

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were lower in trading on Friday, as the market continued to react to the increasing chances of a Trump victory, which was seen as likelier to result in a more inflationary environment, amidst chaos in the Democrat camp with more Democrat senators and representatives urging President Biden to withdraw from the contest. Benchmark yields finished higher across the curve by between 3 to 5bps for the day. **The benchmark 2yr UST yield was 4bps higher for the session at 4.51%, while the benchmark 10yr UST yield closed the day 4bps higher at 4.24%.** There are no Tier-1 economic data releases for the day ahead, and no Fed-speak for the week as we enter the pre-FOMC blackout period.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.51	4
5-yr UST	4.17	5
10-yr UST	4.24	4
30-yr UST	4.45	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	1	3.40	1
5-yr	3.60	0	3.58	1
7-yr	3.77	2	3.72	1
10-yr	3.80	0	3.83	0
15-yr	3.96	1	3.97	2
20-yr	4.00	-7	4.10	1
30-yr	4.19	1	4.21	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.52	-3
3-yr	3.48	-2
5-yr	3.55	1
7-yr	3.66	2
10-yr	3.77	1

Source : Bloomberg

MGS/GII

- Local govovies traded lower in trading on Friday, amidst a much stronger than expected Malaysia advanced 2Q GDP reading. Secondary market volume for the day plunged by 64% to RM2.02bn compared to the RM5.55bn that changed hands on Thursday. Benchmark yields closed higher by between 0 and 2bps for the day, with the exception of the 20yr MGS, which was marked lower in yield by an odd lot trade. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.60% while the yield on the benchmark 10Y MGS 11/33 was also unchanged for the session at 3.80%.** Trading interest was led by the newly re-opened benchmark 15Y MGS, while keen interest was also seen in the benchmark 5Y MGS, 10Y MGS/GII and 15Y GII, as well as the off-the-run GII 7/29 and MGS 6/28. Trading in GIIs as a proportion of total govvy trading receded to 34% versus the 51% share seen the day before. The re-opening auction of RM3bn of the benchmark 15Y MGS 4/39 was well received, with a solid BTC of 3.101x and a very short tail of 0.3bps. The next key release domestically is June's CPI data, which is scheduled for release on Wednesday.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Friday, with secondary market volume shrinking by 61% to RM343m versus the RM876m that traded on Thursday. Trading interest was led by the AA-rated segment of the market. In the GG universe, activity was led by PASB 6/39 which closed the day at 4.01%, 4bps lower versus its last print. Over in the AAA space, TNB 8/40 led runners for the day, and settled at 4.07%, lower by 13bps versus where it last traded. Meanwhile in the AA territory, interest was dominated by AEON 9/28 and AEON 12/28, which closed at 3.90% (1bp lower versus last print) and 3.92% (unchanged) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.165	18	3.178	07/18/2024	-1
MGS	03/25	3.278	1	3.169	07/18/2024	11
MGS	09/25	3.279	20	3.267	07/18/2024	1
MGS	04/26	3.356	2	3.341	07/18/2024	1
MGS	07/26	3.380	1	3.369	07/18/2024	1
MGS	11/27	3.481	34	3.484	07/18/2024	0
MGS	06/28	3.594	61	3.529	07/18/2024	6
MGS	04/29	3.605	30	3.599	07/18/2024	1
MGS	08/29	3.601	101	3.597	07/18/2024	0
MGS	04/30	3.711	25	3.716	07/18/2024	-1
MGS	04/31	3.768	40	3.745	07/18/2024	2
MGS	06/31	3.778	20	3.761	07/18/2024	2
MGS	07/32	3.818	32	3.805	07/18/2024	1
MGS	04/33	3.843	1	3.826	07/18/2024	2
MGS	11/33	3.798	118	3.802	07/18/2024	0
MGS	07/34	3.816	1	3.797	07/18/2024	2
MGS	05/35	3.854	24	3.845	07/18/2024	1
MGS	06/38	3.972	3	3.970	07/18/2024	0
MGS	04/39	3.963	711	3.950	07/18/2024	1
MGS	05/40	4.023	10	4.029	07/18/2024	-1
MGS	03/46	4.147	44	4.183	07/18/2024	-4
MGS	06/50	4.173	26	4.173	07/18/2024	0
MGS	03/53	4.189	3	4.183	07/18/2024	1
GII	03/26	3.369	5	3.382	07/16/2024	-1
GII	09/26	3.404	60	3.397	07/18/2024	1
GII	07/28	3.580	11	3.572	07/18/2024	1
GII	08/28	3.603	10	3.644	07/03/2024	-4
GII	07/29	3.617	183	3.602	07/18/2024	2
GII	09/30	3.723	30	3.716	07/18/2024	1
GII	10/32	3.813	17	3.806	07/18/2024	1
GII	08/33	3.834	60	3.830	07/18/2024	0
GII	11/34	3.810	70	3.801	07/18/2024	1
GII	10/35	3.870	20	3.862	07/18/2024	1
GII	08/37	3.932	20	3.935	07/18/2024	0
GII	03/38	3.940	21	3.975	07/12/2024	-4
GII	09/39	3.971	118	3.954	07/18/2024	2
GII	09/41	4.044	21	4.046	07/18/2024	0
GII	08/43	4.101	12	4.093	07/18/2024	1
GII	05/47	4.085	2	4.068	07/15/2024	2
GII	11/49	4.104	2	4.199	07/17/2024	-9
GII	05/52	4.234	21	4.230	07/18/2024	0
GII	03/54	4.206	10	4.206	07/18/2024	0
			2018			

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*
Perbadanan Tabung Pendidikan Tinggi Nasional	01/33	GG	3.902	10	4.008	25/4/2024	-11	10
Malaysia Rail Link Sdn Berhad	07/35	GG	3.954	10	3.970	18/7/2024	-2	14
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	3.959	10	3.939	17/7/2024	2	15
DanaInfra Nasional Berhad	10/36	GG	3.959	20	4.071	29/4/2024	-11	15
Pengurusan Air SPV Berhad	06/39	GG	4.009	40	4.048	24/6/2024	-4	4
DanaInfra Nasional Berhad	07/39	GG	4.019	15	n/a	n/a	402	5
DanaInfra Nasional Berhad	04/40	GG	4.049	10	4.035	12/7/2024	1	8
DanaInfra Nasional Berhad	05/40	GG	4.049	10	4.030	15/7/2024	2	8
Amanat Lebuhraya Rakyat Berhad	10/26	AAA	3.684	10	3.735	28/6/2024	-5	31
Johor Corporation	06/27	AAA	3.996	1	3.927	16/7/2024	7	53
Petroleum Sarawak Exploration & Production Sdr	03/31	AAA	3.898	10	3.898	18/7/2024	0	14
Westports Malaysia Sdn Berhad	05/39	AAA	4.069	10	4.067	16/7/2024	0	10
Tenaga Nasional Berhad	08/40	AAA	4.070	40	4.197	18/7/2024	-13	10
GENM Capital Berhad	07/28	AA1	4.276	1	4.141	18/7/2024	14	73
Kuala Lumpur Kepong Berhad	09/29	AA1	3.865	20	3.863	18/7/2024	0	27
CIMB Group Holdings Berhad	10/33	AA2	4.087	1	4.206	17/7/2024	-12	29
Edra Energy Sdn Berhad	07/25	AA3	3.769	10	3.822	4/7/2024	-5	50
AEON Credit Service (M) Berhad	09/28	AA3	3.899	40	3.910	17/7/2024	-1	35
AEON Credit Service (M) Berhad	12/28	AA3	3.918	40	3.918	18/7/2024	0	37
Edra Energy Sdn Berhad	01/37	AA3	4.231	10	4.245	25/6/2024	-1	42
IJM Treasury Management Sdn Berhad	03/39	AA3	4.189	10	4.219	3/7/2024	-3	22
Quantum Solar Park (Semenanjung) Sdn Berhad	04/25	AA-	3.814	10	3.683	17/11/2021	13	54
UEM Edgenta Berhad	04/26	AA-	3.866	5	3.885	5/7/2024	-2	49
Bank Muamalat Malaysia Berhad	09/22	BBB	5.000	1	5.471	15/7/2024	-47	92
				343				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UMW Holdings Berhad	RM2bn Islamic Medium-Term Notes Programme (Sukuk Musharakah)	AA+/Stable	Affirmed
	RM2bn Perpetual Sukuk Programme	AA-/Stable	Affirmed
George Kent (Malaysia) Berhad	RM100m Islamic Commercial Papers Programme and RM500m Islamic Medium-Term Notes Programme, subject to a combined limit of RM500m	A+/Stable/MARC-1	Affirmed
Central Impression Sdn Bhd	RM30m Fixed Rate Serial Bonds	AA-/Stable	Affirmed

Source: RAM, MARC

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