

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries fell in trading on Friday, after US producer prices for January came in higher than expected, leading to questions about whether the recent falling rate of inflation is sustainable. Benchmark UST yields finished the session higher by between 3 – 7 bps, with shorter dated maturities bearing the brunt of the sell-off resulting in a flatter UST curve. **The benchmark 2Y UST yield was up by 7bps for the day at 4.64% while the benchmark 10Y UST closed the day at 4.28%, up 5bps in yield.** The odds of a Fed rate cut by May continued to recede, edging lower to 39% from 44% the previous day. The next key risk for the markets will be the release of the FOMC minutes, which should shed more light on the thoughts of Fed members during the last policy meeting.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.64	7
5-yr UST	4.27	6
10-yr UST	4.28	5
30-yr UST	4.44	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.39	0	3.41	0
5-yr	3.55	0	3.56	0
7-yr	3.70	-1	3.77	1
10-yr	3.85	2	3.85	0
15-yr	4.07	8	3.98	0
20-yr	4.07	0	4.14	0
30-yr	4.10	-11	4.28	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	0
3-yr	3.50	0
5-yr	3.62	0
7-yr	3.75	0
10-yr	3.88	-1

Source : Bloomberg

MGS/GII

- Local govies were mixed in trading on Friday, amidst domestic GDP numbers for 4Q and 2023 as a whole falling short of expectations, and the IRS market being little changed for the day. Secondary market volume surged by 39% to RM5.09bn versus the RM3.67bn that exchanged hands on Thursday. Benchmark yields settled mixed between -1 to +2 bps for the day, except for the 15Y MGS (+8bps) and 30Y MGS (-11bps) which were skewed by late odd-lot trades. **The benchmark 5Y MGS 4/28 saw its yield unchanged at 3.55% while the benchmark 10Y MGS 11/33 was 2bps higher in yield to close the day at 3.85%.** Strong trading interest was seen in the off-the-run MGS 6/24, 7/24, 9/24 and 11/27, as well as the benchmark 3Y GII, 7Y MGS/GII and 20Y GII. Trading in GIIs as a proportion of total govvy trading shrank to 33% from the 49% the day before. The next key release domestically will be the export and trade balance data due to be reported on tomorrow.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- In contrast to the govies market, the Corporate Bonds/Sukuk markets were quiet in trading on Friday, with secondary market volume collapsing by 51% to RM429m for the day, versus the RM869m that was traded the day before. Trading was dominated by the GG segment of the market, with interest being led by DANA 2/49, which settled a basis point lower for the day at 4.19%. Trading was also seen in LPPSA 9/26, which closed at 3.50%, 4bps lower in yield for the day. Over in the AAA space, SEB 1/27 led trading and exchanged hands at 3.67%, 36bps lower in yield versus its last print in October. Over in the AA segment of the market, YTL 8/38 garnered some interest, and settled at 4.10%, 3bps lower versus last traded levels. In banks/financials, MBB 1/34 swapped hands at 4.43%, 3bps lower for the day.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.264	1058	3.213	02/15/2024	5
MGS	07/24	3.238	595	3.060	02/15/2024	18
MGS	09/24	3.269	190	3.108	02/15/2024	16
MGS	03/25	3.297	30	3.288	02/15/2024	1
MGS	09/25	3.352	20	3.212	02/15/2024	14
MGS	07/26	3.394	31	3.396	02/15/2024	0
MGS	11/26	3.385	50	3.379	02/15/2024	1
MGS	03/27	3.424	20	3.450	02/15/2024	-3
MGS	11/27	3.483	259	3.479	02/15/2024	0
MGS	04/28	3.547	146	3.544	02/15/2024	0
MGS	06/28	3.568	24	3.568	02/15/2024	0
MGS	04/29	3.609	61	3.630	02/15/2024	-2
MGS	08/29	3.622	66	3.612	02/15/2024	1
MGS	04/30	3.700	89	3.712	02/15/2024	-1
MGS	04/31	3.767	245	3.765	02/15/2024	0
MGS	06/31	3.794	49	3.795	02/15/2024	0
MGS	04/33	3.850	25	3.844	02/15/2024	1
MGS	11/33	3.845	170	3.824	02/15/2024	2
MGS	07/34	3.854	37	3.844	02/15/2024	1
MGS	05/35	3.919	12	3.919	02/14/2024	0
MGS	04/37	3.973	8	3.983	02/15/2024	-1
MGS	06/38	4.069	91	3.991	02/15/2024	8
MGS	10/42	4.070	51	4.072	02/15/2024	0
MGS	09/43	4.130	10	4.130	02/14/2024	0
MGS	03/46	4.022	10	4.144	02/15/2024	-12
MGS	07/48	4.176	1	4.163	02/13/2024	1
MGS	06/50	4.077	1	4.194	02/15/2024	-12
MGS	03/53	4.096	82	4.208	02/15/2024	-11
GII	10/24	3.274	10	3.262	02/15/2024	1
GII	10/25	3.353	21	3.286	02/15/2024	7
GII	03/26	3.396	8	3.393	02/15/2024	0
GII	09/26	3.407	221	3.403	02/15/2024	0
GII	07/27	3.478	110	3.485	02/15/2024	-1
GII	09/27	3.478	85	3.481	02/15/2024	0
GII	07/28	3.559	140	3.559	02/15/2024	0
GII	10/28	3.565	101	3.588	02/13/2024	-2
GII	07/29	3.614	180	3.612	02/15/2024	0
GII	09/30	3.772	321	3.757	02/15/2024	1
GII	10/30	3.803	3	3.781	02/14/2024	2
GII	08/33	3.846	160	3.849	02/15/2024	0
GII	11/34	3.865	20	3.890	02/14/2024	-2
GII	10/35	3.818	2	3.896	02/08/2024	-8
GII	09/41	3.942	1	4.066	02/15/2024	-12
GII	08/43	4.137	201	4.139	02/15/2024	0
GII	11/49	4.187	13	4.323	02/15/2024	-14
GII	05/52	4.277	61	4.285	02/15/2024	-1
			5087			

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	04/26	GG	3.429	15	3.439	15/2/2024	-1	8
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.498	50	3.535	2/6/2023	-4	10
DanaInfra Nasional Berhad	04/29	GG	3.632	10	3.758	27/4/2023	-13	9
Prasarana Malaysia Berhad	03/31	GG	3.819	40	3.848	17/1/2024	-3	4
DanaInfra Nasional Berhad	02/39	GG	4.068	20	4.029	22/1/2024	4	7
Perbadanan Tabung Pendidikan Tinggi Nasional	07/41	GG	4.130	30	4.099	15/2/2024	3	13
Lembaga Pembiayaan Perumahan Sektor Awam	09/45	GG	4.170	20	4.209	24/1/2024	-4	9
DanaInfra Nasional Berhad	11/45	GG	4.159	10	4.494	11/8/2021	-34	8
DanaInfra Nasional Berhad	11/48	GG	4.186	5	4.454	17/11/2023	-27	11
DanaInfra Nasional Berhad	02/49	GG	4.194	60	4.200	14/2/2024	-1	12
Prasarana Malaysia Berhad	02/50	GG	4.237	30	4.239	13/2/2024	0	16
DanaInfra Nasional Berhad	09/50	GG	4.249	10	4.520	3/10/2023	-27	17
Sarawak Energy Berhad	01/27	AAA	3.666	30	4.041	9/10/2023	-38	27
Malaysia Airport Holdings Berhad	04/27	AAA	3.676	5	3.733	15/2/2024	-6	28
Johor Corporation	06/27	AAA	4.156	1	4.075	8/2/2024	8	76
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.937	2	4.098	13/7/2023	-16	28
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	3.979	10	4.079	3/1/2024	-10	15
Pengurusan Air SPV Berhad	10/34	AAA	4.029	10	4.078	17/1/2024	-5	20
Tenaga Nasional Berhad	11/36	AAA	4.070	10	4.029	7/2/2024	4	7
Pengurusan Air Selangor Sdn Berhad	10/38	AAA	4.129	5	4.189	16/1/2024	-6	13
Samalaju Industrial Port Sdn Berhad	12/26	AA1	3.746	10	4.188	17/4/2023	-44	35
GENM Capital Berhad	03/27	AA1	4.574	2	4.797	13/2/2024	-22	118
Malayan Banking Berhad	01/34	AA1	3.940	1	3.940	15/2/2024	0	11
YTL Power International Berhad	08/38	AA1	4.101	20	4.128	13/2/2024	-3	10
Press Metal Aluminium Holdings Berhad	08/25	AA2	3.815	2	3.812	15/2/2024	0	52
Malayan Banking Berhad	01/34	AA-	4.427	20	4.457	15/2/2024	-3	60
DRB-Hicom Berhad	08/28	A+	4.976	1	4.867	12/1/2024	11	150
DRB-Hicom Berhad	12/29	A+	5.022	1	4.708	5/1/2024	31	136
Tropicana Corporation Berhad	10/25	A	8.662	1	10.663	2/2/2024	-200	531
				429				

* 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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