

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries declined in trading on Friday, after the three FOMC members that dissented on the decision to hold rates steady on Jul 29 said that hikes were needed to tame inflation. Data for the day saw the employment cost index for 2Q come in slightly higher than anticipated, while the consumer sentiment index from the University of Michigan for July was revised up in its final reading. Benchmark UST yields were higher by between 5 to 6bp. **The benchmark 2-year UST yield rose by 5bps for the day to 4.29% while the 10-year UST bond yield advanced by 6bps to 4.74%.** The coming day brings the release of the ISM Manufacturing index for July as well as construction spending figures for June.

MGS/GII

- Local govies were firmer in trading on Friday, amidst the announcement of the reopening of RM5bn of the GII 10/31, which will take over from the GII 8/30 as the benchmark 5Y GII. Secondary market volume for the day rose by 6% to RM6.97bn versus the RM6.57bn that changed hands on Thursday. Overall benchmark yields were mixed by between -2 to +1bp (prior: -2 to +3bps). **The benchmark 5Y MGS 6/31 yield fell by 1bp for the day to 3.49% while the yield on the benchmark 10Y MGS 7/35 also declined by 1bp to 3.70%.** 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 11/26, MGS 11/27, GII 7/28 and MGS 8/29, as well as in the benchmark 10Y MGS. The share of GII trading climbed to 48% of overall govies trading compared to the 37% seen the day before. The day ahead sees the release of the S&P Global Malaysia manufacturing PMI for July.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.29	5
5-yr UST	4.45	6
10-yr UST	4.74	6
30-yr UST	5.27	6

MGS			GII*			
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)		
3-yr	3.30		-1	3.35		0
5-yr	3.49		-1	3.48		-1
7-yr	3.65		1	3.63		0
10-yr	3.70		-1	3.70		0
15-yr	3.95		0	3.95		-2
20-yr	3.99		-1	3.98		-2
30-yr	4.10		-1	4.11		-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	0
3-yr	3.57	-1
5-yr	3.62	-1
7-yr	3.67	-2
10-yr	3.79	-1

Source : Bloomberg

	Govt NR Holdings	Corp NR Holdings
Daily Change	-437	0
MTD Change	-6,958	495

Figures in RM 'mil (as of 27 Jul 2026)

Upcoming Government Bond Tender

Re-opening auction of RM5bn of the GII 10/31 on Tuesday, 04 Aug

Corp Bonds/Sukuk

- Corporate bonds/sukuk were better offered in trading on Friday, with secondary market volume for the day inching lower by 1% to RM795m versus the RM800m that traded on Thursday. Trading for the day was again led by the AA-rated segment of the market. In the GG universe, keen interest was seen in PRASA 10/33 and PRASA 8/36, which closed the day at 3.81% (+20bps versus last print) and 3.87% (+5bps) respectively. In the AAA-rated space, SEB 11/33 and TENAGA 8/38 led trading and settled for the day at 3.89% (+2bps) and 3.99% (+1bp) respectively. In the AA-rated territory, trading was dominated by MBB 10/32, which closed the day at 3.65% (+3bp), while some interest was also seen in MCEMENT 12/29, which settled at 3.86% (+1bp). Over in the A-rated arena, MUAMALAT 5/36 again led trading and closed the day at 4.08% (+2bps).

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/26	2.941	20	2.970	07/29/2026	-3
MGS	11/26	2.978	351	3.025	07/30/2026	-5
MGS	03/27	3.068	38	3.096	07/30/2026	-3
MGS	05/27	3.101	56	3.090	07/30/2026	1
MGS	11/27	3.182	374	3.180	07/30/2026	0
MGS	04/28	3.235	300	3.254	07/30/2026	-2
MGS	06/28	3.276	17	3.276	07/30/2026	0
MGS	03/29	3.303	65	3.310	07/30/2026	-1
MGS	04/29	3.310	109	3.310	07/27/2026	0
MGS	08/29	3.350	583	3.347	07/30/2026	0
MGS	04/30	3.420	10	3.418	07/30/2026	0
MGS	05/30	3.443	285	3.449	07/30/2026	-1
MGS	04/31	3.500	39	3.504	07/30/2026	0
MGS	06/31	3.493	50	3.558	07/30/2026	-6
MGS	04/32	3.588	7	3.544	07/23/2026	4
MGS	07/32	3.608	6	3.619	07/30/2026	-1
MGS	04/33	3.648	74	3.640	07/30/2026	1
MGS	11/33	3.699	48	3.698	07/30/2026	0
MGS	07/34	3.726	81	3.747	07/30/2026	-2
MGS	05/35	3.740	41	3.705	07/27/2026	4
MGS	07/35	3.701	313	3.714	07/30/2026	-1
MGS	04/37	3.811	18	3.808	07/30/2026	0
MGS	04/39	3.925	107	3.948	07/30/2026	-2
MGS	05/40	3.951	36	3.994	07/30/2026	-4
MGS	01/41	3.952	301	3.949	07/30/2026	0
MGS	10/42	3.949	34	3.960	07/30/2026	-1
MGS	09/43	3.968	27	3.984	07/30/2026	-2
MGS	05/44	3.953	29	3.974	07/30/2026	-2
MGS	03/46	3.989	2	3.994	07/30/2026	-1
MGS	04/46	3.985	147	3.990	07/30/2026	-1
MGS	07/48	4.061	2	4.059	07/29/2026	0
MGS	06/50	4.085	13	4.065	07/30/2026	2
MGS	03/53	4.100	24	4.090	07/30/2026	1
MGS	07/55	4.101	39	4.113	07/30/2026	-1
GII	09/26	2.971	1722	2.982	07/30/2026	-1
GII	07/27	3.093	20	3.107	07/30/2026	-1
GII	09/27	3.126	23	3.130	07/30/2026	0
GII	07/28	3.280	592	3.280	07/30/2026	0
GII	07/29	3.353	43	3.373	07/29/2026	-2
GII	10/29	3.349	164	3.351	07/30/2026	0
GII	08/30	3.475	23	3.489	07/30/2026	-1
GII	10/30	3.477	1	3.516	07/30/2026	-4
GII	10/31	3.516	15	3.516	07/30/2026	0
GII	10/32	3.636	167	3.654	07/30/2026	-2
GII	03/33	3.632	130	3.632	07/30/2026	0
GII	06/33	3.664	21	3.593	07/21/2026	7
GII	08/33	3.663	5	3.692	07/30/2026	-3
GII	04/35	3.698	52	3.699	07/30/2026	0
GII	07/36	3.738	3	3.719	07/30/2026	2
GII	03/38	3.882	6	3.868	07/28/2026	1
GII	09/39	3.936	4	3.955	07/30/2026	-2
GII	07/40	3.951	75	3.967	07/30/2026	-2
GII	09/41	3.966	34	3.974	07/29/2026	-1
GII	08/43	3.975	7	3.980	07/30/2026	0
GII	05/45	3.980	166	3.995	07/30/2026	-2
GII	05/52	4.121	3	4.105	07/30/2026	2
GII	03/54	4.115	1	4.112	07/29/2026	0
GII	01/56	4.112	50	4.127	07/30/2026	-1
		6967				

Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bps)	Against MGS*
Prasarana Malaysia Berhad	10/33	GG	3.809	70	3.608	26/11/2025	20	17
Prasarana Malaysia Berhad	08/36	GG	3.874	70	3.827	14/7/2026	5	17
Bakun Hydro Power Generation Sdn Berhad (fka Si	08/30	AAA	3.727	20	3.658	1/7/2026	7	32
Pengurusan Air SPV Berhad	04/32	AAA	3.777	10	3.788	16/6/2026	-1	20
Pengurusan Air SPV Berhad	02/33	AAA	3.819	10	3.820	17/7/2026	0	18
Sarawak Energy Berhad	11/33	AAA	3.887	30	3.869	24/7/2026	2	25
YTL Power International Berhad	08/35	AAA	4.017	20	4.048	30/7/2026	-3	32
Tenaga Nasional Berhad	08/38	AAA	3.989	80	3.978	15/7/2026	1	28
YTL Power International Berhad	08/39	AAA	4.146	20	4.274	23/7/2026	-13	20
Malayan Cement Berhad (fka Lafarge Malaysia Be	12/29	AA1	3.856	30	3.845	14/7/2026	1	55
Malayan Cement Berhad (fka Lafarge Malaysia Be	05/32	AA1	4.012	20	3.967	29/5/2026	4	44
Malayan Banking Berhad	10/32	AA1	3.651	200	3.623	10/7/2026	3	7
Hong Leong Bank Berhad	06/34	AA1	3.765	10	3.797	30/4/2026	-3	9
Sime Darby Property Berhad	08/26	AA+	3.455	10	3.520	8/7/2026	-6	35
Malaysian Reinsurance Berhad	10/32	AA3	4.355	1	4.697	6/5/2026	-34	78
Syarikat Takaful Malaysia Keluarga Berhad	09/35	AA3	3.886	20	3.947	23/6/2026	-6	19
Zetrix AI Berhad (fka MY E.G. Services Berhad)	03/27	AA-	5.119	20	5.003	29/7/2026	12	202
Johor Port Berhad	10/29	AA-	3.775	10	3.776	30/7/2026	0	47
DRB-Hicom Berhad	12/29	AA-	3.715	10	3.743	30/7/2026	-3	41
Malaysian Resources Corporation Berhad	04/34	AA-	3.965	20	3.989	29/7/2026	-2	29
Malaysian Resources Corporation Berhad	07/34	AA-	3.986	20	3.998	30/7/2026	-1	31
Malaysian Resources Corporation Berhad	04/35	AA-	4.015	20	4.027	30/7/2026	-1	32
Malaysian Resources Corporation Berhad	11/35	AA-	4.038	20	4.050	30/7/2026	-1	34
Hong Leong Bank Berhad	11/17	A1	3.900	1	3.851	30/7/2026	5	-9
Tropicana Corporation Berhad	07/31	A	5.764	1	5.750	30/7/2026	1	226
Bank Muamalat Malaysia Berhad	05/36	A	4.077	50	4.057	30/7/2026	2	37
MCIS Insurance Berhad	12/31	A3	4.911	3	4.849	28/7/2026	6	141
			795					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Telekosang Hydro One Sdn Bhd	RM470 mil ASEAN Green SRI Sukuk (2019/2037)	BBB1/Negative	Downgraded
	RM120 mil ASEAN Green Junior Bond (2019/2039)	BB2/Negative	Downgraded
Alliance Bank Malaysia Berhad and Alliance Islamic Bank Berhad	Financial institution ratings	AA3/Stable/P1	Affirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.