

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were slightly lower in trading on Tuesday, amidst Fed Chair Powell indicating his testimony to Congress that Fed officials are increasingly wary of risks to the labour market, whilst avoiding from offering a timeline for the expected Fed rate reductions. The UST curve steepened a touch for the day, with shorter dated bonds outperforming on a strong 3yr UST auction. Benchmark yields closed higher across the curve by between 0 and 2bps for the day. **The benchmark 2yr UST yield was little changed for the session at 4.63%, while the benchmark 10yr UST yield was 2bps higher for the day to 4.30%.** Fed Chair Powell is scheduled to continue his congressional testimony to Congress tonight, this time in a session with the House Financial Services Committee, while the US Treasury continues their refunding exercise with the reopening of USD39bn of 10yr USTs.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.63	0
5-yr UST	4.24	0
10-yr UST	4.30	2
30-yr UST	4.49	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	-1	3.42	-2
5-yr	3.64	0	3.60	0
7-yr	3.78	0	3.74	-1
10-yr	3.85	0	3.87	0
15-yr	3.96	-1	3.98	1
20-yr	4.11	0	4.12	0
30-yr	4.22	-1	4.24	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.58	0
3-yr	3.58	1
5-yr	3.63	1
7-yr	3.73	0
10-yr	3.86	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local government bonds were better bid in trading on Tuesday in an active session after the long weekend, with shorter dated maturities drawing particular interest. Secondary market volume for the day surged by 69% to RM5.34bn versus the RM3.16bn that changed hands on Friday. Benchmark yields closed mixed by between -2 to +1 bps for the day. **The benchmark 5Y MGS 8/29 yield was unchanged for the session at 3.64% while the benchmark 10Y MGS 11/33 was also little changed for the day at 3.85%.** Trading interest for the day was led by the off-the-run MGS 7/24, while interest was also seen in the off-the-run MGS 9/24, MGS 3/25, GII 8/25, MGS 9/25 and GII 10/25, as well as in the benchmark 3Y GII and 5Y MGS. The market share of GII trading for the day rose to 26% versus the 20% share seen the previous session. There are no significant data releases domestically for the next few days ahead of the BNM MPC meeting on Thursday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better bid in trading on Tuesday in a lighter session, with secondary market volume for the day receding by 31% to RM305m, compared to the RM442m that traded the previous session. Trading interest for the day was again led by AAA-rated segment of the market. In the GG universe, trading was led by MRL 7/35, with the bond closing the day at 3.96%, 3bps lower from where it last traded. In the AAA space, ALRB 10/24 dominated affairs for the day, settling at 3.47%, 4bps lower compared to its last traded level. Over in AA territory, MTTTS 8/26 led runners, closing the day at 4.75%, 9bps lower versus where the bond last printed.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	3.205	1073	3.289	06/26/2024	-8
MGS	09/24	3.195	407	3.196	07/05/2024	0
MGS	03/25	3.229	583	3.204	07/05/2024	2
MGS	09/25	3.268	393	3.256	07/05/2024	1
MGS	04/26	3.360	3	3.377	07/05/2024	-2
MGS	07/26	3.387	129	3.400	07/05/2024	-1
MGS	09/26	3.412	3	3.445	07/02/2024	-3
MGS	05/27	3.492	58	3.501	07/05/2024	-1
MGS	11/27	3.514	41	3.532	07/04/2024	-2
MGS	04/28	3.581	65	3.617	07/03/2024	-4
MGS	06/28	3.606	10	3.595	07/05/2024	1
MGS	08/29	3.635	588	3.637	07/05/2024	0
MGS	04/30	3.738	139	3.729	07/05/2024	1
MGS	04/31	3.782	75	3.782	07/05/2024	0
MGS	07/32	3.845	57	3.867	07/04/2024	-2
MGS	04/33	3.866	1	3.866	07/05/2024	0
MGS	11/33	3.850	143	3.855	07/05/2024	0
MGS	07/34	3.885	101	3.864	07/05/2024	2
MGS	05/35	3.929	38	3.950	07/03/2024	-2
MGS	04/37	3.980	20	3.971	07/05/2024	1
MGS	06/38	3.992	4	3.990	07/05/2024	0
MGS	04/39	3.955	2	3.964	07/04/2024	-1
MGS	05/40	4.060	7	4.076	07/05/2024	-2
MGS	10/42	4.112	20	4.115	07/05/2024	0
MGS	09/43	4.149	1	4.159	07/03/2024	-1
MGS	05/44	4.106	5	4.106	07/05/2024	0
MGS	06/50	4.220	4	4.134	07/05/2024	9
MGS	03/53	4.215	7	4.229	07/03/2024	-1
GII	08/25	3.264	340	3.304	07/03/2024	-4
GII	10/25	3.278	237	3.287	07/05/2024	-1
GII	03/26	3.416	20	3.399	07/05/2024	2
GII	09/26	3.420	220	3.435	07/05/2024	-2
GII	09/27	3.504	10	3.527	07/05/2024	-2
GII	07/28	3.596	101	3.601	07/05/2024	0
GII	09/30	3.745	110	3.752	07/05/2024	-1
GII	10/30	3.744	2	3.750	07/04/2024	-1
GII	10/31	3.787	1	3.775	07/05/2024	1
GII	10/32	3.847	13	3.855	07/05/2024	-1
GII	06/33	3.858	20	3.869	07/05/2024	-1
GII	08/33	3.865	140	3.869	07/05/2024	0
GII	03/38	3.948	19	3.971	07/04/2024	-2
GII	09/39	3.982	43	3.976	07/05/2024	1
GII	09/41	4.063	30	4.065	07/04/2024	0
GII	08/43	4.116	14	4.119	07/05/2024	0
GII	05/47	4.189	40	4.193	07/05/2024	0
GII	11/49	4.132	1	4.134	07/03/2024	0
GII	05/52	4.254	1	4.248	07/05/2024	1
			<u>5338</u>			

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	3.531	10	3.475	12/3/2024	6	13
Prasarana Malaysia Berhad	10/32	GG	3.900	10	3.889	3/4/2024	1	8
Malaysia Rail Link Sdn Berhad	07/35	GG	3.960	25	3.990	27/5/2024	-3	11
DanaInfra Nasional Berhad	04/48	GG	4.204	10	4.220	3/7/2024	-2	9
TM Technology Services Sdn Berhad (fka Webe D	10/24	AAA	3.458	20	3.578	14/5/2024	-12	17
Amanat Lebuhraya Rakyat Berhad	10/24	AAA	3.470	70	3.509	28/6/2024	-4	18
TM Technology Services Sdn Berhad (fka Webe D	12/24	AAA	3.485	10	3.517	24/6/2024	-3	19
Amanat Lebuhraya Rakyat Berhad	10/27	AAA	3.766	5	3.766	4/7/2024	0	27
Sarawak Energy Berhad	07/28	AAA	3.807	5	3.830	31/5/2024	-2	22
Danum Capital Berhad	06/29	AAA	3.825	10	3.848	21/6/2024	-2	19
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.920	20	3.951	11/6/2024	-3	20
Danga Capital Berhad	09/33	AAA	3.958	10	3.971	5/7/2024	-1	12
Genting RMTN Berhad	11/29	AA1	4.687	1	4.718	12/6/2024	-3	105
Press Metal Aluminium Holdings Berhad	08/25	AA2	3.782	10	4.322	3/7/2024	-54	49
MTT Shipping Sdn Berhad	08/26	AA3	4.748	60	4.834	19/6/2024	-9	134
Exsim Capital Resources Berhad	06/27	AA3	5.144	15	5.227	1/3/2024	-8	164
AEON Credit Service (M) Berhad	02/28	AA3	3.919	2	3.902	10/6/2024	2	33
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.004	10	3.976	25/6/2024	3	42
Alliance Bank Malaysia Berhad	10/30	A2	4.537	1	4.501	4/7/2024	4	81
MCIS Insurance Berhad	12/31	A2	3.990	1	4.300	5/7/2024	-31	21
LBS Bina Berhad	03/20	NR(LT)	5.398	1	5.376	4/7/2024	2	129
				305				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Triplc Medical Sdn Bhd	RM639m Senior Sukuk Murabahah (2017/2035)	AA1/Stable	Affirmed
Johor Corporation	Corporate credit ratings	AAA/Stable/P1	Affirmed

Source: RAM, MARC

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