.919	10	3.929	6/3/2024	-1	32
Point Zone (M) Sdn Berhad	03/32	AA-	4.039	10	4.100	31/5/2024	-6	26
Alliance Bank Malaysia Berhad	10/35	A2	4.425	1	4.548	15/7/2024	-12	62
Tropicana Corporation Berhad	04/28	A	7.849	1	9.068	15/7/2024	-122	430
DRB-Hicom Berhad	12/14	A-	5.181	1	5.248	15/7/2024	-7	110
				<u>631</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cypark Ref Sdn Bhd	RM550m SRI Sukuk Murabahah Programme (2019/2041)	AA3/Negative	Maintained negative outlook

Source: RAM, MARC

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