

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied in trading on Wednesday, amidst the FOMC leaving rates on hold in their policy meet but signaling that a cut could come as soon as September. Heightened geopolitical tensions in the Middle East added to the bid tone of the market. Futures markets signaled a total of 73bps of cuts for the year versus the 69bps of cuts priced in for 2024 the day before. Benchmark yields finished lower by between 9 and 12bps for the day. **The benchmark 2yr UST yield was 10bps lower for the session at 4.26%, while the benchmark 10yr UST yield closed the day 11bps lower at 4.03%.** The focus shifts over to the ISM manufacturing index for July scheduled for release later tonight, which will provide more information on how the US economy kicked off 3Q, ahead of the monthly US employment report on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.26	-10
5-yr UST	3.91	-12
10-yr UST	4.03	-11
30-yr UST	4.30	-9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.35	-5	3.34	-1
5-yr	3.52	-2	3.50	-1
7-yr	3.68	-1	3.67	0
10-yr	3.72	-2	3.77	-1
15-yr	3.87	-1	3.90	-1
20-yr	4.03	-1	4.05	-1
30-yr	4.14	-1	4.17	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.48	0
3-yr	3.43	-2
5-yr	3.49	-1
7-yr	3.56	-4
10-yr	3.66	-4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govovies rallied further in trading on Wednesday, with the market setting yet another record trading day for the year, ahead of a key FOMC meeting later in the day. Secondary market volume for the day climbed by 5% to RM8.93bn compared to the RM8.54bn that changed hands the day before. Benchmark yields closed lower between 0 and 5bps for the day. **The benchmark 5Y MGS 8/29 saw its yield decline by 2bps to 3.52% while the yield on the benchmark 10Y MGS 11/33 was also 2bps lower for the day at 3.72%.** Trading interest was again led by the benchmark 10Y MGS, while interest was also seen in the benchmark 3Y MGS, 7Y MGS, 10Y GII and 15Y GII, as well as in the off-the-run MGS 9/24, GII 10/32 and MGS 7/34. Trading in GIIs as a proportion of total govovies trading declined to 41% versus the 46% share seen on Tuesday. Domestically, the S&P Global Malaysia manufacturing PMI for July is due today, and should help provide some clues as to how the economy started off 3Q.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Wednesday, with secondary market volume inching lower by 2% to RM779m versus the RM792m that traded on Tuesday. Trading activity for the day was spread across the GG, AAA and AA-rated segments. In the GG universe, DANA 4/40 led trading, closing the day at 3.98%, lower by 8bps versus its last print. Over in the AAA space, trading was led by CIMBI 3/31, which settled the day at 3.90%, 5bps lower compared to where it last traded. Meanwhile in the AA territory, interest was led by UMW 11/26, which closed at 3.77%, 6bps lower versus where the bond last traded. Over in the A-rated space, action was seen in MBSB 12/31, which settled the day at 4.10%, 5bps lower compared to its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	
MGS	09/24	3.112	451	3.067	07/30/2024	4
MGS	03/25	3.168	39	3.169	07/30/2024	0
MGS	09/25	3.192	78	3.185	07/30/2024	1
MGS	04/26	3.257	3	3.275	07/30/2024	-2
MGS	07/26	3.284	132	3.287	07/30/2024	0
MGS	11/26	3.254	123	3.247	07/30/2024	1
MGS	03/27	3.367	1	3.470	07/16/2024	-10
MGS	05/27	3.351	467	3.404	07/30/2024	-5
MGS	11/27	3.394	161	3.425	07/30/2024	-3
MGS	04/28	3.431	121	3.431	07/30/2024	0
MGS	06/28	3.490	157	3.509	07/30/2024	-2
MGS	04/29	3.547	84	3.566	07/30/2024	-2
MGS	08/29	3.515	162	3.535	07/30/2024	-2
MGS	04/30	3.613	121	3.636	07/30/2024	-2
MGS	04/31	3.676	561	3.684	07/30/2024	-1
MGS	06/31	3.678	96	3.703	07/30/2024	-2
MGS	04/32	3.747	5	3.787	07/25/2024	-4
MGS	07/32	3.728	238	3.787	07/30/2024	-6
MGS	04/33	3.759	89	3.776	07/30/2024	-2
MGS	11/33	3.716	1062	3.740	07/30/2024	-2
MGS	07/34	3.708	470	3.737	07/30/2024	-3
MGS	05/35	3.819	53	3.826	07/29/2024	-1
MGS	04/37	3.891	50	3.894	07/30/2024	0
MGS	06/38	3.912	74	3.926	07/30/2024	-1
MGS	04/39	3.866	85	3.874	07/30/2024	-1
MGS	05/40	3.951	135	3.989	07/30/2024	-4
MGS	10/42	4.017	83	4.010	07/30/2024	1
MGS	09/43	4.051	40	4.065	07/30/2024	-1
MGS	05/44	4.025	6	4.032	07/30/2024	-1
MGS	03/46	4.104	46	4.119	07/30/2024	-1
MGS	07/48	4.133	2	4.136	07/30/2024	0
MGS	06/50	4.144	35	4.090	07/30/2024	5
MGS	03/53	4.139	13	4.151	07/30/2024	-1
GII	10/24	3.074	280	3.130	07/30/2024	-6
GII	08/25	3.227	37	3.220	07/16/2024	1
GII	10/25	3.190	25	3.262	07/30/2024	-7
GII	03/26	3.325	30	3.352	07/24/2024	-3
GII	09/26	3.338	300	3.344	07/30/2024	-1
GII	07/27	3.411	3	3.406	07/29/2024	0
GII	09/27	3.411	90	3.444	07/26/2024	-3
GII	07/28	3.498	137	3.504	07/30/2024	-1
GII	10/28	3.514	52	3.524	07/30/2024	-1
GII	07/29	3.540	80	3.557	07/30/2024	-2
GII	09/30	3.668	171	3.670	07/30/2024	0
GII	10/30	3.672	155	3.670	07/30/2024	0
GII	10/31	3.693	150	3.711	07/30/2024	-2
GII	10/32	3.770	370	3.770	07/30/2024	0
GII	06/33	3.768	70	3.785	07/30/2024	-2
GII	08/33	3.769	190	3.784	07/30/2024	-1
GII	11/34	3.731	447	3.742	07/30/2024	-1
GII	07/36	3.857	62	3.872	07/30/2024	-1
GII	08/37	3.887	40	3.901	07/30/2024	-1
GII	03/38	3.892	20	3.901	07/30/2024	-1
GII	09/39	3.901	538	3.913	07/30/2024	-1
GII	09/41	3.905	7	4.021	07/30/2024	-12
GII	08/43	4.048	271	4.059	07/30/2024	-1
GII	05/47	4.113	20	4.118	07/30/2024	0
GII	11/49	4.171	75	4.180	07/30/2024	-1
GII	05/52	4.196	41	4.198	07/30/2024	0
GII	03/54	4.170	20	4.173	07/30/2024	0
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