

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded mixed for a second consecutive day but the curve reversed prior day's steepening bias and flattened instead. **The benchmark 2Y UST note yield rose 6bps for the day to 4.35% while the benchmark 10Y UST bond yield fell 2bps to settle at 4.44%.** Front end yields reversed early session losses while long-dated bond yields narrowed declines after Fed Chair Powell said the US economy is "remarkably good" and that the Fed is in no hurry to cut rates, hence leaving the door open for a rate pause. Futures pricing for a December rate cut was reduced to 62% (16bps cut), down from 83% or 21bps a day earlier. Powell's comment overshadowed the PPI print that surprised slightly on the upside, with a 0.1ppt pick-up to +0.2% m/m on the headline and +0.3% m/m on the core reading. Tonight, markets will scrutinize retail sales and industrial production prints for more clues on the momentum of the US economy.

MGS/GII

- Local govies traded mixed with a weaker bias on Thursday's session, tracking the mixed movement in UST in the prior day as markets continued to look up to external development in the absence of fresh leads domestically. Overall benchmark yields closed mixed between -1 to +2bps across the curve with the **benchmark 5Y MGS 8/29 yield inching up 1bp to 3.68% while the yield on the benchmark 10Y MGS 7/34 rising 2bps to 3.89%.** GII trades pulled back again to form only 17.5% (prior 21%) of overall volume transacted for the day. Benchies dominated trading with 30Y MGS 3/53 and 10Y MGS 11/33 taking the lead with RM467m and RM357m changed hands respectively. Off the run MGS 3/25 and 9/25 also attracted substantial trading interests of RM393m and RM508m respectively. In the GII space, benchmark 30Y GII 3/54 topped the list with RM214m transacted. Focus will be on final 3Q GDP print from Malayisa at noon today where growth is expected to have moderated to 5.3% y/y, followed by RM4.5bn reopening sale of MGII 7/29 next Monday.

Corp Bonds/Sukuk

- The corporate bond/sukuk market saw a slight pick-up in trading momentum on Thursday. Secondary market volume rose to RM618m (prior RM592m) with 35 papers traded rather evenly spread across the GG to AA-rated segment. In the GG segment, DANA '4/37 dominated RM95m of secondary trades, last dealt at 4.04-4.05%. PRASA '2/36 and '8/37 also captured interests with a combined RM50m last done at 4.03-4.05%. in the AAA-rated space, Pengurusan Air '6/27, '4/28, '6/28, 10/29, and 1/30 saw a combined RM105m traded between 3.81-3.93% (0-8bps higher from previous trade). In the AA-rated segment, KLK '9/34 and '3/37 led with RM70m changed hands (0-15bps higher). We also noticed a number of financial names including Alliance Islamic Bank '8/29 (RM40m; 3.99%), and Bank Islam '10/23 (RM20m; 4.27%).

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.35	6
5-yr UST	4.32	2
10-yr UST	4.44	-2
30-yr UST	4.59	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.52	0	3.42	-1
5-yr	3.68	1	3.68	1
7-yr	3.83	1	3.82	1
10-yr	3.89	2	3.89	0
15-yr	4.02	0	3.99	-1
20-yr	4.11	0	4.11	0
30-yr	4.20	1	4.21	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.56	0
3-yr	3.52	1
5-yr	3.57	0
7-yr	3.67	2
10-yr	3.77	2

Source : Bloomberg

Upcoming Government Bond Tender

RM4.5b reopening of 5Y MGII 7/29 on 18 November (Monday)

Daily Trades: Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (mm/dd/yyyy)	Chg (bp)
MGS 03/25	3.17	393	3.19	11/13/2024	-2
MGS 09/25	3.32	508	3.31	11/13/2024	1
MGS 04/26	3.39	39	3.39	11/13/2024	0
MGS 07/26	3.40	7	3.41	11/13/2024	-1
MGS 11/26	3.48	1	3.46	11/13/2024	1
MGS 05/27	3.52	92	3.52	11/13/2024	0
MGS 11/27	3.56	122	3.56	11/13/2024	0
MGS 04/29	3.66	0	3.67	11/13/2024	-1
MGS 08/29	3.68	291	3.67	11/13/2024	1
MGS 04/30	3.74	15	3.74	11/13/2024	0
MGS 04/31	3.83	266	3.82	11/13/2024	1
MGS 06/31	3.84	3	3.84	11/12/2024	0
MGS 07/32	3.89	278	3.85	11/13/2024	3
MGS 04/33	3.90	18	3.91	11/13/2024	0
MGS 11/33	3.91	357	3.91	11/13/2024	0
MGS 07/34	3.89	25	3.88	11/13/2024	2
MGS 04/37	4.01	6	4.00	11/13/2024	1
MGS 06/38	4.03	2	4.03	11/13/2024	1
MGS 04/39	4.02	45	4.01	11/13/2024	0
MGS 05/40	4.06	42	4.05	11/13/2024	2
MGS 10/42	4.10	47	4.10	11/13/2024	1
MGS 09/43	4.12	1	4.08	11/05/2024	4
MGS 05/44	4.11	25	4.11	11/13/2024	0
MGS 03/46	4.15	0	4.03	11/13/2024	12
MGS 07/48	4.15	24	4.17	11/13/2024	-2
MGS 06/50	4.17	77	4.17	11/13/2024	0
MGS 03/53	4.20	467	4.19	11/13/2024	1
GII 08/25	3.30	0	3.26	11/12/2024	4
GII 10/25	3.31	35	3.26	11/13/2024	5
GII 03/26	3.35	2	3.37	11/13/2024	-2
GII 09/26	3.42	57	3.42	11/13/2024	-1
GII 09/27	3.51	20	3.51	11/13/2024	0
GII 07/29	3.68	5	3.66	11/13/2024	1
GII 09/30	3.72	14	3.72	11/12/2024	0
GII 10/31	3.82	40	3.81	11/12/2024	1
GII 10/32	3.87	5	3.88	11/13/2024	-1
GII 08/33	3.90	30	3.89	11/08/2024	1
GII 11/34	3.89	16	3.89	11/13/2024	0
GII 07/36	3.97	30	3.97	11/12/2024	0
GII 09/39	3.99	3	3.99	11/13/2024	0
GII 09/41	4.05	108	4.02	11/13/2024	3
GII 08/43	4.11	20	4.11	11/13/2024	0
GII 05/52	4.21	70	4.19	11/13/2024	1
GII 03/54	4.21	214	4.20	11/13/2024	1
		<u>3824</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol (RM mil)	Previous	Previous Trade Date (mm/dd/yyyy)	Chg (bp)	Spread Against MGS*	
		YTM		YTM				
Perbadanan Tabung Pendidikan Tinggi Nasional	12/34	GG	4.00	30	4.01	07/09/2021	-1	12
Prasarana Malaysia Berhad	02/36	GG	4.03	20	3.98	12/15/2023	5	15
Perbadanan Tabung Pendidikan Tinggi Nasional	03/36	GG	4.03	40	3.88	09/10/2024	15	15
DanaInfra Nasional Berhad	04/37	GG	4.05	25	4.07	11/07/2024	-2	18
DanaInfra Nasional Berhad	04/37	GG	4.04	70	3.90	10/02/2024	14	16
Prasarana Malaysia Berhad	08/37	GG	4.05	30	4.02	06/11/2024	3	3
Danum Capital Berhad	05/25	AAA	3.48	10	3.51	10/02/2024	-2	19
Bank Simpanan Nasional Berhad	02/27	AAA	3.78	5	3.78	08/28/2024	0	36
Pengurusan Air SPV Berhad	06/27	AAA	3.81	20	3.81	11/13/2024	0	30
Celcom Networks Sdn Berhad	08/27	AAA	3.80	10	3.76	10/17/2024	3	29
Pengurusan Air SPV Berhad	04/28	AAA	3.87	20	3.79	10/22/2024	7	36
Pengurusan Air SPV Berhad	06/28	AAA	3.87	15	3.80	10/15/2024	8	28
Rantau Abang Capital Berhad	03/29	AAA	3.96	5	3.91	10/28/2024	5	37
Pengurusan Air SPV Berhad	10/29	AAA	3.92	15	3.85	10/16/2024	7	26
Pengurusan Air SPV Berhad	01/30	AAA	3.93	35	3.91	11/13/2024	2	27
Danum Capital Berhad	05/30	AAA	3.96	10	3.98	11/11/2024	-2	30
Malaysia Airport Holdings Berhad	11/30	AAA	4.03	5	3.90	10/16/2024	14	29
CIMB Islamic Bank Berhad	11/30	AAA	4.02	1	3.93	09/06/2024	9	28
Pelaburan Hartanah Berhad	09/31	AAA	4.00	10	3.90	10/11/2024	11	19
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.16	10	4.10	10/17/2024	6	5
Pengurusan Air Selangor Sdn Berhad	10/43	AAA	4.17	10	4.11	08/30/2024	6	6
Johor Plantations Group Berhad	09/34	AA1	4.07	10	4.07	10/24/2024	0	19
Kuala Lumpur Kepong Berhad	09/34	AA1	4.09	60	3.94	10/04/2024	15	22
Kuala Lumpur Kepong Berhad	03/37	AA1	4.14	10	4.14	11/13/2024	0	27
OSK Rated Bond Sdn Berhad	04/31	AA	4.14	10	4.11	11/05/2024	3	40
Malayan Cement Berhad (fka Lafarge Malaysia Berhad)	06/28	AA3	4.05	10	4.01	11/05/2024	4	46
IJM Corporation Berhad	08/28	AA3	3.85	20	3.78	10/07/2024	7	26
RP Hydro (Kelantan) Sdn Berhad	07/38	AA3	5.36	10			536	135
UEM Sunrise Berhad	10/25	AA-	3.79	30	3.75	10/08/2024	4	50
Alliance Islamic Bank Berhad	08/29	A1	3.99	40	3.92	10/18/2024	7	33
Alliance Bank Malaysia Berhad	10/30	A2	4.36	0	4.37	11/07/2024	-1	62
Tan Chong Motor Holdings Berhad	06/26	A	5.32	1	5.40	10/17/2024	-8	190
Affin Islamic Bank Berhad	10/18	A3	4.39	1	4.38	11/08/2024	1	28
Bank Islam Malaysia Berhad	10/23	A3	4.27	20	4.28	10/29/2024	-2	16
Mah Sing Group Berhad	10/26	-	5.18	1	5.42	09/26/2024	-25	176
				<u>618</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TTM Sukuk Berhad	RM600.0 million Sukuk Murabahah	AAAIS/ Stable	Affirmed
AZRB Capital Sdn Bhd	RM535.0 million Islamic Medium-Term Notes (Sukuk Murabahah) Programme	AA-IS/ Stable	Affirmed

Source: RAM, MARC

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