

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were softer in trading on Thursday, amidst a stronger than expected US retail sales report for September, which suggested that the economic momentum was firm to end 3Q. The market dialed back slightly on the pricing of Fed cuts with 43bps priced for the rest of 2024 (prior day: 46bps) Benchmark yields closed higher by between 3 to 9 bps for the day. **The benchmark 2yr UST yield rose 3bps for the session to 3.97%, while the benchmark 10yr UST yield was 8bps higher for the day at 4.09%.** Tonight sees the release of US housing starts and building permits data for September, and there will be comments from the Fed's Bostic, Kashkari and Waller to keep an eye out for.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.97	3
5-yr UST	3.90	5
10-yr UST	4.09	8
30-yr UST	4.39	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.42	0	3.35	0
5-yr	3.54	2	3.52	-1
7-yr	3.74	0	3.75	0
10-yr	3.79	1	3.83	1
15-yr	3.95	2	3.94	0
20-yr	3.92	0	4.09	1
30-yr	4.18	8	4.21	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	0
3-yr	3.47	0
5-yr	3.51	1
7-yr	3.60	-1
10-yr	3.69	-2

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 20Y MGS 5/44 on Monday 21 October (with an additional RM2bn to be privately placed)

MGS/GII

- Local govies were slightly weaker in trading on Thursday in a lighter session, amidst the announcement of more bond supply in the form of the benchmark 20Y MGS reopening. Secondary market volume for the day receded by 21% to RM3.26bn compared to the RM4.15bn that changed hands on Wednesday. Benchmark yields closed mixed between -1 and +8 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield rise by 2bps for the day to 3.54% while the yield on the benchmark 10Y MGS 7/34 was 1bp higher for the session at 3.79%.** Trading interest was again led by the off-the-run MGS 3/25, while interest was also seen in the off-the-run MGS 9/25, MGS 11/27, MGS 4/29 and MGS 4/30, as well as in the benchmark 5Y MGS/GII and 10Y GII. Trading in GIIs as a proportion of total govies trading climbed to 38% versus the 34% share seen the previous session. Apart from the Malaysian budget being tabled later this evening, today also sees the release of trade numbers for September.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading on Thursday as activity receded from yesterday's high for the year. Secondary market volume declined by 60% to RM963m versus the RM2,437m that traded on Wednesday. Trading for the day was led by the GG segment of the market, where activity was led by PRASA 9/29, which closed at 3.65%, 1bp lower versus where the bond last traded. Strong interest was also seen in LPPSA 8/30, which settled at 3.73%, 1bp lower compared to its last print. Over in AAA space, interest was dominated by AIRSEL 9/42, which closed at 4.10%, 1bp higher versus where it last traded. Meanwhile in the AA-rated territory, activity was led by DRBH 12/29 and DRBH 8/30, which settled at 4.05% (unchanged vs last print) and 4.10% (+2bps) respectively. In the A-rated territory, trading was seen in BIMB 10/30 and BIMB 4.58% Perps, which closed the day at 3.79% (+2bps) and 4.27% (-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	3.106	552	3.121	10/16/2024	-2
MGS	09/25	3.225	314	3.266	10/16/2024	-4
MGS	07/26	3.316	3	3.321	10/16/2024	-1
MGS	11/26	3.325	57	3.354	10/15/2024	-3
MGS	05/27	3.416	1	3.412	10/16/2024	0
MGS	11/27	3.433	141	3.436	10/16/2024	0
MGS	06/28	3.517	45	3.507	10/16/2024	1
MGS	04/29	3.504	236	3.518	10/16/2024	-1
MGS	08/29	3.540	192	3.523	10/16/2024	2
MGS	04/30	3.628	188	3.627	10/16/2024	0
MGS	04/31	3.735	134	3.736	10/16/2024	0
MGS	06/31	3.741	1	3.738	10/16/2024	0
MGS	11/33	3.812	5	3.810	10/16/2024	0
MGS	07/34	3.785	102	3.775	10/16/2024	1
MGS	04/37	3.938	10	3.930	10/16/2024	1
MGS	06/38	3.960	24	3.947	10/16/2024	1
MGS	04/39	3.945	1	3.927	10/16/2024	2
MGS	03/46	4.107	9	4.115	10/15/2024	-1
MGS	06/50	4.128	3	4.125	10/16/2024	0
MGS	03/53	4.183	20	4.104	10/16/2024	8
GII	10/25	3.255	35	3.262	10/16/2024	-1
GII	09/26	3.345	20	3.349	10/16/2024	0
GII	07/29	3.517	280	3.531	10/16/2024	-1
GII	09/30	3.661	38	3.664	10/16/2024	0
GII	10/31	3.746	30	3.746	10/16/2024	0
GII	10/32	3.788	110	3.788	10/16/2024	0
GII	06/33	3.826	20	3.827	10/14/2024	0
GII	08/33	3.822	20	3.820	10/16/2024	0
GII	11/34	3.832	415	3.821	10/16/2024	1
GII	10/35	3.868	5	3.827	09/24/2024	4
GII	07/36	3.912	60	3.907	10/15/2024	0
GII	08/37	3.932	20	3.938	10/16/2024	-1
GII	08/43	4.087	62	4.080	10/16/2024	1
GII	05/52	4.207	80	4.202	10/16/2024	0
GII	03/54	4.211	30	4.203	10/16/2024	1
			<u>3262</u>			

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*
DanaInfra Nasional Berhad	04/29	GG	3.637	20	3.605	9/10/2024	3	15
Prasarana Malaysia Berhad	09/29	GG	3.646	200	3.653	8/10/2024	-1	11
Lembaga Pembiayaan Perumahan Sektor Awam	08/30	GG	3.727	160	3.738	20/8/2024	-1	9
DanaInfra Nasional Berhad	07/44	GG	4.125	20	4.105	4/10/2024	2	4
Toyota Capital Malaysia Sdn Berhad	12/24	AAA	3.599	10	3.621	8/10/2024	-2	38
Celcom Networks Sdn Berhad	08/27	AAA	3.764	10	3.735	8/10/2024	3	35
Cagamas Berhad	06/28	AAA	3.774	20	3.781	7/10/2024	-1	29
Johor Corporation	07/30	AAA	3.879	30	3.869	4/10/2024	1	24
Sarawak Energy Berhad	04/31	AAA	3.849	10	3.817	27/8/2024	3	10
Bank Pembangunan Malaysia Berhad	03/32	AAA	3.900	10	3.929	17/7/2024	-3	16
TNB Power Generation Sdn Berhad	06/42	AAA	4.048	10	4.051	20/9/2024	0	-3
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.096	40	4.089	30/8/2024	1	2
TNB Power Generation Sdn Berhad	03/43	AAA	4.070	10	4.050	23/9/2024	2	-1
Pengurusan Air Selangor Sdn Berhad	08/44	AAA	4.125	30	4.139	16/10/2024	-1	4
Sabah Credit Corporation	12/26	AA1	3.839	14	3.869	5/6/2024	-3	53
Genting RMTN Berhad	11/29	AA1	4.549	10	4.687	9/7/2024	-14	101
Johor Plantations Group Berhad	09/34	AA1	4.029	5	4.040	24/9/2024	-1	25
Johor Plantations Group Berhad	09/39	AA1	4.168	25	4.149	9/10/2024	2	23
Tanjung Bin Power Sdn Berhad	08/27	AA2	4.005	6	4.067	25/3/2024	-6	59
CIMB Group Holdings Berhad	09/32	AA2	3.870	10	3.850	10/9/2024	2	11
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA	3.769	10	3.747	27/8/2024	2	35
CIMB Group Holdings Berhad	11/30	AA	3.782	10	3.782	1/10/2024	0	15
BGSM Management Sdn Berhad	06/28	AA3	3.880	10	3.799	20/4/2021	8	40
Malayan Cement Berhad (fka Lafarge Malaysia B	07/29	AA3	4.027	2	3.999	27/9/2024	3	49
CIMB Thai Bank Public Company Limited	07/31	AA3	4.049	1	4.497	16/10/2024	-45	30
Tadau Energy Sdn Berhad	07/31	AA3	4.369	4	4.624	29/7/2021	-26	62
UEM Sunrise Berhad	04/25	AA-	3.709	20	3.833	16/10/2024	-12	49
UEM Sunrise Berhad	09/25	AA-	3.777	30	4.084	24/9/2024	-31	55
UEM Edgenta Berhad	04/26	AA-	3.807	2	3.791	30/8/2024	2	49
Tanjung Bin O&M Berhad	07/26	AA-	3.790	10	3.966	20/12/2023	-18	48
Johor Port Berhad	10/27	AA-	3.782	20	3.771	19/9/2024	1	37
DRB-Hicom Berhad	12/29	AA-	4.047	50	4.048	10/10/2024	0	51
DRB-Hicom Berhad	04/30	AA-	4.078	30	4.076	10/10/2024	0	44
DRB-Hicom Berhad	08/30	AA-	4.097	40	4.075	30/9/2024	2	46
Bank Islam Malaysia Berhad	10/30	A1	3.785	40	3.768	4/10/2024	2	15
WCT Holdings Berhad	04/26	A+	5.221	2	5.291	3/10/2024	-7	191
Alliance Bank Malaysia Berhad	10/30	A2	4.199	1	4.191	8/10/2024	1	56
MCIS Insurance Berhad	12/31	A2	4.100	1	4.980	16/10/2024	-88	36
Tan Chong Motor Holdings Berhad	03/25	A	5.477	1	6.766	7/10/2024	-129	225
Tan Chong Motor Holdings Berhad	06/26	A	5.404	1	4.804	24/9/2024	60	209
Bank Islam Malaysia Berhad	10/23	A3	4.265	20	4.295	15/10/2024	-3	19
WCT Holdings Berhad	09/19	A-	5.765	10	5.810	16/10/2024	-4	169
Alliance Bank Malaysia Berhad	11/17	BBB1	4.102	1	4.401	10/10/2024	-30	2
				963				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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