

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries remained under selling pressure for a fourth straight trading day led by the front end, first taking cue from the spike in UK gilt yields triggered by higher than expected inflation readings in the UK, and subsequently the latest FOMC minutes which reaffirmed the Fed's higher for longer policy stance. The curve flattened out as the rate-sensitive 2-year UST yield rose 4bps to 4.87% while the 10s saw a modest increase of just 1bp to 4.42%. The ultralong end saw 30-year bond yields dipping 1bp to 4.54% while the 20-year inched less than a bp (0.4bps) lower to 4.65%. The US\$16bn 20-year bond sale received solid demand with a BTC of 2.51x (prior 2.82x) at a high yield of 4.635% (prior 4.818%). Up next will be reopening sale of US\$16bn 10-year TIPS, Fed speaks, as well as initial jobless claims, new home sales and May PMIs on the data front.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.87	4
5-yr UST	4.46	3
10-yr UST	4.42	1
30-yr UST	4.54	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.55	1	3.52	1
5-yr	3.68	-2	3.63	-6
7-yr	3.80	-2	3.77	3
10-yr	3.88	1	3.88	1
15-yr	4.02	1	4.02	2
20-yr	4.14	0	4.12	0
30-yr	4.22	0	4.24	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	-1
3-yr	3.59	-3
5-yr	3.69	-2
7-yr	3.78	-1
10-yr	3.90	-1

Source : Bloomberg

MGS/GII

- Local govies continued to trade on a mixed note on Tuesday with trading activities picked up steam from Monday's lull. Secondary market volume more than doubled to RM3.23bn on Tuesday (Monday: RM1.48bn), despite ahead of Wesak Day holiday on Wednesday. The bulk of the interests concentrated on the 15-year GII 9/39, which attracted strong interest in its reopening sale (BTC of 3.02x) at an average yield of 4.02%. This significantly boosted GII share of overall govies trading to 40% (prior: 22%). Trading was also dominated by off the run MGS 6/24 and MGS 3/25, which collectively accounted for 41% of total MGS/GII trade during the day. Benchmark yields closed mixed between -6 and +3 bps for the day. **The benchmark 5Y MGS 8/29 was little changed for the session at 3.68% while the benchmark 10Y MGS 11/33 inched up 1bp to 3.88%.** BNM foreign reserves data will be on the cards today, followed by April CPI tomorrow where we expect a slight pick-up to 1.9% y/y. PM Anwar's speech confirmed diesel subsidy will be removed in Peninsular Malaysia, but stopped short of offering a definite timeline and details.

Corp Bonds/Sukuk

- Tracking trading in the govies space, Corporate Bonds/Sukuk markets also saw a pick-up in trading in secondary market to RM708m on Tuesday (prior: RM673m). Overall trades were seen concentrated on the GG-AAA rated space, collectively made up of 83% of total trades of corporate bonds/ sukuk during the day. Government-guaranteed PRASA '25 topped the list with RM105m dealt flat at 3.44%, closely followed by Pengurusan Air SPV '29 (RM100m) which traded 10bps lower at 3.77%. In the AAA-rated segment, various issuances of CAGA from '25 to '28 took center stage, last traded between 3.62-3.77% (down 2-35bps). AAA-rated Petroleum Sarawak made its debut at 3.93% with RM15m transacted.

Upcoming Government Bond Tender

Nil

## Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 06/24	3.17	615	3.21	05/20/2024	-5
MGS 03/25	3.31	717	3.31	05/20/2024	0
MGS 07/25	3.13	14	3.63	04/29/2024	-51
MGS 09/25	3.40	0	3.39	05/20/2024	1
MGS 04/26	3.47	10	3.44	05/15/2024	3
MGS 07/26	3.51	1	3.52	05/20/2024	-2
MGS 09/26	3.49	7	3.42	03/04/2024	7
MGS 11/26	3.53	11	3.51	05/15/2024	1
MGS 03/27	3.55	4	3.54	05/17/2024	1
MGS 05/27	3.55	23	3.54	05/17/2024	1
MGS 11/27	3.61	21	3.59	05/20/2024	2
MGS 04/28	3.64	52	3.66	05/20/2024	-2
MGS 06/28	3.67	63	3.66	05/20/2024	1
MGS 04/29	3.69	0	3.70	05/17/2024	-1
MGS 08/29	3.68	59	3.68	05/20/2024	0
MGS 04/30	3.77	30	3.75	05/20/2024	2
MGS 04/31	3.80	33	3.81	05/20/2024	-2
MGS 06/31	3.83	11	3.83	05/20/2024	-1
MGS 04/32	3.86	1	3.88	05/14/2024	-2
MGS 07/32	3.86	2	3.85	05/20/2024	1
MGS 04/33	3.87	1	3.88	05/17/2024	-1
MGS 11/33	3.88	173	3.87	05/20/2024	1
MGS 07/34	3.87	8	3.88	05/20/2024	0
MGS 05/35	3.94	0	3.97	05/17/2024	-3
MGS 04/37	4.02	11	4.02	05/17/2024	0
MGS 06/38	4.01	21	3.98	05/20/2024	3
MGS 04/39	4.02	30	4.00	05/17/2024	1
MGS 05/40	4.07	3	4.07	05/17/2024	0
MGS 10/42	4.10	1	4.10	05/20/2024	0
MGS 09/43	4.12	2	4.03	05/20/2024	9
MGS 03/46	4.05	0	4.19	05/16/2024	-14
MGS 07/48	4.21	1	4.21	05/20/2024	0
MGS 06/50	4.22	3	4.19	05/20/2024	3
MGS 03/53	4.22	10	4.22	05/20/2024	0
GII 08/24	3.25	20	3.29	05/17/2024	-3
GII 10/24	3.26	0	3.26	05/20/2024	0
GII 08/25	3.39	1	3.43	05/20/2024	-4
GII 10/25	3.40	7	3.41	05/20/2024	-1
GII 03/26	3.47	5	3.51	05/20/2024	-4
GII 09/26	3.52	52	3.51	05/17/2024	1
GII 07/27	3.58	0	3.55	05/20/2024	3
GII 09/27	3.57	4	3.56	05/16/2024	1
GII 07/28	3.63	13	3.69	05/20/2024	-6
GII 10/28	3.68	40	3.70	05/17/2024	-3
GII 12/28	3.69	1	3.77	04/26/2024	-8
GII 07/29	3.67	1	3.71	05/20/2024	-4
GII 09/30	3.77	191	3.74	05/16/2024	3
GII 10/30	3.78	2	3.77	05/20/2024	1
GII 10/31	3.77	6	3.77	05/16/2024	0
GII 10/32	3.86	1	3.88	05/20/2024	-1
GII 08/33	3.88	22	3.87	05/17/2024	1
GII 11/34	3.88	2	3.91	05/15/2024	-3
GII 10/35	3.97	2	3.97	05/20/2024	0
GII 07/36	3.96	2	3.94	05/17/2024	3
GII 08/37	4.04	20	4.07	05/13/2024	-3
GII 03/38	3.95	1	3.99	05/17/2024	-4
GII 09/39	4.02	857	4.01	05/20/2024	2
GII 09/41	4.05	32	3.93	05/20/2024	12
GII 08/43	4.12	1	4.12	05/20/2024	0
GII 05/47	4.19	1	4.08	05/20/2024	11
GII 11/49	4.23	0	4.27	05/20/2024	-4
GII 05/52	4.24	2	4.25	05/17/2024	-1
GII 03/54	4.24	2	4.24	05/17/2024	1
		<u>3227</u>			

## Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Bank Pembangunan Malaysia Berhad	09/24	GG	3.41	5	3.36	02/05/2024	5	-19
Prasarana Malaysia Berhad	03/25	GG	3.44	105	3.43	05/17/2024	0	-17
DanaInfra Nasional Berhad	11/25	GG	3.46	10	3.49	04/24/2024	-3	-14
Perbadanan Tabung Pendidikan Tinggi Nasional	02/28	GG	3.72	20	3.68	01/19/2024	4	8
Perbadanan Tabung Pendidikan Tinggi Nasional	05/28	GG	3.72	20	3.88	11/03/2023	-16	8
Pengurusan Air SPV Berhad	02/29	GG	3.77	100	3.87	04/29/2024	-10	8
DanaInfra Nasional Berhad	02/29	GG	3.77	25	3.61	03/22/2024	16	8
Lembaga Pembiayaan Perumahan Sektor Awam	04/33	GG	3.90	50	3.91	05/14/2024	-1	-1
Cagamas Berhad	08/25	AAA	3.62	30	3.97	03/03/2023	-35	2
Cagamas Berhad	06/26	AAA	3.66	5	3.71	03/14/2024	-6	6
Cagamas Berhad	08/26	AAA	3.67	45	3.71	03/14/2024	-4	7
Cagamas Berhad	08/26	AAA	3.67	10	3.71	03/14/2024	-3	7
Cagamas Berhad	10/26	AAA	3.66	10	3.73	04/24/2024	-7	6
Cagamas Berhad	12/27	AAA	3.75	25	3.79	01/17/2024	-4	11
Pengurusan Air SPV Berhad	04/28	AAA	3.87	10			387	22
Pengurusan Air SPV Berhad	04/28	AAA	3.88	5	3.88	01/23/2024	0	23
Cagamas Berhad	08/28	AAA	3.77	20	3.79	03/14/2024	-2	13
Petroleum Sarawak Exploration & Production Sdn Bhd	05/29	AAA	3.93	15	-	-	-	24
Danga Capital Berhad	01/33	AAA	4.03	10	4.05	05/16/2024	-2	12
Sarawak Petchem Sdn Berhad	07/33	AAA	4.02	30	4.05	05/10/2024	-4	11
Pengurusan Air SPV Berhad	02/34	AAA	4.03	10	4.05	05/17/2024	-2	-8
TNB Power Generation Sdn Berhad	03/43	AAA	4.22	30	4.22	05/15/2024	0	10
YTL Corporation Berhad	04/31	AA1	4.05	50	4.08	05/16/2024	-3	26
YTL Power International Berhad	08/38	AA1	4.14	10	4.17	05/17/2024	-3	13
Bumitama Agri Ltd	07/26	AA2	3.86	20	3.88	04/22/2024	-3	26
SP Setia Berhad	06/28	AA	3.96	14	4.04	02/06/2024	-8	32
Perbadanan Kemajuan Negeri Selangor	01/32	AA3	4.33	5	4.52	02/29/2024	-19	49
AmBank (M) Berhad	10/32	AA3	4.05	1	4.05	04/25/2024	0	21
Edra Energy Sdn Berhad	07/35	AA3	4.21	10	4.21	05/17/2024	0	10
IJM Treasury Management Sdn Berhad	03/39	AA3	4.29	5			429	28
Alliance Bank Malaysia Berhad	10/30	A2	4.59	1	4.59	05/03/2024	0	86
Tropicana Corporation Berhad	04/26	A	10.28	1	10.28	05/20/2024	1	668
Affin Bank Berhad	06/18	A3	4.90	0	5.16	05/02/2024	-25	78
Tropicana Corporation Berhad	09/19	A-	13.53	1	13.14	05/08/2024	39	940
WCT Holdings Berhad	09/19	A-	6.16	1	6.18	05/16/2024	-2	204
LBS Bina Group Bhd	03/20	-	5.40	1	5.89	05/03/2024	-50	128
				<u>708</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
AFFIN Bank Berhad	Financial institution ratings	AA3/Stable/P1	Affirmed

Source: RAM, MARC

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