

## Global Markets Research

## Fixed Income

## Fixed Income Daily Market Snapshot

## US Treasuries

- US Treasuries rallied in trading on Friday, after a softer than expected monthly employment report for August cemented expectations of a 25bps rate cut at the next FOMC meeting on Sep 17, with the futures market starting to price in the chance of a bigger reduction with 27bps priced. **The benchmark 2-year UST yield was 8bps lower for the day at 3.51% while the 10-year UST yield declined by 9bps to 4.07%.** The day ahead sees the release of the NY Fed's 1-yr inflation expectation gauge for August, with the Fed's pre-FOMC communications blackout now in effect.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.51	-8
5-yr UST	3.58	-6
10-yr UST	4.07	-9
30-yr UST	4.76	-9

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.04	0	3.06	0	
5-yr	3.13	0	3.15	0	
7-yr	3.32	-1	3.26	-2	
10-yr	3.40	-2	3.43	0	
15-yr	3.62	0	3.62	0	
20-yr	3.76	0	3.78	0	
30-yr	3.87	8	3.88	-5	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.13	1
3-yr	3.07	-1
5-yr	3.13	-1
7-yr	3.21	-2
10-yr	3.32	-1

Source : Bloomberg

Note: Levels for MYR markets above represent the closes and change for Thursday, 04 Sep

## Upcoming Government Bond Tender

Reopening auction of RM5bn of the benchmark 3Y MGS 4/28 on Mon, 08 Sep

## MGS/GII

- Local govies were firmer in trading in a lighter session on Thursday ahead of the long weekend, amidst BNM leaving rates on hold as expected with a neutral bias in the accompanying monetary policy statement. Secondary market volume for the day declined by 55% to RM4.80bn from the RM10.65bn that changed hands on Wednesday. Overall benchmark yields were lower by between 0 to 2bps (prior: 0 to 4bps higher), except the 30Y MGS and 30Y GII which was correcting from previous off-market trades. **The benchmark 5Y MGS 5/30 yield was little changed for the day at 3.13% while the yield on the benchmark 10Y MGS 7/35 declined by 2bps to 3.40%.** Trading interest for the day was led by the benchmark 3Y GII, while decent interest was also seen in the benchmark 7Y GII, as well as in the off-the-run GII 10/25 and MGS 11/33. The share of GII trading for the day surged to 70% of overall govies trading versus the 41% seen the previous session. The day ahead sees the reopening of the benchmark 3Y MGS 4/28, with RM5bn set to be auctioned.

## Corp Bonds/Sukuk

- Corporate bonds/sukuk were better bid in trading on Thursday in a lighter trading session, with secondary market volume falling by 59% to RM567m versus the RM1,392m that traded on Wednesday. Trading for the day was again led by the GG segment of the market, where the interest was dominated by DANA 10/31, which closed the day at 3.40% (-7bps versus last print). In the AAA space, trading was led by MERCEDES 3/26, which settled at 3.46% (-10bps). Over in the AA-rated territory, activity was led by AEONC 8/30, which closed the day at 3.60% (-3bps), while in the A-rated universe, ALLIANCEI 9/34 saw good interest and settled for the day at 3.74% (-4bps).

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/25	2.917	74	2.897	09/03/2025	2
MGS	04/26	2.745	2	2.778	09/03/2025	-3
MGS	07/26	2.773	150	2.797	09/03/2025	-2
MGS	11/26	2.855	117	2.819	09/03/2025	4
MGS	05/27	2.979	143	2.979	09/03/2025	0
MGS	11/27	2.993	47	2.972	09/02/2025	2
MGS	04/28	3.041	2	3.037	09/03/2025	0
MGS	06/28	3.067	35	3.064	09/03/2025	0
MGS	08/29	3.130	42	3.128	09/03/2025	0
MGS	04/30	3.140	54	3.157	09/03/2025	-2
MGS	05/30	3.127	2	3.127	09/03/2025	0
MGS	04/31	3.238	84	3.252	09/03/2025	-1
MGS	07/32	3.322	183	3.330	09/03/2025	-1
MGS	11/33	3.375	250	3.371	09/03/2025	0
MGS	07/34	3.405	30	3.398	09/03/2025	1
MGS	05/35	3.396	5	3.406	09/03/2025	-1
MGS	07/35	3.403	60	3.421	09/03/2025	-2
MGS	06/38	3.588	30	3.570	09/03/2025	2
MGS	04/39	3.615	50	3.618	09/03/2025	0
MGS	09/43	3.725	49	3.739	09/03/2025	-1
MGS	03/46	3.813	26	3.823	09/03/2025	-1
MGS	06/50	3.832	2	3.900	09/03/2025	-7
MGS	07/55	3.872	7	3.793	09/03/2025	8
GII	10/25	2.823	370	2.805	09/03/2025	2
GII	03/26	2.849	15	2.809	09/03/2025	4
GII	09/26	2.855	133	2.860	09/03/2025	0
GII	06/27	2.959	1	3.160	06/24/2025	-20
GII	07/27	2.961	21	2.980	09/03/2025	-2
GII	09/27	2.990	49	2.997	09/03/2025	-1
GII	07/28	3.059	980	3.056	09/03/2025	0
GII	10/28	3.089	141	3.090	09/03/2025	0
GII	07/29	3.290	1	3.125	09/03/2025	17
GII	08/30	3.149	50	3.154	09/03/2025	0
GII	09/30	3.177	1	3.157	09/03/2025	2
GII	10/30	3.165	110	3.158	09/03/2025	1
GII	10/31	3.259	921	3.276	09/03/2025	-2
GII	10/32	3.355	10	3.322	09/03/2025	3
GII	11/34	3.424	30	3.418	09/03/2025	1
GII	04/35	3.427	173	3.428	09/03/2025	0
GII	07/36	3.497	30	3.502	09/03/2025	0
GII	09/39	3.602	6	3.607	09/03/2025	-1
GII	09/41	3.639	1	3.631	09/02/2025	1
GII	08/43	3.760	1	3.739	09/03/2025	2
GII	05/45	3.778	20	3.778	09/03/2025	0
GII	05/47	3.847	80	3.844	09/03/2025	0
GII	11/49	3.915	90	3.919	09/03/2025	0
GII	05/52	3.889	81	3.886	09/03/2025	0
GII	03/54	3.880	40	3.928	09/03/2025	-5
			4798			

## Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bps)	Spread Against MGS*
Perbadanan Tabung Pendidikan Tinggi Nasional	10/28	GG	3.179	25	3.162	26/8/2025	2	15
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	3.161	15	3.649	11/11/2024	-49	13
DanaInfra Nasional Berhad	11/28	GG	3.160	10	3.159	2/9/2025	0	13
DanaInfra Nasional Berhad	11/29	GG	3.221	20	3.308	10/6/2025	-9	15
DanaInfra Nasional Berhad	01/30	GG	3.233	35	3.197	2/9/2025	4	16
Prasarana Malaysia Berhad	03/30	GG	3.209	30	3.222	20/8/2025	-1	10
DanaInfra Nasional Berhad	10/30	GG	3.251	20	3.276	13/8/2025	-2	14
DanaInfra Nasional Berhad	10/31	GG	3.401	120	3.475	20/6/2025	-7	17
DanaInfra Nasional Berhad	11/35	GG	3.509	20	3.608	2/7/2025	-10	10
TTM Sukuk Berhad	11/25	AAA	3.333	10	3.427	31/7/2025	-9	49
Mercedes-Benz Services Malaysia Sdn Berhad	03/26	AAA	3.460	30	3.560	12/6/2025	-10	62
Cagamas Berhad	06/28	AAA	3.340	20	3.457	4/7/2025	-12	31
Bank Pembangunan Malaysia Berhad	12/28	AAA	3.496	10	3.495	26/8/2025	0	47
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.466	10	3.524	8/8/2025	-6	44
Danum Capital Berhad	02/35	AAA	3.597	10	3.649	17/7/2025	-5	23
Malayan Banking Berhad	05/37	AA1	3.759	20	3.761	26/8/2025	0	35
Imtiaz Sukuk II Berhad	10/31	AA2	3.699	10	3.697	14/8/2025	0	47
Imtiaz Sukuk II Berhad	05/32	AA2	3.738	10	3.754	2/9/2025	-2	41
AEON Credit Service (M) Berhad	03/30	AA3	3.598	10	3.738	2/7/2025	-14	49
AEON Credit Service (M) Berhad	08/30	AA3	3.597	30	3.627	8/8/2025	-3	49
DRB-Hicom Berhad	08/31	AA-	3.627	10	3.743	22/8/2025	-12	40
DRB-Hicom Berhad	11/31	AA-	3.637	10	3.958	15/5/2025	-32	41
Alliance Islamic Bank Berhad	09/34	A1	3.736	80	3.775	28/8/2025	-4	37
Yinson Holdings Berhad	12/26	A+	4.746	1	4.408	12/8/2025	34	190
Qualitas Sukuk Berhad	03/25	A2	5.800	1	5.927	3/9/2025	-13	206
Tropicana Corporation Berhad	09/19	A-	9.707	1	6.544	18/7/2025	316	596
				567				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.