

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were stronger in trading on Thursday, amidst weaker than expected economic numbers, with the ISM manufacturing index in July unexpectedly deteriorating and jobless claims for the week jumping by more than expected. Futures markets moved to price in three full rate cuts for 2024, with 86bps of reductions priced in versus 73bps the previous day. Benchmark yields finished lower by between 3 and 11bps for the day, with the yield curve bull steepening. **The benchmark 2yr UST yield was 11bps lower for the session at 4.15%, while the benchmark 10yr UST yield closed the day 5bps lower at 3.98%.** The monthly US employment report for July takes center stage tonight, and will help to provide more clues as to the state of the US economy to kick off 3Q.

MGS/GII

- Local govies were higher again in trading on Thursday, taking cue from the overnight rally in USTs after the Fed signaled a September cut as they left policy unchanged during the FOMC meet. Secondary market volume for the day advanced by 19% to RM10.63bn compared to the RM8.93bn that traded on Wednesday, marking the third day on the trot that the market set a record trading day for the year thus far. Benchmark yields closed lower between 0 and 3bps for the day, except the benchmark 30Y GII which was skewed by a late odd lot trade. **The benchmark 5Y MGS 8/29 saw its yield decline by 2bps to 3.50% while the yield on the benchmark 10Y MGS 11/33 was also 2bps lower for the day at 3.70%.** Trading interest was led by the off-the-run GII 10/24, while interest was also seen in the benchmark 3Y GII, 5Y MGS and 10Y MGS/GII, as well as in the off-the-run GII 10/25, MGS 7/26 and GII 9/30. Trading in GIIs as a proportion of total govies trading rose to 54% versus the 41% share seen the previous session.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Thursday, with secondary market volume creeping higher by 3% to RM799m versus the RM779m that changed hands the previous day. Trading activity for the day was predominantly seen in the GG universe, where PTPTN 3/39 dominated affairs, closing the day at 3.96%, lower by 4bps versus its last print. Interest was also noted in LPPSA 4/39, which also settled at 3.96%, 2bps lower compared to where the bond last traded. Over in the AAA space, trading was led by CAGA 6/34, which closed at 3.93%, 4bps lower versus its last print. Meanwhile in the AA-rated segment, interest was led by RHB 11/28, which closed at 3.87%, 3bps higher versus where the bond last traded.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.15	-11
5-yr UST	3.84	-8
10-yr UST	3.98	-5
30-yr UST	4.28	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.35	0	3.31	-3
5-yr	3.50	-2	3.49	-1
7-yr	3.67	-1	3.65	-2
10-yr	3.70	-2	3.75	-2
15-yr	3.87	0	3.90	0
20-yr	4.03	0	4.04	-1
30-yr	4.14	0	4.07	-10

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.45	-2
3-yr	3.41	-2
5-yr	3.45	-3
7-yr	3.53	-3
10-yr	3.63	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.096	163	3.112	07/31/2024	-2
MGS	03/25	3.151	29	3.168	07/31/2024	-2
MGS	09/25	3.150	61	3.192	07/31/2024	-4
MGS	04/26	3.265	10	3.257	07/31/2024	1
MGS	07/26	3.235	561	3.284	07/31/2024	-5
MGS	11/26	3.230	112	3.254	07/31/2024	-2
MGS	03/27	3.368	1	3.367	07/31/2024	0
MGS	05/27	3.351	248	3.351	07/31/2024	0
MGS	11/27	3.369	156	3.394	07/31/2024	-2
MGS	04/28	3.409	120	3.431	07/31/2024	-2
MGS	06/28	3.439	133	3.490	07/31/2024	-5
MGS	04/29	3.561	1	3.547	07/31/2024	1
MGS	08/29	3.501	967	3.515	07/31/2024	-1
MGS	04/30	3.606	242	3.613	07/31/2024	-1
MGS	04/31	3.668	398	3.676	07/31/2024	-1
MGS	06/31	3.686	1	3.678	07/31/2024	1
MGS	07/32	3.728	126	3.758	07/31/2024	-3
MGS	04/33	3.757	32	3.759	07/31/2024	0
MGS	11/33	3.695	652	3.716	07/31/2024	-2
MGS	07/34	3.722	189	3.708	07/31/2024	1
MGS	05/35	3.813	159	3.819	07/31/2024	-1
MGS	04/37	3.881	30	3.891	07/31/2024	-1
MGS	06/38	3.907	159	3.912	07/31/2024	0
MGS	04/39	3.867	120	3.866	07/31/2024	0
MGS	05/40	3.944	54	3.951	07/31/2024	-1
MGS	10/42	4.013	22	4.017	07/31/2024	0
MGS	09/43	4.040	39	4.051	07/31/2024	-1
MGS	05/44	4.025	64	4.025	07/31/2024	0
MGS	03/46	4.077	18	4.104	07/31/2024	-3
MGS	07/48	4.114	14	4.133	07/31/2024	-2
MGS	06/50	4.126	22	4.144	07/31/2024	-2
MGS	03/53	4.136	21	4.139	07/31/2024	0
GII	08/24	3.075	90	3.102	07/30/2024	-3
GII	10/24	3.102	1381	3.074	07/31/2024	3
GII	08/25	3.249	11	3.227	07/31/2024	2
GII	10/25	3.238	521	3.190	07/31/2024	5
GII	09/26	3.307	592	3.338	07/31/2024	-3
GII	09/27	3.379	51	3.411	07/31/2024	-3
GII	07/28	3.487	240	3.498	07/31/2024	-1
GII	07/29	3.523	162	3.540	07/31/2024	-2
GII	09/30	3.646	550	3.668	07/31/2024	-2
GII	10/30	3.659	180	3.672	07/31/2024	-1
GII	10/31	3.679	60	3.693	07/31/2024	-1
GII	10/32	3.733	183	3.770	07/31/2024	-4
GII	06/33	3.742	30	3.768	07/31/2024	-3
GII	08/33	3.752	320	3.769	07/31/2024	-2
GII	11/34	3.719	508	3.731	07/31/2024	-1
GII	07/36	3.851	96	3.857	07/31/2024	-1
GII	08/37	3.886	10	3.887	07/31/2024	0
GII	09/39	3.896	390	3.901	07/31/2024	0
GII	08/43	4.037	130	4.048	07/31/2024	-1
GII	11/49	4.165	22	4.171	07/31/2024	-1
GII	05/52	4.187	120	4.196	07/31/2024	-1
GII	03/54	4.070	56	4.170	07/31/2024	-10
			10627			

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*
PR1MA Corporation Malaysia	07/27	GG	3.561	10	3.646	22/3/2024	-9	20
DanaInfra Nasional Berhad	02/33	GG	3.788	10	3.898	3/7/2024	-11	8
DanaInfra Nasional Berhad	04/37	GG	3.901	60	3.949	18/7/2024	-5	3
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	3.951	10	4.018	22/7/2024	-7	8
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	3.959	300	4.000	26/7/2024	-4	9
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	3.958	120	3.981	30/7/2024	-2	9
DanaInfra Nasional Berhad	08/42	GG	4.059	10	4.135	12/6/2024	-8	3
Toyota Capital Malaysia Sdn Berhad	10/24	AAA	3.692	10	3.721	31/5/2024	-3	49
DiGi Telecommunications Sdn Berhad	06/29	AAA	3.728	10	3.748	31/7/2024	-2	22
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	3.847	7	3.862	24/7/2024	-2	34
Pengurusan Air SPV Berhad	01/30	AAA	3.843	5	3.869	31/7/2024	-3	24
Cagamas Berhad	06/34	AAA	3.930	80	3.966	29/7/2024	-4	22
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.000	10	4.029	23/7/2024	-3	13
TNB Power Generation Sdn Berhad	06/42	AAA	4.024	30	4.160	12/7/2024	-14	0
RHB Bank Berhad	11/28	AA1	3.867	25	3.841	30/7/2024	3	42
Imtiaz Sukuk II Berhad	10/28	AA2	3.868	20	3.887	30/7/2024	-2	42
RHB Bank Berhad	11/30	AA2	3.712	10	3.706	29/7/2024	1	11
PONSB Capital Berhad	05/31	AA2	3.899	10	4.043	31/7/2024	-14	24
Fortune Premiere Sdn Berhad	09/26	AA	3.943	10	3.993	26/7/2024	-5	66
Perbadanan Kemajuan Negeri Selangor	05/25	AA3	3.836	10	4.010	23/4/2024	-17	63
RP Hydro (Kelantan) Sdn Berhad	01/32	AA3	4.788	5	4.811	31/7/2024	-2	112
RP Hydro (Kelantan) Sdn Berhad	07/32	AA3	4.828	5	4.851	31/7/2024	-2	113
Jimah East Power Sdn Berhad	12/24	AA-	3.846	10	3.948	13/3/2024	-10	64
Malakoff Power Berhad	12/25	AA-	4.207	10	4.325	19/1/2024	-12	100
Penang Port Sdn Berhad	12/26	AA-	3.790	10	3.826	16/7/2024	-4	51
Yinson Holdings Berhad	12/26	A+	5.033	1	4.991	5/7/2024	4	175
DRB-Hicom Berhad	12/29	A+	4.778	1	4.798	23/5/2024	-2	127
Alliance Bank Malaysia Berhad	10/35	A2	4.298	1	4.326	29/7/2024	-3	59
Tropicana Corporation Berhad	04/28	A	7.333	1	7.849	17/7/2024	-52	388
				799				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Kuwait Finance House (Malaysia) Berhad	Financial institution (FI) ratings	AA+/MARC-1	Placed on MARCWatch Developing

Source: RAM, MARC

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