

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries were lower in trading for a third straight session amidst a slew of Fed speakers warning that the US central bank likely faces a slower path toward reaching its inflation target. Benchmark yields closed higher by between 2 and 3bps for the day. **The benchmark 2yr UST yield was 2bps higher for the session at 4.85%, while the benchmark 10yr UST yield was also 2bps higher for the day at 4.45%.** Economic data calendar remains rather light again today, and the next key risk for the markets will be the release of the FOMC minutes of the May 1<sup>st</sup> meeting tomorrow night.

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 4.85        | 2         |
| 5-yr UST  | 4.47        | 2         |
| 10-yr UST | 4.45        | 2         |
| 30-yr UST | 4.58        | 3         |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 3.54        | 0         | 3.51        | 0         |
| 5-yr   | 3.68        | 0         | 3.69        | 0         |
| 7-yr   | 3.81        | 2         | 3.74        | 0         |
| 10-yr  | 3.87        | 0         | 3.87        | 0         |
| 15-yr  | 4.00        | 0         | 4.01        | -1        |
| 20-yr  | 4.14        | 1         | 4.12        | -2        |
| 30-yr  | 4.22        | 0         | 4.24        | 0         |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 3.61        | 1         |
| 3-yr           | 3.62        | 1         |
| 5-yr           | 3.70        | 1         |
| 7-yr           | 3.79        | 0         |
| 10-yr          | 3.91        | -1        |

Source : Bloomberg

#### Upcoming Government Bond Tender

Reopening auction of RM3bn 15Y benchmark GII 9/39 later today (with an additional RM2bn to be privately placed)

##### MGS/GII

- Local govies were mixed in trading on Monday in a notably more quiet trading session, amidst Malaysian exports for April coming south of expectations, raising questions about the sustainability of the strong GDP growth seen in 1Q. Secondary market volume for the day plunged by 56% to RM1.48bn, versus the RM3.39bn that changed hands on Friday. Benchmark yields closed mixed between -2 and +2 bps for the day. **The benchmark 5Y MGS 8/29 was little changed for the session at 3.68% while the benchmark 10Y MGS 11/33 was also unchanged for the day at 3.87%.** Trading interest was led by the off-the-run MGS 7/34, while interest was also seen in the off-the-run MGS 6/24, MGS 3/25, MGS 9/25, GII 10/25, MGS 4/30 and GII 10/32, as well as in the benchmark 5Y MGS. The market share of GII trading for the day receded to 22% versus the 42% share seen on Friday. Next up for the markets is the reopening of the 15Y benchmark GII, with RM3bn set to be auctioned later today with another RM2bn to be privately placed.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were also mixed for the day in a slightly more active trading session on Monday, with secondary market volume for the day inching higher by 8% to RM673m, compared to the RM621m that exchanged hands on Friday. Trading interest for the day was dominated by the GG segment of the market, where trading was led by little traded TPSB 2/25, which settled the day at 3.51%, a whopping 58bps higher from its last print in March 2020. Strong interest was also seen in DANA 7/44, which closed at 4.19%. 4bps lower versus where it last traded. Meanwhile in the AAA space, trading interest was led by Mercedes 3/28, closing for the day at 3.95%, 7bps higher compared to its last print. In AA territory, trading was led by UEM, which closed the day at 4.10%, 7bps lower versus where it last traded. In the A-rated universe, MBSB 5/39 led trading for the day, and settled at 4.19%, higher by 9bps compared to its last done level.

## Daily Trades: Government Bond

| Securities |       | Closing | Vol      | Previous | Previous                   | Chg  |
|------------|-------|---------|----------|----------|----------------------------|------|
|            |       | YTM     | (RM mil) | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) |
| MGS        | 06/24 | 3.212   | 103      | 3.221    | 05/17/2024                 | -1   |
| MGS        | 07/24 | 3.222   | 52       | 3.220    | 05/17/2024                 | 0    |
| MGS        | 03/25 | 3.308   | 133      | 3.365    | 05/17/2024                 | -6   |
| MGS        | 09/25 | 3.387   | 201      | 3.362    | 05/17/2024                 | 2    |
| MGS        | 07/26 | 3.524   | 21       | 3.505    | 05/16/2024                 | 2    |
| MGS        | 11/27 | 3.591   | 40       | 3.591    | 05/17/2024                 | 0    |
| MGS        | 06/28 | 3.658   | 3        | 3.658    | 05/17/2024                 | 0    |
| MGS        | 08/29 | 3.679   | 61       | 3.677    | 05/17/2024                 | 0    |
| MGS        | 04/30 | 3.754   | 76       | 3.755    | 05/17/2024                 | 0    |
| MGS        | 11/33 | 3.865   | 42       | 3.862    | 05/17/2024                 | 0    |
| MGS        | 07/34 | 3.876   | 350      | 3.886    | 05/17/2024                 | -1   |
| MGS        | 10/42 | 4.100   | 5        | 4.108    | 05/17/2024                 | -1   |
| MGS        | 05/44 | 4.143   | 30       | 4.128    | 05/17/2024                 | 1    |
| MGS        | 07/48 | 4.213   | 20       | 4.201    | 05/17/2024                 | 1    |
| MGS        | 06/50 | 4.192   | 2        | 4.234    | 05/17/2024                 | -4   |
| MGS        | 03/53 | 4.223   | 20       | 4.225    | 05/17/2024                 | 0    |
| GII        | 10/24 | 3.259   | 40       | 3.265    | 05/17/2024                 | -1   |
| GII        | 10/25 | 3.407   | 100      | 3.397    | 05/15/2024                 | 1    |
| GII        | 03/26 | 3.511   | 10       | 3.456    | 05/17/2024                 | 6    |
| GII        | 07/27 | 3.545   | 10       | 3.563    | 05/16/2024                 | -2   |
| GII        | 07/28 | 3.689   | 1        | 3.684    | 05/17/2024                 | 0    |
| GII        | 07/29 | 3.708   | 4        | 3.698    | 05/17/2024                 | 1    |
| GII        | 10/30 | 3.770   | 2        | 3.766    | 05/16/2024                 | 0    |
| GII        | 10/32 | 3.875   | 100      | 3.862    | 05/17/2024                 | 1    |
| GII        | 10/35 | 3.969   | 40       | 3.811    | 05/14/2024                 | 16   |
| GII        | 09/39 | 4.006   | 1        | 4.015    | 05/17/2024                 | -1   |
| GII        | 08/43 | 4.124   | 11       | 4.109    | 05/17/2024                 | 1    |
| GII        | 05/47 | 4.077   | 1        | 4.078    | 05/17/2024                 | 0    |
| GII        | 11/49 | 4.269   | 3        | 4.219    | 05/16/2024                 | 5    |
|            |       |         | 1479     |          |                            |      |

## Daily Trades: Corp Bonds/ Sukuk

| Securities                                       |       | Rating | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) | Spread<br>Against MGS* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|------------------------|
| Turus Pesawat Sdn Berhad                         | 02/25 | GG     | 3.507          | 200             | 2.926           | 12/3/2020                              | 58          | 14                     |
| Turus Pesawat Sdn Berhad                         | 02/28 | GG     | 3.715          | 30              | 3.680           | 27/2/2024                              | 3           | 8                      |
| Turus Pesawat Sdn Berhad                         | 03/28 | GG     | 3.717          | 30              | 3.309           | 7/2/2020                               | 41          | 9                      |
| DanaInfra Nasional Berhad                        | 09/30 | GG     | 3.817          | 35              | 3.837           | 7/5/2024                               | -2          | 6                      |
| DanaInfra Nasional Berhad                        | 07/44 | GG     | 4.189          | 150             | 4.224           | 9/5/2024                               | -4          | 7                      |
| Cagamas Berhad                                   | 11/25 | AAA    | 3.646          | 35              | 3.607           | 10/5/2024                              | 4           | 28                     |
| Danum Capital Berhad                             | 02/26 | AAA    | 3.724          | 10              | 3.700           | 14/5/2024                              | 2           | 25                     |
| Mercedes-Benz Services Malaysia Sdn Berhad       | 03/28 | AAA    | 3.950          | 45              | 3.880           | 21/3/2024                              | 7           | 32                     |
| Petroleum Sarawak Exploration & Production Sdr   | 11/29 | AAA    | 3.919          | 10              | 3.928           | 23/4/2024                              | -1          | 24                     |
| TNB Power Generation Sdn Berhad                  | 03/30 | AAA    | 3.944          | 20              | 3.931           | 22/2/2024                              | 1           | 19                     |
| Projek Lebuhraya Usahasama Berhad                | 01/31 | AAA    | 3.998          | 10              | 4.132           | 22/11/2023                             | -13         | 20                     |
| GENM Capital Berhad                              | 08/25 | AA1    | 4.248          | 1               | 4.250           | 17/5/2024                              | 0           | 88                     |
| Malayan Banking Berhad                           | 01/31 | AA1    | 3.751          | 10              | 3.761           | 14/5/2024                              | -1          | -4                     |
| Malayan Banking Berhad                           | 01/34 | AA1    | 3.998          | 5               | 3.996           | 16/5/2024                              | 0           | 14                     |
| Edra Energy Sdn Berhad                           | 07/27 | AA3    | 3.944          | 10              | 3.947           | 26/3/2024                              | 0           | 39                     |
| Malayan Banking Berhad                           | 02/17 | AA3    | 4.241          | 1               | 4.014           | 15/5/2024                              | 23          | 12                     |
| UEM Sunrise Berhad                               | 02/31 | AA-    | 4.098          | 20              | 4.168           | 23/4/2024                              | -7          | 30                     |
| Bank Islam Malaysia Berhad                       | 10/30 | A1     | 4.020          | 20              | 4.067           | 17/4/2024                              | -5          | 27                     |
| Tropicana Corporation Berhad                     | 04/26 | A      | 10.276         | 1               | 8.748           | 17/5/2024                              | 153         | 680                    |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 05/39 | A3     | 4.191          | 30              | 4.097           | 14/5/2024                              | 9           | 18                     |
| Tropicana Corporation Berhad                     | 09/19 | A-     | 11.419         | 1               | 13.100          | 8/5/2024                               | -168        | 730                    |
|  |       |        |                | 673             |                 |  |             |                        |

\* 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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