

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were slightly stronger in trading on Thursday, after higher than expected weekly jobless claims suggested a faster pace of labour market cooling. A decent auction of USD25bn of 30yr USTs added to the bid tone for the day. Benchmark yields closed lower by between 2 and 3bps for the day. **The benchmark 2yr UST yield was 2bps lower for the session at 4.82%, while the benchmark 10yr UST yield was 3bps lower at 4.46%.** Tonight sees the release of the University of Michigan's preliminary consumer sentiment index for May, where the inflation expectations components of the survey will be closely watched.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.82	-2
5-yr UST	4.47	-3
10-yr UST	4.46	-3
30-yr UST	4.61	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.62	2	3.54	2
5-yr	3.75	2	3.72	2
7-yr	3.85	1	3.84	0
10-yr	3.92	1	3.91	0
15-yr	4.03	0	3.90	-12
20-yr	4.16	0	4.16	0
30-yr	4.26	11	4.28	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	0
3-yr	3.68	2
5-yr	3.78	2
7-yr	3.90	4
10-yr	4.01	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies were better offered in trading on Thursday, even as BNM left its policy rate unchanged and maintained a neutral tone in the monetary policy statement. Secondary market volume for the day receded by 34% to RM2.11bn, versus the RM3.21bn that traded on Wednesday. Benchmark yields closed higher between 0 and 2bps for the day, except for the 15y GII which saw a few odd lot trades at elevated levels which should correct tomorrow, and the 30yr MGS which reverted from elevated levels yesterday. **The benchmark 5Y MGS 8/29 saw its yield 2bps higher for the session at 3.75% while the benchmark 10Y MGS 11/33 was 1bp higher at 3.92%.** Trading interest was again led by the benchmark 7Y GII, while interest was also seen in the benchmark 3Y GII, 7Y MGS and 10Y MGS, as well as in the off-the-run MGS 6/24, MGS 9/25, GII 9/27 and MGS 6/28. The market share of GII trading for the day increased to 38% versus the 29% share seen the day before. Malaysia's IPI due at noon today will be closely watched for more insights into final 1Q GDP print due next Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets conversely saw a more active trading session on Thursday with the market mixed for the day. Secondary market volume for the day surged by 46% to RM921m, compared to the RM631m that changed hands the previous session. Trading interest for the day was dominated by the GG segment of the market, where trading was led by DANA 10/42, which settled at 4.16%, 6bps higher versus where it last traded. Interest was also seen in LPPSA 3/45 and LPPSA 3/46, which closed at 4.22% (+2bps versus last print) and 4.23% (-14bps) respectively. Meanwhile in the AAA space, trading interest was led by PSEP 2/33, which settled the day at 4.08%, 8bps above where it last printed. In AA land, trading was led by MBB 4.13% Perps, which closed at 4.02%, 2bps higher versus its last trade. Over in A-rated territory, Muamalat 6/31 saw decent action and closed at 4.20%, lower by 29bps versus its last print.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.146	103	3.275	05/08/2024	-13
MGS	07/24	3.208	18	3.290	05/07/2024	-8
MGS	09/24	3.315	35	3.293	05/07/2024	2
MGS	03/25	3.366	3	3.333	05/07/2024	3
MGS	09/25	3.381	104	3.406	05/08/2024	-3
MGS	04/26	3.443	6	3.461	05/07/2024	-2
MGS	07/26	3.516	1	3.520	05/08/2024	0
MGS	11/26	3.502	1	3.524	05/08/2024	-2
MGS	03/27	3.616	1	3.582	05/08/2024	3
MGS	05/27	3.617	99	3.592	05/08/2024	2
MGS	11/27	3.638	59	3.609	05/08/2024	3
MGS	04/28	3.675	50	3.670	05/08/2024	0
MGS	06/28	3.690	101	3.679	05/08/2024	1
MGS	08/29	3.749	24	3.727	05/08/2024	2
MGS	04/31	3.850	133	3.838	05/08/2024	1
MGS	06/31	3.907	3	3.865	05/08/2024	4
MGS	07/32	3.913	25	3.906	05/08/2024	1
MGS	04/33	3.924	57	3.917	05/08/2024	1
MGS	11/33	3.923	150	3.912	05/08/2024	1
MGS	07/34	3.906	75	3.920	05/08/2024	-1
MGS	05/35	3.958	1	3.981	05/08/2024	-2
MGS	06/38	4.061	11	4.021	05/08/2024	4
MGS	04/39	4.029	59	4.027	05/08/2024	0
MGS	10/42	4.159	87	4.160	05/08/2024	0
MGS	03/46	4.216	1	4.261	05/06/2024	-4
MGS	06/50	4.263	5	4.288	05/08/2024	-3
MGS	03/53	4.256	101	4.150	05/08/2024	11
GII	09/26	3.543	150	3.523	05/08/2024	2
GII	09/27	3.602	110	3.582	05/07/2024	2
GII	07/28	3.717	1	3.696	05/08/2024	2
GII	07/29	3.742	20	3.736	05/08/2024	1
GII	10/30	3.817	24	3.854	05/08/2024	-4
GII	10/31	3.819	155	3.799	05/08/2024	2
GII	10/32	3.897	10	3.911	05/07/2024	-1
GII	06/33	3.919	70	3.907	05/08/2024	1
GII	08/33	3.909	100	3.909	05/08/2024	0
GII	08/37	3.887	1	4.105	05/02/2024	-22
GII	03/38	3.866	1	3.977	05/08/2024	-11
GII	09/39	3.903	1	4.022	05/08/2024	-12
GII	08/43	4.163	86	4.161	05/08/2024	0
GII	05/47	4.116	1	4.234	05/08/2024	-12
GII	05/52	4.202	22	4.290	05/08/2024	-9
GII	03/54	4.277	40	4.271	05/07/2024	1
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.798	10	4.630	5/5/2022	-83	7
Lembaga Pembiayaan Perumahan Sektor Awam	08/35	GG	4.000	8	4.059	29/8/2023	-6	8
Prasarana Malaysia Berhad	09/42	GG	4.184	10	4.204	7/5/2024	-2	2
DanaInfra Nasional Berhad	10/42	GG	4.164	300	4.107	22/2/2024	6	0
DanaInfra Nasional Berhad	03/44	GG	4.205	15	4.240	3/5/2024	-4	4
DanaInfra Nasional Berhad	07/44	GG	4.224	20	4.139	20/3/2024	9	6
Lembaga Pembiayaan Perumahan Sektor Awam	03/45	GG	4.216	100	4.200	25/4/2024	2	5
Lembaga Pembiayaan Perumahan Sektor Awam	03/46	GG	4.226	100	4.369	14/9/2023	-14	6
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.708	10	3.700	7/5/2024	1	32
Johor Corporation	06/27	AAA	4.004	10	4.048	7/5/2024	-4	41
F&N Capital Sdn Berhad	10/27	AAA	3.827	10	3.857	22/4/2024	-3	24
TM Technology Services Sdn Berhad (fka Webe Di	05/28	AAA	3.910	10	3.976	21/11/2023	-7	24
TM Technology Services Sdn Berhad (fka Webe Di	10/28	AAA	3.931	10	3.849	12/4/2024	8	26
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.947	10	3.949	6/5/2024	0	16
CIMB Islamic Bank Berhad	11/30	AAA	4.099	10	4.288	11/12/2023	-19	27
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.079	40	4.004	2/4/2024	8	19
TNB Northern Energy Berhad	05/33	AAA	4.152	5	4.339	17/11/2023	-19	26
Danum Capital Berhad	02/34	AAA	4.099	30	4.109	3/5/2024	-1	18
CIMB Islamic Bank Berhad	03/34	AAA	4.151	30	4.130	26/3/2024	2	23
Sarawak Petchem Sdn Berhad	07/37	AAA	4.189	10	4.189	8/5/2024	0	16
Sabah Development Bank Berhad	05/25	AA1	4.495	1	4.692	5/4/2024	-20	111
GENM Capital Berhad	08/25	AA1	4.253	2	4.249	8/5/2024	0	87
Sabah Development Bank Berhad	05/27	AA1	4.700	1	4.672	8/5/2024	3	111
Imtiaz Sukuk II Berhad	11/27	AA2	4.040	10	4.116	22/11/2023	-8	37
RHB Islamic Bank Berhad	05/29	AA2	3.601	2	3.646	14/2/2024	-4	-13
Malayan Cement Berhad (fka Lafarge Malaysia Bt	06/28	AA3	4.127	10	4.147	2/4/2024	-2	46
Edra Energy Sdn Berhad	07/36	AA3	4.289	15	4.910	4/4/2022	-62	37
Edra Energy Sdn Berhad	01/37	AA3	4.338	10	4.338	8/5/2024	0	30
Malayan Banking Berhad	02/17	AA3	4.019	20	3.996	17/4/2024	2	-15
Eco World Capital Berhad	10/27	AA-	3.997	10	4.010	6/5/2024	-1	41
MMC Port Holdings Sdn Berhad	04/29	AA-	4.048	10	4.087	18/4/2024	-4	32
UDA Holdings Berhad	05/31	AA-	4.830	1	4.880	8/5/2024	-5	100
Bank Muamalat Malaysia Berhad	06/31	A3	4.198	60	4.491	6/12/2023	-29	36
Eco World Capital Berhad	08/24	NR(LT)	5.025	3	4.983	26/4/2024	4	164
PNB Merdeka Ventures Sdn Berhad	12/29	NR(LT)	4.839	10	n/a	n/a	484	105
PNB Merdeka Ventures Sdn Berhad	12/30	NR(LT)	4.920	10	n/a	n/a	492	109
				<u>921</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Farm Fresh Berhad	Islamic Medium-Term Notes (IMTN) Programme of RM1bn	AA-/Stable	Affirmed

Source: RAM, MARC

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