

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Tuesday, as the front end caught a bid taking cue from the move lower in yield in UK Gilts that was triggered by dovish comments from the Bank of England Governor Bailey who said the central bank can cut rates before inflation returns to the 2.0% target. Benchmark yields finished between -3 to +1 bps for the day, as the UST curve steepened. **The benchmark 2yr UST shed 3 bps to close at 4.61% for the day, while the benchmark 10yr UST was little changed for the session at 4.28%.** The next key risk for the markets will be the release of the FOMC minutes later tonight, which should shed more light on the thoughts of Fed members during the last policy meeting.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.61	-3
5-yr UST	4.25	-2
10-yr UST	4.28	0
30-yr UST	4.45	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	1	3.43	1
5-yr	3.55	0	3.56	0
7-yr	3.73	3	3.77	1
10-yr	3.86	1	3.85	0
15-yr	4.01	1	3.98	0
20-yr	4.09	2	4.13	-1
30-yr	4.34	12	4.30	11

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	1
3-yr	3.52	2
5-yr	3.64	1
7-yr	3.76	0
10-yr	3.90	1

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5bn 3Y MGS 5/27 later today, 21 February 2024

MGS/GII

- Local govvnies were better offered in trading today with volumes still on the light side, and the IRS market also finished the day slightly higher across the curve. Secondary market volume declined by 2% to RM2.22bn versus the RM2.25bn that exchanged hands on Monday. Benchmark yields settled mixed between -1 to +11 bps, except for the 30Y MGS which rose 12 bps on a late odd-lot trade, which should correct in the next session. **The benchmark 5Y MGS 4/28 saw its yield unchanged at 3.55% while the benchmark 10Y MGS 11/33 was 1bp higher in yield to close the day at 3.86%.** Trading interest was seen in the benchmark 5Y MGS, 7Y MGS, 10Y MGS/GII and 30Y MGS, as well as the off-the-run MGS 6/24, GII 8/24 and GII 10/25. Trading in GIIs as a proportion of total govvy trading decreased a touch to 37% from the 40% seen on Monday. Later today sees the reopening auction of RM5bn 3Y MGS, which is expected to be well supported.

Corp Bonds/Sukuk

- In contrast to the govvy markets, the Corporate Bonds/Sukuk markets were better bid on Tuesday in a more active session, with secondary market volume surging by 63% to RM753m versus the RM461m that printed on Monday. Trading was dominated by the AAA segment of the market. FELDA 3/36 and DANA 6/38 led trading in the GG market, settling for the day at 4.02% (unchanged from last print) and 4.06% (+4bps) respectively. Over in the AAA space, trading interest was led by MAHB 12/26, which closed the day 7bps lower in yield at 3.66%, while TNB 3/43 also saw interest and settled at 4.18%, 1bp higher from its previous trade. In the AA segment of the market, MBB 1/34 garnered decent interest and closed at 3.90%, 8bps lower in yield 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	3.293	143	3.262	02/19/2024	3
MGS	07/24	3.296	2	3.252	02/19/2024	4
MGS	03/25	3.301	1	3.297	02/19/2024	0
MGS	09/25	3.357	19	3.352	02/16/2024	1
MGS	07/26	3.400	1	3.394	02/16/2024	1
MGS	11/26	3.404	4	3.396	02/19/2024	1
MGS	05/27	3.448	111	3.476	02/19/2024	-3
MGS	11/27	3.495	28	3.489	02/19/2024	1
MGS	04/28	3.547	117	3.544	02/19/2024	0
MGS	06/28	3.578	72	3.581	02/19/2024	0
MGS	04/29	3.629	80	3.608	02/19/2024	2
MGS	08/29	3.631	40	3.624	02/19/2024	1
MGS	04/30	3.726	86	3.700	02/19/2024	3
MGS	04/31	3.790	157	3.766	02/19/2024	2
MGS	06/31	3.799	1	3.801	02/19/2024	0
MGS	07/32	3.837	3	3.863	02/19/2024	-3
MGS	11/33	3.859	259	3.848	02/19/2024	1
MGS	07/34	3.856	20	3.853	02/19/2024	0
MGS	05/35	3.908	37	3.916	02/19/2024	-1
MGS	04/37	3.983	2	3.966	02/19/2024	2
MGS	06/38	4.010	6	4.004	02/19/2024	1
MGS	05/40	4.023	7	4.017	02/19/2024	1
MGS	03/46	4.138	2	4.022	02/16/2024	12
MGS	06/50	4.065	4	4.064	02/19/2024	0
MGS	03/53	4.335	186	4.217	02/19/2024	12
GII	08/24	3.303	120	3.297	02/19/2024	1
GII	10/24	3.313	1	3.288	02/19/2024	3
GII	08/25	3.325	1	3.321	02/15/2024	0
GII	10/25	3.333	171	3.321	02/19/2024	1
GII	09/26	3.429	71	3.414	02/19/2024	1
GII	07/27	3.468	20	3.478	02/19/2024	-1
GII	07/28	3.559	5	3.562	02/19/2024	0
GII	10/28	3.574	10	3.556	02/19/2024	2
GII	07/29	3.644	21	3.608	02/19/2024	4
GII	09/30	3.770	47	3.757	02/19/2024	1
GII	06/33	3.879	17	3.854	02/15/2024	2
GII	08/33	3.851	183	3.846	02/19/2024	0
GII	03/38	3.980	21	3.981	02/16/2024	0
GII	08/43	4.129	15	4.134	02/19/2024	-1
GII	11/49	4.255	54	4.187	02/16/2024	7
GII	05/52	4.296	71	4.185	02/19/2024	11
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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*
Prasarana Malaysia Berhad	12/27	GG	3.546	30	3.815	16/10/2023	-27	6
Bank Simpanan Nasional	02/29	GG	4.050	5	4.086	15/2/2024	-4	50
Prasarana Malaysia Berhad	07/35	GG	3.960	5	4.139	5/7/2023	-18	11
Federal Land Development Authority	03/36	GG	4.015	30	4.010	19/2/2024	0	16
DanaInfra Nasional Berhad	06/38	GG	4.056	30	4.020	14/2/2024	4	5
Lembaga Pembiayaan Perumahan Sektor Awam	07/38	GG	4.050	15	4.058	24/1/2024	-1	5
Prasarana Malaysia Berhad	02/41	GG	4.107	10	4.319	29/9/2023	-21	11
Cagamas Berhad	07/24	AAA	3.555	10	3.634	28/11/2023	-8	25
Celcom Networks Sdn Berhad	08/24	AAA	3.547	10	3.568	26/9/2023	-2	25
Toyota Capital Malaysia Sdn Berhad	06/26	AAA	3.827	35	3.908	21/12/2023	-8	48
Malaysia Airport Holdings Berhad	12/26	AAA	3.663	90	3.728	14/2/2024	-7	25
Malaysia Airport Holdings Berhad	04/27	AAA	3.679	20	3.686	19/2/2024	-1	27
Toyota Capital Malaysia Sdn Berhad	01/28	AAA	3.924	4	3.928	19/2/2024	0	44
Petroleum Sarawak Exploration & Production Sdr	03/31	AAA	3.979	20	3.999	19/1/2024	-2	20
Projek Lebuhraya Usahasama Berhad	01/34	AAA	3.990	20	4.018	15/1/2024	-3	14
Malayan Banking Berhad	01/34	AAA	3.642	10	3.635	8/2/2024	1	-21
Sarawak Energy Berhad	06/35	AAA	4.109	50	4.479	30/10/2023	-37	26
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.029	20	4.102	8/1/2024	-7	18
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.070	10	4.099	19/2/2024	-3	7
TNB Power Generation Sdn Berhad	06/42	AAA	4.160	40	4.228	21/12/2023	-7	8
TNB Power Generation Sdn Berhad	03/43	AAA	4.181	70	4.169	6/2/2024	1	10
GENM Capital Berhad	05/28	AA1	4.647	5	4.421	19/1/2024	23	116
GENM Capital Berhad	07/28	AA1	4.677	10	4.568	6/2/2024	11	119
Kuala Lumpur Kepong Berhad	03/32	AA1	3.999	30	4.009	15/2/2024	-1	19
Malayan Banking Berhad	01/34	AA1	3.899	60	3.978	19/2/2024	-8	5
YTL Corporation Berhad	09/35	AA1	4.091	20	4.199	23/1/2024	-11	24
Sime Darby Property Berhad	12/25	AA+	3.725	20	4.177	8/3/2023	-45	38
Magnum Corporation Berhad	09/24	AA	3.897	10	3.916	14/2/2024	-2	60
Affin Islamic Bank Berhad	12/26	AA3	3.927	10	4.150	8/12/2023	-22	52
Edra Energy Sdn Berhad	07/27	AA3	3.948	10	3.946	13/2/2024	0	54
Gamuda Berhad	06/28	AA3	3.920	5	3.905	2/2/2024	2	43
Gamuda Berhad	11/29	AA3	3.988	10	3.959	7/2/2024	3	32
Point Zone (M) Sdn Berhad	03/27	AA-	3.842	2	3.902	16/1/2024	-6	43
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/34	AA-	5.089	10	5.159	17/1/2024	-7	124
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/36	AA-	5.208	10	5.249	19/2/2024	-4	121
Hong Leong Bank Berhad	11/17	A1	4.346	1	4.029	8/2/2024	32	26
TG Excellence Berhad	02/20	A+	6.453	4	6.504	31/1/2024	-5	237
MCIS Insurance Berhad	12/31	A2	4.898	1	4.876	19/2/2024	2	109
Mah Sing Group Berhad	03/25	NR(LT)	5.532	1	5.522	8/2/2024	1	223
				753				

* 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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