

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries fell in trading on Thursday, as evidence of sticky price pressures casted doubt on the Fed's ability to undertake rate reduction this year. The core PCE index for 1Q registered a larger increase than expected, sending benchmark yields higher by between 4 and 7bps for the day, with the UST curve bear-flattening. **The benchmark 2yr UST yield was 7bps higher for the session at 5.02%, while the benchmark 10yr UST yield was 6bps higher at 4.70%.** Tonight sees the release of much anticipated monthly core PCE reading for March, which will be closely watched after the larger than expected increase in CPI earlier this month.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.02	7
5-yr UST	4.73	7
10-yr UST	4.70	6
30-yr UST	4.81	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.63	2	3.60	9
5-yr	3.80	5	3.75	3
7-yr	3.90	2	3.84	0
10-yr	3.99	2	3.97	2
15-yr	4.06	0	4.08	-1
20-yr	4.19	1	4.18	-1
30-yr	4.30	3	4.30	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	1
3-yr	3.71	1
5-yr	3.82	3
7-yr	3.92	2
10-yr	4.04	0

Source : Bloomberg

MGS/GII

- Local govies were lower in trading on Thursday, even as CPI for March unexpectedly stood pat at 1.8% y/y versus expectations for a rise to 2.0% y/y, amidst a weak reopening auction of the benchmark 3Y GII. Secondary market volume for the day increased by 13% to RM3.02bn, compared to the RM2.67bn that traded on Wednesday. Benchmark yields closed mixed between -1 and +9 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield rise by 5bps for the session to 3.80% while the benchmark 10Y MGS 11/33 was 2bps higher in yield for the day at 3.99%.** Trading interest was led by newly reopened GII 9/26, while interest was also seen in the benchmark 5Y MGS, 7Y GII and 10Y MGS, as well as in the off-the-run MGS 4/28, MGS 6/28, MGS 4/37 and GII 7/29. The market share of GII trading for the day receded to 47% from the 52% share seen the day before. The reopening auction of RM5bn of the benchmark 3yr GII 9/26 itself was lukewarm, clearing at 3.574% with a low BTC of 1.746x and a long tail of 2.5bps, the longest tail seen so far in government bond auctions this year.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a lighter trading session on Thursday, as secondary market volume for the day plunged by 53% to RM932m, compared to the RM2,003m that changed hands the day before. Trading interest for the day was led by the GG segment of the market, where LPPSA 7/39 and DANA 4/40 led trading for the day, settling at 4.11% (+9bps versus last print) and 4.13% (+10bps) respectively. Meanwhile in the AAA space, trading interest was led by PSEP 11/27 and PLUS 1/37, which closed the day at 3.80% (+1bp) and 4.07% (unchanged) respectively. Trading in the AA universe was led by Gamuda 10/28 and MMC 3/28, which settled the day at 3.98% (+4bps) and 4.10% (+11bps) respectively. Over in the A-rated area, interest was led by ABMB 10/30, which closed the session at 4.15%, lower by 44bps in yield versus 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	06/24	3.434	41	3.286	04/24/2024	15
MGS	07/24	3.285	14	3.295	04/24/2024	-1
MGS	03/25	3.392	11	3.370	04/24/2024	2
MGS	09/25	3.480	21	3.465	04/24/2024	2
MGS	04/26	3.592	33	3.540	04/24/2024	5
MGS	11/26	3.548	18	3.530	04/24/2024	2
MGS	05/27	3.632	29	3.608	04/24/2024	2
MGS	11/27	3.635	1	3.656	04/24/2024	-2
MGS	04/28	3.765	90	3.710	04/24/2024	6
MGS	06/28	3.785	231	3.722	04/24/2024	6
MGS	04/29	3.789	39	3.758	04/24/2024	3
MGS	08/29	3.804	496	3.754	04/24/2024	5
MGS	04/30	3.919	82	3.854	04/24/2024	6
MGS	04/31	3.904	70	3.889	04/24/2024	2
MGS	06/31	3.916	7	3.900	04/24/2024	2
MGS	07/32	3.966	30	3.955	04/24/2024	1
MGS	04/33	3.990	7	3.982	04/23/2024	1
MGS	11/33	3.987	84	3.970	04/24/2024	2
MGS	07/34	3.990	5	3.990	04/24/2024	0
MGS	04/37	4.109	152	4.090	04/24/2024	2
MGS	06/38	4.092	36	4.078	04/24/2024	1
MGS	04/39	4.060	30	4.063	04/24/2024	0
MGS	05/40	4.150	19	4.143	04/24/2024	1
MGS	10/42	4.194	27	4.180	04/24/2024	1
MGS	07/48	4.242	6	4.258	04/23/2024	-2
MGS	06/50	4.271	4	4.224	04/24/2024	5
MGS	03/53	4.295	5	4.267	04/24/2024	3
GII	08/24	3.276	30	3.239	04/19/2024	4
GII	08/25	3.433	17	3.349	04/23/2024	8
GII	09/26	3.598	620	3.507	04/23/2024	9
GII	07/27	3.564	2	3.599	04/24/2024	-4
GII	07/28	3.754	20	3.728	04/24/2024	3
GII	07/29	3.806	120	3.754	04/24/2024	5
GII	10/31	3.902	250	3.865	04/24/2024	4
GII	10/32	3.954	80	3.947	04/24/2024	1
GII	06/33	3.970	30	3.959	04/24/2024	1
GII	08/33	3.974	70	3.956	04/24/2024	2
GII	03/38	4.078	10	4.028	04/23/2024	5
GII	09/39	4.079	62	4.087	04/24/2024	-1
GII	08/43	4.175	10	4.184	04/24/2024	-1
GII	05/47	4.103	1	4.216	04/22/2024	-11
GII	05/52	4.307	52	4.296	04/24/2024	1
GII	03/54	4.304	60	4.292	04/24/2024	1
			3024			

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*
Turus Pesawat Sdn Berhad	11/24	GG	3.524	20	3.591	29/8/2023	-7	13
Prasarana Malaysia Berhad	02/30	GG	3.863	20	3.920	12/7/2023	-6	1
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.970	10	3.982	24/4/2024	-1	4
Perbadanan Tabung Pendidikan Tinggi Nasional	01/33	GG	4.008	20	4.228	31/10/2023	-22	5
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.048	10	3.966	8/4/2024	8	6
DanaInfra Nasional Berhad	10/36	GG	4.065	20	3.979	15/12/2023	9	8
DanaInfra Nasional Berhad	10/36	GG	4.066	20	4.062	23/4/2024	0	-1
DanaInfra Nasional Berhad	11/36	GG	4.067	50	4.018	14/2/2024	5	-1
Lembaga Pembiayaan Perumahan Sektor Awam	08/38	GG	4.095	30	3.999	4/4/2024	10	2
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.105	60	4.208	17/11/2023	-10	3
Lembaga Pembiayaan Perumahan Sektor Awam	07/39	GG	4.111	100	4.020	3/4/2024	9	3
DanaInfra Nasional Berhad	04/40	GG	4.129	100	4.029	20/3/2024	10	5
Prasarana Malaysia Berhad	08/42	GG	4.190	60	4.086	26/3/2024	10	1
Lembaga Pembiayaan Perumahan Sektor Awam	03/45	GG	4.200	10	4.169	16/4/2024	3	2
DanaInfra Nasional Berhad	05/46	GG	4.264	30	4.145	14/3/2024	12	8
Cagamas Berhad	02/25	AAA	3.597	20	3.720	16/5/2023	-12	21
Cagamas Berhad	03/25	AAA	3.567	20	3.700	19/3/2024	-13	18
Cagamas Berhad	08/26	AAA	3.718	15	3.743	5/4/2024	-2	22
Petroleum Sarawak Exploration & Production Sdr	11/27	AAA	3.804	40	3.797	24/4/2024	1	8
Bank Pembangunan Malaysia Berhad	11/31	AAA	4.089	20	3.978	20/12/2023	11	16
Pengurusan Air SPV Berhad	02/33	AAA	4.019	20	3.999	3/4/2024	2	6
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.068	40	4.068	9/4/2024	0	-1
Johor Corporation	07/38	AAA	4.199	20	4.109	18/3/2024	9	12
Tenaga Nasional Berhad	08/38	AAA	4.060	10	4.090	24/4/2024	-3	-2
Tenaga Nasional Berhad	11/41	AAA	4.140	5	4.082	1/4/2024	6	-4
GENM Capital Berhad	08/25	AA1	4.248	7	4.248	19/4/2024	0	86
Kuala Lumpur Kepong Berhad	09/34	AA1	4.048	20	4.079	21/2/2024	-3	6
Genting RMTN Berhad	11/34	AA1	5.243	1	5.188	23/4/2024	6	126
YTL Power International Berhad	03/36	AA1	4.200	5	4.199	24/4/2024	0	21
Kuala Lumpur Kepong Berhad	03/37	AA1	4.099	20	3.999	26/3/2024	10	2
PONSB Capital Berhad	06/29	AA2	4.089	10	4.088	19/4/2024	0	30
OSK Rated Bond Sdn Berhad	04/28	AA	3.948	4	3.883	27/3/2024	6	23
Gamuda Land (T12) Sdn Berhad	10/28	AA3	3.977	30	3.938	5/4/2024	4	26
AmBank (M) Berhad	10/32	AA3	4.047	1	4.310	17/4/2024	-26	12
MMC Corporation Berhad	03/28	AA-	4.100	30	3.988	22/3/2024	11	38
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/34	AA-	4.899	20	4.903	23/4/2024	0	91
Hong Leong Bank Berhad	11/17	A1	4.023	4	4.247	17/4/2024	-22	-16
Hong Leong Bank Berhad	11/17	A1	4.021	1	4.200	23/4/2024	-18	41
JB Cocoa Sdn Berhad	11/26	A+	5.065	1	5.104	24/1/2024	-4	135
Alliance Bank Malaysia Berhad	10/30	A2	4.148	9	4.589	19/4/2024	-44	36
Alliance Bank Malaysia Berhad	10/35	A2	4.598	1	4.678	22/4/2024	-8	61
Affin Islamic Bank Berhad	10/18	A3	4.547	1	4.254	24/4/2024	29	36
				932				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Pelabuhan Tanjung Pelepas Sdn Bhd	RM2.15bn Islamic Medium-Term Notes	AA/Stable	Affirmed

Source: RAM, MARC

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