

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied in trading on Tuesday, after the geopolitical tensions in the Middle East ramped up overnight, overshadowing the positive labour market data in the form of a higher than expected JOLTS jobs openings number. Benchmark yields closed lower by between 5 and 8 bps for the day, with the UST curve flattening slightly. **The benchmark 2yr UST yield was 5bps lower for the session at 3.59%, while the benchmark 10yr UST yield declined by 7bps for the day to 3.71%.** More labour data is in store tonight in the run up to this Friday's monthly jobs report, with the ADP survey scheduled for release. The Fed's Hammack, Musalem and Bowman are also all due to speak, but the focus of the markets is likely to be on what happens in the Middle East and whether or not there is a further rise in the geopolitical temperature there.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.59	-5
5-yr UST	3.48	-8
10-yr UST	3.71	-7
30-yr UST	4.05	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.33	0	3.31	0
5-yr	3.50	0	3.47	0
7-yr	3.69	1	3.69	0
10-yr	3.72	1	3.75	0
15-yr	3.89	1	3.91	1
20-yr	4.04	0	4.08	3
30-yr	4.18	0	4.20	17

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	0
3-yr	3.42	2
5-yr	3.46	2
7-yr	3.56	3
10-yr	3.65	3

Source : Bloomberg

MGS/GII

- Local govovies were better offered in trading on Tuesday, amidst the S&P Global Malaysian Manufacturing PMI reading for September deteriorating slightly from the month before. Secondary market volume fell by 25% to RM5.31bn versus the RM7.12bn that traded on Monday. Benchmark yields closed higher between 0 and 3bps for the day, except for the benchmark 30Y GII which was correcting from a late odd-lot trade the day before. **The benchmark 5Y MGS 8/29 saw its yield little changed for the day at 3.50% while the yield on the benchmark 10Y MGS 7/34 was 1bp higher for the session at 3.72%.** Trading interest was led by the benchmark 5Y MGS, while interest was also seen in benchmark 3Y GII and 7Y MGS/GII, as well as in the off-the-run GII 10/24, MGS 3/25, MGS 9/25, GII 10/32 and MGS 6/38. Trading in GIIs as a proportion of total govovies trading climbed to 42% versus the 22% share seen the day before. There are no domestic economic releases scheduled for the day ahead.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Tuesday, with secondary market volume for the day rising by 7% to RM414m versus the RM388m that changed hands on Monday. Trading for the day was led by the AAA and AA-rated segments. In the GG universe, activity was dominated by GOVCO 2/32, which closed at 3.85%, 3bps lower versus where it last traded. Over in the AAA space, interest was led by MERCEDES 8/26 and PSEP 5/29, which settled the day at 3.75% and 3.80% respectively, both little changed from where the bonds last printed. Meanwhile in the AA-rated universe, activity was led by DRBH 8/31 which settled for the day at 4.12%, 8bps lower compared to where it last traded.

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	03/25	3.088	403	3.088	09/30/2024	0
MGS	09/25	3.219	381	3.189	09/30/2024	3
MGS	04/26	3.277	145	3.269	09/30/2024	1
MGS	07/26	3.264	33	3.265	09/30/2024	0
MGS	11/26	3.284	61	3.255	09/30/2024	3
MGS	05/27	3.332	87	3.334	09/30/2024	0
MGS	11/27	3.387	19	3.384	09/30/2024	0
MGS	04/28	3.437	115	3.449	09/30/2024	-1
MGS	06/28	3.448	29	3.451	09/30/2024	0
MGS	09/28	3.479	6	4.975	09/24/2024	-150
MGS	04/29	3.495	70	3.505	09/30/2024	-1
MGS	08/29	3.499	493	3.501	09/30/2024	0
MGS	04/30	3.584	50	3.590	09/30/2024	-1
MGS	04/31	3.690	456	3.684	09/30/2024	1
MGS	06/31	3.694	5	3.691	09/30/2024	0
MGS	07/32	3.728	2	3.735	09/30/2024	-1
MGS	04/33	3.758	8	3.748	09/30/2024	1
MGS	11/33	3.766	6	3.749	09/30/2024	2
MGS	07/34	3.720	97	3.707	09/30/2024	1
MGS	05/35	3.799	57	3.785	09/30/2024	1
MGS	04/37	3.883	6	3.884	09/30/2024	0
MGS	06/38	3.918	251	3.909	09/30/2024	1
MGS	04/39	3.891	118	3.877	09/30/2024	1
MGS	05/40	3.964	13	3.955	09/30/2024	1
MGS	10/42	4.025	3	4.017	09/30/2024	1
MGS	09/43	4.025	9	4.045	09/30/2024	-2
MGS	07/48	4.124	7	4.127	09/30/2024	0
MGS	06/50	4.160	98	4.138	09/30/2024	2
MGS	03/53	4.179	42	4.177	09/30/2024	0
GII	10/24	3.173	300	3.157	09/30/2024	2
GII	10/25	3.234	6	3.205	09/30/2024	3
GII	03/26	3.290	6	3.274	09/30/2024	2
GII	09/26	3.309	262	3.310	09/30/2024	0
GII	09/27	3.397	159	3.387	09/30/2024	1
GII	10/28	3.472	22	3.467	09/30/2024	0
GII	07/29	3.509	80	3.502	09/30/2024	1
GII	09/30	3.636	20	3.628	09/30/2024	1
GII	10/30	3.636	30	3.636	09/30/2024	0
GII	10/31	3.693	289	3.698	09/30/2024	0
GII	10/32	3.764	422	3.763	09/30/2024	0
GII	08/33	3.791	30	3.779	09/30/2024	1
GII	11/34	3.745	32	3.749	09/30/2024	0
GII	09/39	3.909	100	3.898	09/30/2024	1
GII	08/43	4.077	174	4.047	09/30/2024	3
GII	05/47	4.137	120	4.002	09/27/2024	14
GII	11/49	4.129	41	4.136	09/30/2024	-1
GII	05/52	4.189	36	4.195	09/30/2024	-1
GII	03/54	4.200	107	4.035	09/30/2024	17
			5306			

## 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	08/26	GG	3.341	8	3.562	28/6/2024	-22	8
Prasarana Malaysia Berhad	12/27	GG	3.424	10	3.448	19/8/2024	-2	9
GovCo Holdings Berhad	02/32	GG	3.848	100	3.881	12/8/2024	-3	16
Mercedes-Benz Services Malaysia Sdn Berhad	08/26	AAA	3.748	30	3.752	29/7/2024	0	48
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.711	20	3.706	27/9/2024	0	38
Westports Malaysia Sdn Berhad	03/28	AAA	3.725	10	3.894	13/12/2023	-17	39
TM Technology Services Sdn Berhad (fka Webe Di	10/28	AAA	3.726	10	3.730	24/9/2024	0	30
Toyota Capital Malaysia Sdn Berhad	01/29	AAA	3.819	2	3.839	30/8/2024	-2	39
Petroleum Sarawak Exploration & Production Sdr	05/29	AAA	3.798	30	3.799	30/9/2024	0	30
Hong Leong Bank Berhad	09/29	AAA	3.793	2	n/a	n/a	379	29
Infracap Resources Sdn Berhad	04/31	AAA	3.857	20	3.898	12/9/2024	-4	17
SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad)	10/33	AAA	3.952	15	3.957	14/8/2024	0	23
EKVE Sdn Berhad	01/34	AAA	4.147	3	4.170	6/11/2019	-2	42
Sabah Credit Corporation	04/25	AA1	3.661	20	3.664	25/9/2024	0	48
GENM Capital Berhad	05/29	AA1	4.469	1	4.572	12/7/2024	-10	97
TRIpIc Medical Sdn Berhad	10/31	AA1	4.099	2	4.228	26/3/2024	-13	41
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.360	20	3.602	11/9/2024	-24	18
Pac Lease Berhad	03/26	AA	3.733	20	3.897	9/9/2024	-16	55
CIMB Group Holdings Berhad	11/30	AA	3.782	10	3.777	26/9/2024	0	18
Gamuda Land (T12) Sdn Berhad	10/28	AA3	3.888	1	3.967	24/7/2024	-8	46
Yinson Holdings Berhad	11/22	AA3	5.211	10	4.980	2/12/2020	23	118
AmBank (M) Berhad	10/32	AA3	3.950	2	4.281	19/9/2024	-33	24
Penang Port Sdn Berhad	12/26	AA-	3.758	10	3.777	15/8/2024	-2	49
DRB-Hicom Berhad	12/29	AA-	4.028	10	4.026	30/9/2024	0	52
DRB-Hicom Berhad	04/30	AA-	4.058	10	4.057	25/9/2024	0	46
DRB-Hicom Berhad	08/31	AA-	4.115	30	4.199	19/9/2024	-8	43
Affin Islamic Bank Berhad	10/33	A1	4.140	2	4.327	8/1/2024	-19	42
Alliance Bank Malaysia Berhad	10/30	A2	3.898	1	3.901	23/9/2024	0	30
Alliance Bank Malaysia Berhad	10/32	A2	4.101	1	4.372	20/9/2024	-27	39
WCT Holdings Berhad	03/19	A-	5.689	2	5.247	23/9/2024	44	166
Alliance Bank Malaysia Berhad	11/17	BBB1	4.596	1	4.596	30/9/2024	0	56
Alliance Bank Malaysia Berhad	11/17	BBB1	4.202	1	4.576	26/9/2024	-37	17
Alliance Bank Malaysia Berhad	11/17	BBB1	3.985	1	4.151	26/9/2024	-17	-5
				414				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Pengurusan Air Selangor Sdn Bhd	Islamic Medium-Term Notes Programme and Islamic Commercial Papers Programme (collectively, the Sukuk, which has a combined limit of RM10bn)	AAA/Stable/P1	Affirmed
Genting Berhad Genting Malaysia Berhad	Corporate Credit Ratings	AA1/Stable/P1	Affirmed

Source: RAM, MARC

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