

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were softer in trading on Thursday, with the shorter dated maturities leading the move lower, amidst decent US data overnight. US 2Q GDP held steady at its third reading, versus expectations of a small revision lower, and weekly initial jobless claims unexpectedly declined, suggesting that the labour market strength remains intact. Benchmark yields closed higher by between 2 and 6bps for the day, with the UST curve bear flattening. **The benchmark 2yr UST yield was 6bps higher for the session at 3.64%, while the benchmark 10yr UST yield advanced by 2bps for the day to 3.81%.** Tonight sees the release of US personal income and spending for August, which will be released alongside the PCE price indices for the month.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.64	6
5-yr UST	3.56	3
10-yr UST	3.81	2
30-yr UST	4.15	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	0	3.30	0
5-yr	3.51	0	3.45	0
7-yr	3.68	0	3.69	1
10-yr	3.72	0	3.75	1
15-yr	3.89	1	3.91	1
20-yr	4.03	0	4.04	0
30-yr	4.18	4	4.19	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.51	0
3-yr	3.38	1
5-yr	3.43	1
7-yr	3.53	0
10-yr	3.62	1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 30Y GII 3/54 on Friday, 27 Sep (with an additional RM2bn to be privately placed)

MGS/GII

- Local govovies were little changed in trading on Thursday, in a lighter session ahead of impending government bond supply on Friday. Secondary market volume fell by 38% to RM3.91bn compared to the RM6.30bn that changed hands on Wednesday. Benchmark yields closed higher between 0 and 1bp for the day, except for the 30Y benchmark MGS, which corrected from skewed marks from a late odd-lot trade the day before. **The benchmark 5Y MGS 8/29 saw its yield unchanged for the day to 3.51% while the yield on the benchmark 10Y MGS 7/34 was also little changed for the session at 3.72%.** Trading interest was led by the benchmark 7Y MGS, while interest was also seen in the off-the-run GII 10/24, MGS 3/25, MGS 9/25, MGS 4/28 and GII 9/30, as well as in the benchmark 3Y MGS and 5Y GII. Trading in GIIs as a proportion of total govovies trading increased to 35% versus the 26% share seen the previous day. The reopening of the benchmark 30Y GII will take place later today, with RM3bn set to be auctioned, while an additional RM2bn will be privately placed.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Thursday in a more active session, with secondary market volume for the day surging by 63% to RM584m versus the RM358m that traded on Wednesday. Trading for the day was again led by the AA-rated segment. In the GG universe, activity was led by DANA 7/44, which closed at 4.10%, little changed from where it last traded. Over in the AAA space, interest was led by INFRACAP 4/28 and DIGI 5/30, which settled for the day at 3.73% (-3bps versus last print) and 3.81% (+2bps) respectively. Meanwhile in the AA-rated universe, decent interest was seen in a series of EDRA bonds, and activity in the universe was led by EDRA 7/33 and EDRA 7/34, which closed at 4.04% (-9bps) and 4.07% (-3bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.064	500	3.069	09/25/2024	0
MGS	09/25	3.185	236	3.139	09/25/2024	5
MGS	04/26	3.267	2	3.264	09/25/2024	0
MGS	07/26	3.202	2	3.260	09/25/2024	-6
MGS	11/26	3.243	81	3.274	09/25/2024	-3
MGS	05/27	3.343	190	3.343	09/25/2024	0
MGS	11/27	3.385	100	3.373	09/25/2024	1
MGS	04/28	3.455	133	3.443	09/25/2024	1
MGS	06/28	3.460	81	3.465	09/25/2024	0
MGS	08/29	3.511	123	3.511	09/25/2024	0
MGS	04/30	3.599	14	3.596	09/25/2024	0
MGS	04/31	3.683	653	3.682	09/25/2024	0
MGS	07/32	3.742	33	3.743	09/25/2024	0
MGS	07/34	3.723	123	3.723	09/25/2024	0
MGS	04/37	3.885	15	3.871	09/25/2024	1
MGS	06/38	3.913	60	3.918	09/25/2024	-1
MGS	04/39	3.894	1	3.884	09/25/2024	1
MGS	05/40	3.964	13	3.956	09/25/2024	1
MGS	10/42	4.028	19	4.018	09/25/2024	1
MGS	05/44	4.031	1	4.035	09/25/2024	0
MGS	07/48	4.118	30	4.127	09/25/2024	-1
MGS	06/50	4.152	35	4.148	09/25/2024	0
MGS	03/53	4.176	109	4.134	09/25/2024	4
GII	10/24	3.138	200	3.146	09/23/2024	-1
GII	08/25	3.108	1	3.196	09/19/2024	-9
GII	10/25	3.217	50	3.207	09/25/2024	1
GII	03/26	3.275	20	3.271	09/24/2024	0
GII	09/26	3.302	130	3.300	09/25/2024	0
GII	09/27	3.380	24	3.387	09/24/2024	-1
GII	07/29	3.505	144	3.493	09/25/2024	1
GII	09/30	3.630	260	3.632	09/25/2024	0
GII	10/30	3.636	30	3.634	09/25/2024	0
GII	10/31	3.693	117	3.679	09/25/2024	1
GII	08/33	3.787	10	3.787	09/25/2024	0
GII	11/34	3.749	125	3.743	09/25/2024	1
GII	07/36	3.854	30	3.854	09/24/2024	0
GII	03/38	3.883	20	3.887	09/25/2024	0
GII	09/39	3.913	100	3.902	09/25/2024	1
GII	09/41	3.995	34	4.005	09/25/2024	-1
GII	08/43	4.039	15	4.043	09/25/2024	0
GII	05/47	4.103	20	4.200	09/25/2024	-10
GII	11/49	4.130	25	4.136	09/25/2024	-1
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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	08/26	GG	3.334	20	3.343	10/9/2024	-1	7
Malaysia Rail Link Sdn Berhad	07/36	GG	3.900	20	3.910	14/8/2024	-1	18
DanaInfra Nasional Berhad	07/44	GG	4.100	25	4.099	4/9/2024	0	6
Pengurusan Air SPV Berhad	06/27	AAA	3.786	5	3.789	9/9/2024	0	45
Johor Corporation	06/27	AAA	3.832	2	3.917	19/9/2024	-9	50
Infracap Resources Sdn Berhad	04/28	AAA	3.733	50	3.768	22/8/2024	-3	30
Sarawak Energy Berhad	07/28	AAA	3.687	5	3.690	25/9/2024	0	25
Hektar MTN Satu Sdn Berhad	02/29	AAA	4.003	20	n/a	n/a	400	57
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.842	20	3.862	6/9/2024	-2	32
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.814	40	3.798	23/9/2024	2	21
Infracap Resources Sdn Berhad	04/32	AAA	3.891	10	4.259	30/8/2023	-37	18
YTL Power International Berhad	03/33	AA1	3.998	10	4.017	12/9/2024	-2	29
Kuala Lumpur Kepong Berhad	09/34	AA1	3.939	20	3.929	2/9/2024	1	22
YTL Power International Berhad	08/35	AA1	4.064	10	4.068	30/8/2024	0	34
Sime Darby Property Berhad	12/25	AA+	3.750	10	3.688	10/9/2024	6	57
reNIKOLA Solar II Sdn Berhad	09/34	AA2	4.018	5	4.019	24/9/2024	0	30
reNIKOLA Solar II Sdn Berhad	09/36	AA2	4.101	5	4.100	24/9/2024	0	38
CIMB Group Holdings Berhad	11/30	AA	3.777	10	3.835	21/6/2024	-6	17
Malayan Cement Berhad (fka Lafarge Malaysia Bt	07/27	AA3	3.865	10	3.861	14/8/2024	0	53
Affin Islamic Bank Berhad	12/27	AA3	3.735	1	3.887	24/9/2024	-15	40
IJM Corporation Berhad	04/29	AA3	3.800	20	3.828	18/9/2024	-3	28
Malayan Cement Berhad (fka Lafarge Malaysia Bt	07/29	AA3	3.997	30	3.997	23/9/2024	0	48
Bank Islam Malaysia Berhad	07/31	AA3	3.919	10	3.984	29/7/2024	-6	23
Edra Energy Sdn Berhad	07/33	AA3	4.037	50	4.122	13/6/2024	-9	32
Edra Energy Sdn Berhad	01/34	AA3	4.054	10	4.107	23/7/2024	-5	33
Edra Energy Sdn Berhad	07/34	AA3	4.071	60	4.099	19/8/2024	-3	35
Edra Energy Sdn Berhad	07/35	AA3	4.108	20	4.119	13/9/2024	-1	39
Edra Energy Sdn Berhad	01/36	AA3	4.128	20	4.128	25/9/2024	0	41
DRB-Hicom Berhad	12/26	AA-	3.858	10	3.874	24/9/2024	-2	59
UEM Sunrise Berhad	09/28	AA-	3.846	20	4.016	29/5/2024	-17	41
UEM Sunrise Berhad	02/29	AA-	3.856	20	3.861	20/9/2024	-1	42
Penang Port Sdn Berhad	12/31	AA-	3.969	10	4.129	11/7/2024	-16	28
Hong Leong Bank Berhad	11/17	A1	3.629	1	3.591	25/9/2024	4	-41
MCIS Insurance Berhad	12/31	A2	4.696	1	4.692	12/9/2024	0	101
TG Excellence Berhad	02/20	A	5.942	1	5.626	20/9/2024	32	190
Alliance Bank Malaysia Berhad	11/17	BBB1	4.151	2	4.290	25/9/2024	-14	11
Alliance Bank Malaysia Berhad	11/17	BBB1	4.680	2	4.451	25/9/2024	23	64
Alliance Bank Malaysia Berhad	11/17	BBB1	4.576	1	4.154	23/9/2024	42	53
Mah Sing Group Berhad	10/26	NR(LT)	5.420	1	5.283	22/8/2024	14	215
				584				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MEX I Capital Berhad	RM1.13bn Senior Sukuk Musharakah (2022/2040)	A1/Positive	Upgraded

Source: RAM, MARC

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