July 6, 2026

Hong Leong Bank

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were shut along with the US equity markets on Friday in commemoration of the Fourth of July holiday. The futures markets were open for an abbreviated session, with 10yr UST futures slightly softer in line with bond markets in Europe, where the yield on 10yr German Bunds rose by 3bps for the day to 2.93% while the 10yr UK Gilts yield advanced by 1bp to 4.79%. **To recap. the benchmark 2-year UST yield closed on Thursday at 4.14% while the 10-year UST bond yield was at 4.49%**. The coming day brings the release of the ISM Services index for June and the Fed's Waller is also speaking as part of a panel at an ECB event in Rome.

MGS/GII

- Local govvies were a touch firmer in trading on Friday amidst keen interest seen in the front end of the maturity spectrum. Secondary market volume rose by 10% to RM6.95bn versus the RM6.33bn that swapped hands on Thursday. Overall benchmark yields were lower by between 0 to 1bp (prior: 0 to 2bps higher), except for the 30Y MGS which was skewed by an off-market trade, and the 30Y GII which was correcting from a previous off-market trade. **The benchmark 5Y MGS 6/31 yield was 1bp lower for the day at 3.39% while the yield on the benchmark 10Y MGS 7/35 also declined by 1bp to 3.62%.** Trading for the day was led by the off-the-run GII 9/26, while good interest was also seen in the off-the-run MGS 7/26, MGS 11/26, and MGS 5/27, as well as in the benchmark 10Y MGS. The share of GII trading climbed to 48% of overall govvies trading versus the 22% seen the day before.

Corp Bonds/Sukuk

- Corporate bonds/sukuk were better offered in trading on Friday in a busy session, with secondary market volume for the day surging by nearly four-fold to RM2,051m versus the RM527m that traded on Thursday. Trading for the day was dominated by the GG segment of the market, where the activity was led by DANA 3/36 and DANA 4/37 (VS220166), which closed the day at 3.83% (secondary debut) and 3.86% (+13bps versus last print) respectively. In the AAA-rated space, trading was led by SMEBANK 7/26 and YTLP 5/27, which settled for the day at 3.46% (+10bps) and 3.44% (unchanged) respectively. In the AA-rated territory, the activity was led by BGSM 12/26 and STSSB 4/32 (VK250147), which closed at 3.44% (unchanged) and 3.87% (+1bp) respectively, while in the A-rated arena, interest was seen in AFFINBK 4.35% Perps, which closed the day at 4.33% (+3bps).

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.14	0
5-yr UST	4.23	0
10-yr UST	4.49	0
30-yr UST	4.99	0

	MGS		GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.26	0	3.26	0
5-yr	3.39	-1	3.35	-1
7-yr	3.53	-1	3.54	0
10-yr	3.62	-1	3.61	0
15-yr	3.83	0	3.90	0
20-yr	3.95	0	3.97	0
30-yr	4.05	-4	4.10	4

** Market indicative levels*

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.44	-1
3-yr	3.47	-1
5-yr	3.53	-1
7-yr	3.59	0
10-yr	3.72	1

Source : Bloomberg

Note: US Treasury levels as of close on business on Thursday, 03 July

	Govt NR Holdings	Corp NR Holdings
Daily Change	1,178	348
MTD Change	7,767	661

Figures in RM 'mil (as of 29 Jun 2026)

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	07/26	3.084	535	2.965	07/02/2026	12
MGS	11/26	2.900	621	2.921	07/02/2026	-2
MGS	05/27	3.086	458	3.088	07/02/2026	0
MGS	11/27	3.135	338	3.141	07/02/2026	-1
MGS	04/28	3.197	136	3.193	07/02/2026	0
MGS	06/28	3.215	101	3.217	07/01/2026	0
MGS	03/29	3.263	52	3.259	07/02/2026	0
MGS	04/29	3.259	15	3.244	07/01/2026	1
MGS	08/29	3.264	54	3.270	07/02/2026	-1
MGS	05/30	3.349	3	3.349	07/02/2026	0
MGS	04/31	3.412	116	3.416	07/02/2026	0
MGS	07/32	3.506	148	3.508	07/02/2026	0
MGS	04/33	3.531	118	3.539	07/02/2026	-1
MGS	11/33	3.571	3	3.574	07/02/2026	0
MGS	07/34	3.601	1	3.612	07/02/2026	-1
MGS	07/35	3.620	561	3.630	07/02/2026	-1
MGS	04/37	3.743	61	3.737	07/02/2026	1
MGS	06/38	3.844	20	3.844	07/02/2026	0
MGS	04/39	3.884	190	3.874	07/02/2026	1
MGS	09/43	3.937	20	3.952	07/02/2026	-2
MGS	05/44	3.956	4	3.952	07/02/2026	0
MGS	03/46	3.973	10	3.935	07/01/2026	4
MGS	07/48	3.999	9	4.030	07/02/2026	-3
MGS	06/50	4.045	5	4.131	07/02/2026	-9
MGS	07/55	4.049	6	4.092	07/02/2026	-4
GII	09/26	2.954	2026	2.954	07/02/2026	0
GII	09/27	3.136	110	3.136	07/02/2026	0
GII	07/28	3.225	330	3.226	07/02/2026	0
GII	12/28	3.235	50	3.242	06/15/2026	-1
GII	07/29	3.285	40	3.303	07/02/2026	-2
GII	10/29	3.258	240	3.258	07/02/2026	0
GII	08/30	3.352	21	3.364	07/02/2026	-1
GII	10/30	3.374	1	3.386	06/30/2026	-1
GII	10/31	3.420	50	3.430	07/02/2026	-1
GII	03/33	3.539	40	3.539	07/02/2026	0
GII	08/33	3.582	110	3.590	07/02/2026	-1
GII	11/34	3.596	20	3.591	07/01/2026	0
GII	04/35	3.614	105	3.615	07/02/2026	0
GII	07/36	3.643	40	3.650	07/02/2026	-1
GII	03/38	3.834	9	3.820	07/02/2026	1
GII	09/39	3.876	41	3.881	07/02/2026	0
GII	07/40	3.899	10	3.894	07/02/2026	0
GII	05/45	3.972	79	3.975	07/02/2026	0
GII	05/52	4.095	3	4.079	06/30/2026	2
GII	03/54	4.080	30	4.083	07/02/2026	0
GII	01/56	4.100	10	4.058	07/01/2026	4
			6949			

Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bps)	Spread Against MGS*
Small Medium Enterprise Development Bank Malay	04/27	GG	3.241	20	3.235	22/6/2026	1	16
Khazanah Nasional Berhad	09/32	GG	3.702	70	3.840	21/8/2024	-14	21
DanaInfra Nasional Berhad	03/36	GG	3.825	300	n/a	n/a	383	20
DanaInfra Nasional Berhad	05/36	GG	3.826	150	3.842	22/6/2026	-2	20
Prasarana Malaysia Berhad	01/37	GG	3.849	100	3.583	13/8/2025	27	22
Prasarana Malaysia Berhad	03/37	GG	3.854	100	3.835	2/7/2026	2	23
DanaInfra Nasional Berhad	03/37	GG	3.850	80	3.728	22/1/2026	12	22
DanaInfra Nasional Berhad	04/37	GG	3.856	40	3.825	11/5/2026	3	23
DanaInfra Nasional Berhad	04/37	GG	3.856	240	3.728	12/2/2026	13	23
Prasarana Malaysia Berhad	08/37	GG	3.869	150	3.853	25/5/2026	2	24
Prasarana Malaysia Berhad	09/37	GG	3.873	40	3.858	18/6/2026	2	24
DanaInfra Nasional Berhad	04/38	GG	3.878	30	3.918	9/4/2026	-4	25
DanaInfra Nasional Berhad	02/39	GG	3.910	20	3.638	22/8/2025	27	7
Pengurusan Air SPV Berhad	06/39	GG	3.954	170	3.952	17/4/2026	0	12
DanaInfra Nasional Berhad	05/41	GG	4.003	40	4.027	4/6/2026	-2	17
DanaInfra Nasional Berhad	10/41	GG	4.008	10	3.916	4/12/2025	9	17
Small Medium Enterprise Development Bank Malay	07/26	AAA	3.462	40	3.359	22/5/2026	10	38
YTL Power International Berhad	05/27	AAA	3.439	100	3.444	2/7/2026	0	35
CelcomDigi Telecommunications Sdn Berhad (fka D	12/32	AAA	3.830	15	3.840	16/6/2026	-1	34
CelcomDigi Telecommunications Sdn Berhad (fka D	03/33	AAA	3.838	10	n/a	n/a	384	30
Pengurusan Air SPV Berhad	06/36	AAA	3.958	20	3.958	1/7/2026	0	33
Pengurusan Air SPV Berhad	09/38	AAA	4.049	5	4.049	2/7/2026	0	42
Tenaga Nasional Berhad	08/40	AAA	4.028	20	4.160	25/6/2026	-13	19
Johor Plantations Group Berhad	09/31	AA1	3.782	30	3.741	6/5/2026	4	39
Johor Plantations Group Berhad	09/39	AA1	4.010	30	4.005	21/5/2026	0	17
BGSM Management Sdn Berhad	12/26	AA3	3.435	70	3.438	26/3/2026	0	35
Zetrix AI Berhad (fka MY E.G. Services Berhad)	08/27	AA-	5.139	1	5.141	2/7/2026	0	205
Sunway Treasury Sukuk Sdn Berhad	04/32	AA-	3.873	80	3.866	11/6/2026	1	38
Sunway Treasury Sukuk Sdn Berhad	04/32	AA-	3.864	10	3.846	12/5/2026	2	38
Malaysian Resources Corporation Berhad	01/33	AA-	4.059	20	4.080	20/5/2026	-2	52
Malaysian Resources Corporation Berhad	04/34	AA-	4.088	20	4.091	26/6/2026	0	51
Affin Bank Berhad	05/18	A3	4.328	20	4.300	20/5/2026	3	37
				2051				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
RP Hydro (Kelantan) Sdn Bhd	RM975m ASEAN Green SRI Sukuk (2023/2043)	AA3/Stable	Affirmed

Source: RAM, MARC

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