

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded mostly lower on Tuesday, save for the front end of the maturity spectrum, after the JOLTS report showed more than expected job openings, and factory orders for February came in higher than anticipated. Benchmark yields finished mixed by between -2 and +5 bps for the day, steepening the UST curve. **The benchmark 2yr UST yield was 2bps lower for the session at 4.69%, while the benchmark 10yr UST yield was 4bps higher for the day at 4.35%.** The focus shifts over to the ADP jobs report and the ISM Services index, both of which are due for release tonight ahead of the important monthly US employment report this Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.69	-2
5-yr UST	4.34	2
10-yr UST	4.35	4
30-yr UST	4.50	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	1	3.45	1
5-yr	3.68	1	3.61	3
7-yr	3.79	2	3.76	1
10-yr	3.87	2	3.86	1
15-yr	3.98	1	3.94	0
20-yr	4.08	1	4.11	2
30-yr	4.18	0	4.27	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	0
3-yr	3.58	2
5-yr	3.68	2
7-yr	3.78	1
10-yr	3.85	-4

Source : Bloomberg

MGS/GII

- Local govies fell in trading on Tuesday, taking cue from the broad decline in US Treasuries the night before. Secondary market volume rose for the day by 27% to RM3.99bn, compared to the RM3.14bn that changed hands on Monday. Benchmark yields closed higher by between 0 and 3bps for the day. **The benchmark 5Y MGS 4/28 saw its yield edge up 1bp to 3.68% while the benchmark 10Y MGS 11/33 was 2bps higher for the day at 3.87%.** Trading interest was led by the off-the-run MGS 6/24, while interest was also seen in the benchmark 3Y GII, 5Y MGS/GII, 10Y MGS, 20Y GII and 30Y GII, as well as in the off-the-run MGS 3/25. The market share of GII trading surged to 44% versus the 34% share seen during the previous session. Next up for the markets is the potential announcement of supply, in the form of the re-opening auction of the GII 10/31.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk markets saw activity pick up further in trading on Tuesday, with secondary market volume for the day climbing by 35% to RM835m, compared to RM620m that changed hands the prior session. Trading interest for the day was dominated by the GG segment of the market, which saw DANA 4/37 lead in trading, settling for the day at 3.98%, down 1bp from where it last traded. Interest was also seen in PRASA 3/47, which closed the day at 4.15%, lower by 3bps versus its last print. Over in the AAA space, trading interest was led by Infracap 4/28 and PSEP 2/33, which closed the day at 3.76% (unchanged versus last print) and 4.00% (-1bp) respectively. Meanwhile in the AA universe, trading interest was led by MBB 8/31 and VSCM 9/27, with the former settling at 3.76% (-6bps), while the latter closed the day at 3.95% (-9bps). In the A-rated space, interest was led by BIMB 3/30, which settled the day at 3.99%, lower by 13bps compared to where the bond 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	3.298	450	3.237	04/01/2024	6
MGS	07/24	3.251	26	3.295	04/01/2024	-4
MGS	09/24	3.243	134	3.255	04/01/2024	-1
MGS	03/25	3.303	212	3.333	04/01/2024	-3
MGS	09/25	3.402	3	3.369	04/01/2024	3
MGS	04/26	3.403	3	3.375	04/01/2024	3
MGS	07/26	3.422	51	3.395	04/01/2024	3
MGS	11/26	3.383	1	3.383	04/01/2024	0
MGS	03/27	3.531	1	3.499	03/29/2024	3
MGS	05/27	3.504	79	3.491	04/01/2024	1
MGS	11/27	3.524	106	3.506	04/01/2024	2
MGS	04/28	3.586	50	3.586	04/01/2024	0
MGS	06/28	3.613	28	3.591	04/01/2024	2
MGS	04/29	3.684	2	3.644	04/01/2024	4
MGS	08/29	3.677	216	3.667	04/01/2024	1
MGS	04/30	3.752	80	3.729	04/01/2024	2
MGS	04/31	3.792	86	3.775	04/01/2024	2
MGS	06/31	3.807	2	3.786	04/01/2024	2
MGS	07/32	3.845	110	3.830	04/01/2024	2
MGS	04/33	3.865	31	3.860	03/29/2024	1
MGS	11/33	3.872	262	3.857	04/01/2024	1
MGS	07/34	3.894	34	3.875	04/01/2024	2
MGS	05/35	3.924	8	3.910	04/01/2024	1
MGS	04/37	3.983	1	3.961	04/01/2024	2
MGS	06/38	3.977	120	3.964	04/01/2024	1
MGS	05/40	4.041	6	3.981	04/01/2024	6
MGS	10/42	4.083	43	4.073	04/01/2024	1
MGS	07/48	4.181	11	4.157	03/29/2024	2
MGS	06/50	4.198	17	4.140	04/01/2024	6
MGS	03/53	4.183	51	4.182	04/01/2024	0
GII	05/24	3.286	100	3.257	04/01/2024	3
GII	08/24	3.274	130	3.285	04/01/2024	-1
GII	10/24	3.300	15	3.161	04/01/2024	14
GII	08/25	3.362	20	3.358	03/29/2024	0
GII	10/25	3.314	2	3.334	04/01/2024	-2
GII	03/26	3.417	1	3.391	04/01/2024	3
GII	09/26	3.449	201	3.441	04/01/2024	1
GII	07/27	3.389	5	3.531	04/01/2024	-14
GII	09/27	3.520	30	3.483	04/01/2024	4
GII	07/28	3.611	233	3.584	04/01/2024	3
GII	08/28	3.619	20	3.637	02/27/2024	-2
GII	10/28	3.626	1	3.608	04/01/2024	2
GII	07/29	3.666	75	3.666	04/01/2024	0
GII	09/30	3.755	111	3.749	04/01/2024	1
GII	10/32	3.853	155	3.832	03/29/2024	2
GII	06/33	3.864	50	3.855	03/25/2024	1
GII	08/33	3.863	50	3.854	04/01/2024	1
GII	03/38	3.941	40	3.937	04/01/2024	0
GII	09/39	3.955	7	3.945	04/01/2024	1
GII	09/41	4.016	2	4.016	04/01/2024	0
GII	08/43	4.110	228	4.095	04/01/2024	2
GII	05/47	4.247	1	4.028	03/27/2024	22
GII	05/52	4.272	55	4.267	04/01/2024	0
GII	03/54	4.253	235	4.240	04/01/2024	1
			<u>3990</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*
Prasarana Malaysia Berhad	09/24	GG	3.391	40	3.423	3/10/2023	-3	6
Turus Pesawat Sdn Berhad	11/32	GG	3.900	40	3.919	20/3/2024	-2	5
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	3.948	20	3.899	25/3/2024	5	8
DanaInfra Nasional Berhad	04/37	GG	3.983	200	3.989	4/3/2024	-1	0
Prasarana Malaysia Berhad	03/45	GG	4.130	20	4.402	16/12/2021	-27	5
Prasarana Malaysia Berhad	03/47	GG	4.154	100	4.180	6/2/2024	-3	7
Lembaga Pembiayaan Perumahan Sektor Awam	03/50	GG	4.185	50	n/a	n/a	419	10
DanaInfra Nasional Berhad	10/52	GG	4.216	70	4.540	26/9/2023	-32	13
Toyota Capital Malaysia Sdn Berhad	07/25	AAA	3.773	20	3.787	20/3/2024	-1	44
Sarawak Energy Berhad	08/25	AAA	3.588	5	3.633	11/3/2024	-4	26
Infracap Resources Sdn Berhad	04/28	AAA	3.763	30	3.765	26/3/2024	0	18
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.004	30	4.016	26/3/2024	-1	16
TNB Power Generation Sdn Berhad	06/37	AAA	4.048	10	4.066	23/2/2024	-2	6
Malayan Banking Berhad	08/31	AA1	3.756	40	3.816	15/3/2024	-6	-2
Sime Darby Property Berhad	12/27	AA+	3.877	1	3.878	18/3/2024	0	29
Solarpack Suria Sungai Petani Sdn Berhad	10/24	AA2	3.930	10	n/a	n/a	393	60
RHB Bank Berhad	04/31	AA2	3.827	10	4.219	10/10/2023	-39	5
VS Capital Management Sdn Berhad	09/25	AA	3.833	10	n/a	n/a	383	50
VS Capital Management Sdn Berhad	09/27	AA	3.947	40	4.037	10/8/2023	-9	45
Affin Islamic Bank Berhad	12/26	AA3	3.915	30	3.919	12/3/2024	0	42
Affin Islamic Bank Berhad	12/27	AA3	4.049	1	3.900	1/4/2024	15	46
Malayan Cement Berhad (fka Lafarge Malaysia Bt	06/28	AA3	4.147	10	4.147	26/3/2024	0	56
AZRB Capital Sdn Berhad	12/29	AA-	5.039	10	5.470	25/10/2023	-43	131
Bank Islam Malaysia Berhad	03/30	A1	3.992	20	4.125	16/1/2024	-13	26
MNRB Holdings Berhad	03/34	A1	4.324	2	4.013	27/3/2024	31	46
WCT Holdings Berhad	04/26	A+	5.413	10	5.433	8/3/2024	-2	201
Yinson Holdings Berhad	12/26	A+	5.142	1	5.494	12/3/2024	-35	164
UiTM Solar Power Sdn Berhad	04/32	A+	5.447	6	6.459	17/1/2023	-101	163
Kenanga Investment Bank Berhad	08/30	NR(LT)	4.869	1	4.811	26/3/2024	6	114
				<u>835</u>				

* 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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