

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries came under massive selling pressure as markets shrugged off the hurricane- and strike-distorted nonfarm job gains, and remained fixated on US election and fiscal (deficits/ debt ceiling/ refunding) jitters. The US added a mere 12k jobs in October and saw a sharp 2-month net revision of -112k, but unemployment rate was steady at 4.1% and wage growth picked up to +0.4% m/m (Sept: +0.3% m/m), suggesting underlying health in the labour market. Another release also showed ISM manufacturing unexpectedly pulled back to 46.5 in October (Sept: 47.2), contrary to a bigger than initially estimated uptick in the PMI gauge to 48.5 (Sept: 47.3), both showing extended contractions in manufacturing activities nonetheless. The UST curve bear steepened as yields jumped 4-10bps led by the long end. The benchmark 2Y note yields rose 4bps to 4.21% while the 10Y bond yields jumped 10bps to 4.38%. Moving forward, the US elections and FOMC policy meeting aside, the UST markets will also see the auctions of \$58bn 3Y notes, \$42bn of 10Y notes, and \$25bn of 30Y notes this week, to kickstart the November quarterly refunding, in a relatively lighter data docket.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.21	4
5-yr UST	4.23	7
10-yr UST	4.38	10
30-yr UST	4.58	10

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.54	1	3.46	0
5-yr	3.68	2	3.66	-2
7-yr	3.90	0	3.91	-1
10-yr	3.92	0	3.93	0
15-yr	3.97	-6	4.01	0
20-yr	4.14	1	4.15	-2
30-yr	4.22	-2	4.22	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	1
3-yr	3.53	1
5-yr	3.59	2
7-yr	3.68	2
10-yr	3.78	2

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

### MGS/GII

- Trading in local govies remained mixed upon market reopening on Friday. Nervousness ahead of US presidential election and nonfarm payroll data release in the US continued to keep investors on their toes. Overall benchmark yields closed mixed between -6 to +2bps (prior -2 to +4bps save for the 13bps jump in benchmark 20Y GII). **The benchmark 5Y MGS 8/29 yields rose 2bps for the day to 3.68% while the yield on the benchmark 10Y MGS 7/34 settled little changed at 3.92%.** Secondary market volume picked up steam for a 2<sup>nd</sup> straight trading day to RM3.83bn (prior RM2.70bn), of which GII trade accounted for 27% (prior 38%) of the overall volume done on Friday. Papers that drew substantial trading interests include benchmark 3Y MGS 5/27, 10Y MGS 5/44, 7Y GII 10.31 and 20Y GII 8/43, and off the run MGS 3/25. Markets will take cue from UST and more political noises in the last leg up to US presidential election tomorrow, followed by its outcome and BNM OPR decision on Wednesday, and further out, FOMC meeting on Friday.

### Corp Bonds/Sukuk

- Trading activities in the corporate bond/sukuk market softened considerably, with secondary market volume pulling back to a mere RM192m on Friday (prior RM661m). Out of the 11 names traded, more than half were from the AA-rated segment. However, by volume, maiden trade of AAA-rated CAGA '11/29 topped the list, seeing RM130m changed hands at 3.89%. In the AA-rated segment, UEMSunrise '12/24 attracted RM20m trades, last dealt at 3.57% (-5bps). We also noticed interests in the financial space, namely UOBM '10/32, AEON '4/29, Bank Islam '7/31 and Affin Bank '7/32 which saw combined RM16m transacted. No GG papers were traded on Friday.

## Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.13	669	3.17	10/30/2024	-4
MGS 09/25	3.34	63	3.30	10/30/2024	4
MGS 04/26	3.39	58	3.39	10/30/2024	-1
MGS 07/26	3.44	51	3.41	10/30/2024	3
MGS 11/26	3.44	18	3.43	10/30/2024	2
MGS 03/27	3.51	3	3.51	10/28/2024	0
MGS 05/27	3.54	310	3.53	10/30/2024	1
MGS 11/27	3.58	222	3.55	10/30/2024	4
MGS 04/28	3.61	10	3.61	10/30/2024	0
MGS 06/28	3.64	18	3.61	10/30/2024	3
MGS 04/29	3.65	28	3.66	10/30/2024	-1
MGS 08/29	3.68	85	3.67	10/30/2024	2
MGS 04/30	3.74	116	3.74	10/30/2024	0
MGS 04/31	3.90	113	3.90	10/30/2024	0
MGS 06/31	3.91	32	3.89	10/30/2024	2
MGS 07/32	3.92	83	3.92	10/30/2024	0
MGS 04/33	3.96	34	3.96	10/30/2024	0
MGS 11/33	3.98	81	3.97	10/30/2024	1
MGS 07/34	3.92	187	3.92	10/30/2024	0
MGS 05/35	3.95	30	3.95	10/30/2024	0
MGS 04/37	4.03	106	4.03	10/30/2024	0
MGS 06/38	4.03	4	4.03	10/30/2024	0
MGS 04/39	3.97	122	4.03	10/30/2024	-6
MGS 05/40	4.07	5	4.07	10/30/2024	0
MGS 10/42	4.11	22	4.10	10/30/2024	1
MGS 09/43	4.12	7	4.13	10/29/2024	-1
MGS 05/44	4.14	259	4.13	10/30/2024	1
MGS 03/46	4.18	6	4.17	10/30/2024	0
MGS 07/48	4.20	3	4.20	10/30/2024	0
MGS 06/50	4.09	15	4.22	10/30/2024	-13
MGS 03/53	4.22	26	4.24	10/30/2024	-2
GII 08/25	3.27	0	3.30	10/30/2024	-2
GII 10/25	3.31	8	3.27	10/30/2024	4
GII 03/26	3.39	2	3.39	10/30/2024	1
GII 09/26	3.45	5	3.45	10/30/2024	0
GII 09/27	3.53	7	3.53	10/30/2024	0
GII 07/28	3.64	5	3.58	10/25/2024	6
GII 10/28	3.63	5	3.64	10/30/2024	-1
GII 07/29	3.66	51	3.68	10/30/2024	-2
GII 09/30	3.75	24	3.75	10/30/2024	0
GII 10/30	3.77	9	3.75	10/29/2024	2
GII 10/31	3.91	558	3.91	10/30/2024	-1
GII 10/32	3.93	50	3.95	10/30/2024	-2
GII 08/33	3.96	74	3.97	10/30/2024	-1
GII 11/34	3.93	105	3.93	10/30/2024	0
GII 07/36	4.00	2	3.99	10/30/2024	1
GII 03/38	3.99	0	4.03	10/30/2024	-4
GII 09/39	4.01	2	4.01	10/30/2024	0
GII 09/41	4.10	4	4.14	10/30/2024	-4
GII 08/43	4.15	112	4.17	10/30/2024	-2
GII 05/52	4.23	1	4.24	10/29/2024	-1
GII 03/54	4.22	17	4.22	10/30/2024	0
		<u>3825</u>			

**Daily Trades: Corp Bonds/ Sukuk**

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)	Spread Against MGS*	
Toyota Capital Malaysia Sdn Berhad	12/24	AAA	3.60	10	3.60	10/17/2024	0	32
Cagamas Berhad	11/29	AAA	3.89	130	3.89	11/01/2024	0	22
Johor Corporation	07/38	AAA	4.13	5	4.15	10/30/2024	-2	11
United Overseas Bank (Malaysia) Berhad	10/32	AA1	3.48	0	4.01	10/30/2024	-53	-44
Edra Solar Sdn Berhad	10/26	AA2	3.89	10	4.84	11/02/2022	-94	48
AEON Credit Service (M) Berhad	04/29	AA3	4.05	5	3.92	10/04/2024	13	45
Tanjung Bin Energy Sdn Berhad	05/30	AA3	4.89	1	5.58	07/31/2023	-69	112
Bank Islam Malaysia Berhad	07/31	AA3	4.06	10	3.91	10/04/2024	15	16
UEM Sunrise Berhad	12/24	AA-	3.57	20	3.63	10/02/2024	-5	28
Affin Bank Berhad	07/32	A1	4.41	1	4.43	10/29/2024	-2	49
SUNReit Perpetual Bond Berhad	04/19	A1	4.43	0	4.30	10/29/2024	13	28
				<u>192</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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