

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Thursday, with the shorter dated maturities gaining for the day whilst the longer end bonds closed the day lower, amidst US September CPI coming in hotter than expected, both at the headline and core level. Benchmark yields closed mixed by between -6 to +2 bps for the day, as the UST yield curve steepened. **The benchmark 2yr UST yield fell by 6bps for the session to 3.96%, while the benchmark 10yr UST yield was 1bp lower for the day at 4.06%.** Tonight sees the release of the preliminary consumer sentiment index for October by the University of Michigan, as well as PPI numbers for September.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.96	-6
5-yr UST	3.89	-3
10-yr UST	4.06	-1
30-yr UST	4.36	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.43	1	3.36	0
5-yr	3.57	2	3.54	1
7-yr	3.76	1	3.75	-1
10-yr	3.79	2	3.80	2
15-yr	3.94	5	3.95	1
20-yr	4.08	19	4.08	13
30-yr	4.20	11	4.21	0

* Market indicative levels

MGS/GII

- Local govovies were weaker in trading on Thursday amidst the announcement of more supply, with the 10Y GII reopening scheduled for Monday where RM4.5bn will be auctioned. Secondary market volume for the day climbed by 28% to RM4.77bn compared to the RM3.72bn that traded on Wednesday. Benchmark yields closed mixed between -1 and +5 bps for the day, except for the 20Y MGS/GII and 30Y MGS which were corrected from odd-lot off-market trades the day before. **The benchmark 5Y MGS 8/29 saw its yield rise 2bps for the day to 3.57% while the yield on the benchmark 10Y MGS 7/34 was also 2bps higher for the session at 3.79%.** Trading interest was led by the off-the-run GII 10/25, while interest was also seen in the benchmark 3Y MGS, 5Y MGS and 7Y MGS, as well as in the off-the-run GII 10/24, GII 8/25 and GII 10/28. Trading in GIIs as a proportion of total govovies trading receded to 53% versus the 59% share seen the day before. Industrial production and wholesale & retail trade numbers for August are due domestically later today and may cast more light on how the economy fared in 3Q.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	2
3-yr	3.48	2
5-yr	3.52	1
7-yr	3.61	1
10-yr	3.71	1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM4.5bn of the benchmark 10Y GII 11/34 on Monday, 14 Oct

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better offered in trading on Thursday in a lighter session, with secondary market volume plunging by 55% to RM442m versus the RM980m that changed hands on Wednesday. Trading for the day was led by the AA-rated segment of the market. In the GG universe, activity was led by DANA 3/29, which closed at 3.63%, higher by 3bps versus where it last traded. Over in AAA space, interest was led by ALRB 10/29, which settled the day at 3.79%, 4bps higher from its last print. Meanwhile in the AA-rated territory, activity was led by IMTIAZ 5/29, which settled at 3.86%, 3bps higher versus where it last printed. Decent interest was also seen in PONSB 12/28, which closed the day at 3.86%, 28bps lower compared to where the bond last traded in July.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/25	3.223	204	3.210	10/08/2024	1
MGS	09/25	3.263	124	3.173	10/09/2024	9
MGS	04/26	3.341	17	3.331	10/09/2024	1
MGS	07/26	3.329	1	3.318	10/09/2024	1
MGS	11/26	3.337	2	3.337	10/09/2024	0
MGS	03/27	3.415	1	3.420	10/09/2024	0
MGS	05/27	3.429	327	3.421	10/09/2024	1
MGS	04/28	3.490	1	3.495	10/08/2024	0
MGS	06/28	3.512	2	3.490	10/09/2024	2
MGS	04/29	3.564	1	3.566	10/09/2024	0
MGS	08/29	3.567	609	3.549	10/09/2024	2
MGS	04/30	3.649	1	3.636	10/09/2024	1
MGS	04/31	3.758	258	3.742	10/09/2024	2
MGS	06/31	3.772	21	3.696	10/04/2024	8
MGS	07/32	3.769	11	3.757	10/09/2024	1
MGS	04/33	3.844	22	3.809	10/08/2024	3
MGS	11/33	3.816	74	3.813	10/09/2024	0
MGS	07/34	3.785	124	3.766	10/09/2024	2
MGS	05/35	3.888	1	3.833	10/09/2024	5
MGS	04/37	3.934	22	3.920	10/09/2024	1
MGS	06/38	3.956	20	3.938	10/09/2024	2
MGS	04/39	3.937	99	3.890	10/09/2024	5
MGS	10/42	4.029	61	4.035	10/09/2024	-1
MGS	09/43	4.075	1	4.053	10/03/2024	2
MGS	05/44	4.075	40	3.886	10/09/2024	19
MGS	03/46	4.121	1	4.122	10/09/2024	0
MGS	07/48	4.157	1	4.161	10/09/2024	0
MGS	06/50	4.160	2	4.144	10/09/2024	2
MGS	03/53	4.200	197	4.093	10/09/2024	11
GII	10/24	3.230	400	3.231	10/09/2024	0
GII	08/25	3.254	426	3.241	10/09/2024	1
GII	10/25	3.258	700	3.239	10/07/2024	2
GII	03/26	3.301	3	3.319	10/09/2024	-2
GII	09/26	3.356	110	3.357	10/09/2024	0
GII	09/27	3.436	90	3.429	10/08/2024	1
GII	07/28	3.504	20	3.499	10/09/2024	0
GII	10/28	3.519	240	3.504	10/08/2024	2
GII	07/29	3.542	94	3.536	10/09/2024	1
GII	10/31	3.752	61	3.760	10/09/2024	-1
GII	10/32	3.783	39	3.789	10/09/2024	-1
GII	11/34	3.803	30	3.778	10/09/2024	2
GII	09/39	3.949	81	3.940	10/09/2024	1
GII	08/43	4.084	219	3.955	10/09/2024	13
GII	05/52	4.208	11	4.206	10/09/2024	0
GII	03/54	4.210	11	4.211	10/09/2024	0
			4774			

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	12/28	GG	3.587	10	3.627	13/3/2024	-4	10
DanaInfra Nasional Berhad	03/29	GG	3.627	40	3.598	26/8/2024	3	14
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.672	25	3.834	30/8/2024	-16	45
Danga Capital Berhad	02/26	AAA	3.610	15	3.610	11/9/2024	0	39
Westports Malaysia Sdn Berhad	03/28	AAA	3.770	10	3.725	1/10/2024	4	35
Toyota Capital Malaysia Sdn Berhad	08/28	AAA	3.836	3	3.828	6/9/2024	1	35
Toyota Capital Malaysia Sdn Berhad	09/28	AAA	3.838	5	3.798	17/9/2024	4	36
DiGi Telecommunications Sdn Berhad	06/29	AAA	3.808	10	3.783	20/8/2024	2	25
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	3.789	34	3.747	4/9/2024	4	23
Sarawak Energy Berhad	07/33	AAA	3.948	20	3.939	9/10/2024	1	17
Sabah Development Bank Berhad	04/26	AA1	4.276	5	4.299	2/8/2024	-2	97
Sabah Development Bank Berhad	05/27	AA1	4.682	1	3.808	2/7/2024	87	126
Genting Capital Berhad	06/27	AA1	4.365	8	4.235	9/10/2024	13	94
GENM Capital Berhad	05/29	AA1	4.536	7	4.469	1/10/2024	7	97
Malayan Banking Berhad	01/31	AA1	3.809	10	3.806	3/10/2024	0	16
YTL Power International Berhad	03/33	AA1	3.979	10	3.998	26/9/2024	-2	22
edotco Malaysia Sdn Berhad	09/29	AA+	3.827	2	3.918	26/6/2024	-9	27
Imtiaz Sukuk II Berhad	04/28	AA2	3.817	7	3.766	20/9/2024	5	33
Imtiaz Sukuk II Berhad	10/28	AA2	3.837	4	3.836	7/10/2024	0	35
PONSB Capital Berhad	12/28	AA2	3.856	40	4.134	31/7/2024	-28	37
Imtiaz Sukuk II Berhad	05/29	AA2	3.857	70	3.827	3/9/2024	3	30
PONSB Capital Berhad	06/29	AA2	3.878	20	3.898	30/9/2024	-2	32
CIMB Group Holdings Berhad	09/36	AA2	4.090	1	4.030	4/10/2024	6	31
Gamuda Berhad	03/31	AA3	3.914	20	3.917	4/10/2024	0	27
Malaysian Reinsurance Berhad	10/32	AA3	4.285	1	4.035	4/10/2024	25	52
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.147	4	4.175	15/8/2024	-3	84
7-Eleven Malaysia Holdings Berhad	06/28	AA-	4.327	4	4.317	6/9/2024	1	84
Eco World Capital Berhad	08/28	AA-	3.898	15	3.846	14/8/2024	5	42
UEM Sunrise Berhad	09/28	AA-	3.877	7	3.846	26/9/2024	3	39
MMC Port Holdings Sdn Berhad	04/29	AA-	3.928	4	3.881	19/9/2024	5	45
MMC Corporation Berhad	11/29	AA-	3.958	1	4.036	26/6/2024	-8	40
DRB-Hicom Berhad	12/29	AA-	4.048	10	4.028	1/10/2024	2	49
DRB-Hicom Berhad	04/30	AA-	4.076	10	4.058	1/10/2024	2	43
Alliance Bank Malaysia Berhad	08/31	A1	4.029	5	4.043	6/9/2024	-1	27
Hong Leong Bank Berhad	11/17	A1	3.810	1	4.342	8/10/2024	-53	-27
MCIS Insurance Berhad	12/31	A2	4.365	1	4.697	7/10/2024	-33	61
TG Excellence Berhad	02/20	A	6.027	1	4.822	3/10/2024	121	195
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	5.065	1	4.103	8/10/2024	96	131
Alliance Bank Malaysia Berhad	11/17	BBB1	4.401	1	4.202	1/10/2024	20	33
Alliance Bank Malaysia Berhad	11/17	BBB1	4.038	1	4.197	9/10/2024	-16	-4
				442				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
OSK Rated Bond Sdn Bhd	Sukuk Murabahah/Multi-Currency Medium-Term Notes (Sukuk/MCMTN) Programmes with a combined limit of up to RM2bn	AA/Stable	Affirmed
Cagamas Berhad	Corporate Credit Ratings	AAA/Stable/P1	Affirmed
	RM60bn Islamic and Conventional MTN Programmes (2007/2067)	AAA/Stable	Affirmed
	RM20bn Islamic and Conventional Commercial Papers Programmes (2023/2030)	P1	Affirmed
	RM80bn Islamic and Conventional MTN Programmes (2024/-)	AAA/Stable	Assigned
Poseidon ABS Berhad	RM318m First Tranche Senior Medium-Term Notes	AA2/Stable	Affirmed

Source: RAM, MARC

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