

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded lower on Wednesday, taking cue from the declines in European government bonds and UK Gilts after hawkish comments from the ECB's Joachim Nagel and the BoE's Huw Pill tempered expectations of rate cuts this year. Benchmark yields were higher by between 1 and 4bps for the day, with the UST curve bear-steepening. **The benchmark 2yr UST yield was 1bp higher for the session at 4.95%, while the benchmark 10yr UST yield was 4bps higher at 4.64%.** Tonight sees the release of advanced 1Q US GDP which is expected to moderate slightly from the pace of growth seen in 4Q23, amidst the sale of USD44bn of 7yr UST notes to complete the Treasury refunding for the week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.95	1
5-yr UST	4.66	3
10-yr UST	4.64	4
30-yr UST	4.77	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.61	3	3.51	0
5-yr	3.75	1	3.73	2
7-yr	3.89	0	3.84	2
10-yr	3.97	1	3.96	1
15-yr	4.06	-1	4.09	2
20-yr	4.18	0	4.18	1
30-yr	4.27	2	4.29	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.66	1
3-yr	3.70	2
5-yr	3.79	1
7-yr	3.90	1
10-yr	4.03	1

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM5bn 3yr GII 9/26 on Thursday, 25 Apr

MGS/GII

- Local govies were mostly lower in trading on Wednesday in a less active session. Secondary market volume for the day receded by 22% to RM2.67bn, compared to the RM3.44bn that exchanged hands the day before. Benchmark yields closed mixed between -1 and +3 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield rise by 1bp for the session to 3.75% while the benchmark 10Y MGS 11/33 was also 1bps higher in yield for the day at 3.97%.** Trading interest was led by the off-the-run GII 10/24, while interest was also seen in the benchmark 5Y MGS and 7Y GII, as well as in the off-the-run MGS 6/24, MGS 7/24, MGS 3/25 and MGS 4/37 and GII 7/29. The market share of GII trading for the day rose to 52%, from the 36% share seen on Tuesday. The reopening of RM5bn of the benchmark 3yr GII 9/26 is up next, with the auction set to take place later today, amidst the much anticipated scheduled release of March CPI numbers, after the larger than expected rise in February.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a heavy trading session on Wednesday, as secondary market volume for the day more than doubled to RM2,003m, compared to RM944m that traded on Tuesday. Trading interest for the day was led by a series of STJ floaters, which saw a total of RM1,047m traded between them. In GG space, DANA 4/37 led trading for the day, settling at 4.07%, up 9bps from its last print. Meanwhile in the AAA universe, trading interest was led by PSEP 3/28, which closed the day at 3.81%, 7bps higher versus its last trade. Trading in the AA segment was led by RHB 5/26, which settled the day at 3.71%, lower by 1bp versus its last print. Over in the A-rated area, interest was led by DRB 12/29, which exchanged hands at 4.75%, 5bps higher versus where it last traded. In the unrated space, chunky amounts of STJ floaters exchanged hands, with STJ 9/27, 9/28 and 9/29 being traded at 5.98% (-16bps from last print), 6.00% (-15bps) and 6.01% (-16bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.286	103	3.253	04/23/2024	3
MGS	07/24	3.295	140	3.280	04/15/2024	2
MGS	09/24	3.325	2	3.317	04/23/2024	1
MGS	03/25	3.370	135	3.393	04/23/2024	-2
MGS	09/25	3.465	31	3.446	04/22/2024	2
MGS	04/26	3.540	22	3.572	04/23/2024	-3
MGS	07/26	3.534	3	3.588	04/23/2024	-5
MGS	11/26	3.530	31	3.550	04/23/2024	-2
MGS	05/27	3.608	27	3.575	04/23/2024	3
MGS	11/27	3.656	50	3.626	04/23/2024	3
MGS	04/28	3.710	1	3.696	04/23/2024	1
MGS	06/28	3.722	22	3.707	04/23/2024	2
MGS	09/28	3.665	1	3.722	04/19/2024	-6
MGS	04/29	3.758	2	3.727	04/23/2024	3
MGS	08/29	3.754	320	3.746	04/23/2024	1
MGS	04/30	3.854	36	3.855	04/23/2024	0
MGS	04/31	3.889	17	3.882	04/23/2024	1
MGS	06/31	3.900	10	3.902	04/18/2024	0
MGS	04/32	3.935	1	3.950	04/17/2024	-2
MGS	07/32	3.955	22	3.948	04/23/2024	1
MGS	11/33	3.970	72	3.956	04/23/2024	1
MGS	07/34	3.990	2	3.972	04/23/2024	2
MGS	05/35	4.012	6	3.965	04/23/2024	5
MGS	04/37	4.090	100	4.089	04/23/2024	0
MGS	06/38	4.078	43	4.076	04/23/2024	0
MGS	04/39	4.063	1	4.056	04/17/2024	1
MGS	05/40	4.143	2	4.125	04/23/2024	2
MGS	10/42	4.180	20	4.183	04/23/2024	0
MGS	09/43	4.204	1	4.199	04/23/2024	0
MGS	06/50	4.224	8	4.250	04/23/2024	-3
MGS	03/53	4.267	41	4.249	04/23/2024	2
GII	05/24	3.259	40	3.249	04/23/2024	1
GII	10/24	3.284	326	3.297	04/23/2024	-1
GII	03/26	3.473	6	3.493	04/23/2024	-2
GII	07/27	3.599	10	3.617	04/18/2024	-2
GII	07/28	3.728	100	3.705	04/23/2024	2
GII	10/28	3.725	6	3.738	04/22/2024	-1
GII	12/28	3.733	70	3.621	03/06/2024	11
GII	07/29	3.754	140	3.760	04/23/2024	-1
GII	09/30	3.838	20	3.839	04/18/2024	0
GII	10/31	3.865	110	3.854	04/23/2024	1
GII	10/32	3.947	100	3.926	04/23/2024	2
GII	06/33	3.959	80	3.961	04/17/2024	0
GII	08/33	3.956	90	3.950	04/22/2024	1
GII	10/35	3.978	4	3.989	04/22/2024	-1
GII	09/39	4.087	60	4.062	04/23/2024	2
GII	08/43	4.184	50	4.177	04/23/2024	1
GII	11/49	4.260	23	4.266	04/22/2024	-1
GII	05/52	4.296	95	4.297	04/23/2024	0
GII	03/54	4.292	70	4.287	04/23/2024	0
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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*
DanaInfra Nasional Berhad	11/25	GG	3.492	5	3.423	27/3/2024	7	1
DanaInfra Nasional Berhad	11/25	GG	3.492	5	3.450	5/4/2024	4	1
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.982	20	3.868	21/3/2024	11	7
DanaInfra Nasional Berhad	02/33	GG	3.976	10	3.969	18/4/2024	1	4
DanaInfra Nasional Berhad	04/37	GG	4.065	150	3.975	3/4/2024	9	0
Prasarana Malaysia Berhad	08/39	GG	4.109	10	4.018	8/3/2024	9	4
DanaInfra Nasional Berhad	10/39	GG	4.114	10	4.114	17/4/2024	0	5
Cagamas Berhad	08/24	AAA	3.501	5	3.503	19/4/2024	0	12
Cagamas Berhad	09/24	AAA	3.496	10	3.498	22/4/2024	0	11
Cagamas Berhad	10/24	AAA	3.500	25	3.510	19/4/2024	-1	12
Cagamas Berhad	11/25	AAA	3.655	35	3.677	26/2/2024	-2	17
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.735	30	3.887	24/11/2023	-15	25
Cagamas Berhad	10/26	AAA	3.727	30	3.737	19/4/2024	-1	25
Petroleum Sarawak Exploration & Production Sdr	11/27	AAA	3.797	50	3.696	15/3/2024	10	11
Petroleum Sarawak Exploration & Production Sdr	03/28	AAA	3.813	105	3.747	4/4/2024	7	13
Cagamas Berhad	10/28	AAA	3.848	5	3.858	19/4/2024	-1	16
Bank Simpanan Nasional Berhad	02/29	AAA	3.941	15	3.828	26/3/2024	11	18
Petroleum Sarawak Exploration & Production Sdr	03/31	AAA	4.020	65	4.017	23/4/2024	0	14
Pengurusan Air Selangor Sdn Berhad	04/33	AAA	4.028	10	4.028	17/4/2024	0	9
Pengurusan Air SPV Berhad	02/34	AAA	4.109	10	4.099	18/4/2024	1	15
Pengurusan Air SPV Berhad	10/34	AAA	4.099	20	4.000	29/2/2024	10	14
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.010	20	4.040	22/4/2024	-3	5
TNB Power Generation Sdn Berhad	03/38	AAA	4.150	5	4.045	4/4/2024	11	8
Tenaga Nasional Berhad	08/38	AAA	4.090	20	4.179	22/4/2024	-9	2
Tenaga Nasional Berhad	08/40	AAA	4.128	40	4.158	23/4/2024	-3	6
RHB Bank Berhad	05/26	AA1	3.707	60	3.718	26/2/2024	-1	23
YTL Power International Berhad	03/36	AA1	4.199	10	4.200	22/4/2024	0	24
YTL Power International Berhad	08/38	AA1	4.349	5	4.159	5/4/2024	19	28
Press Metal Aluminium Holdings Berhad	08/25	AA2	4.354	1	3.793	19/4/2024	56	97
SP Setia Berhad	06/30	AA	4.114	20	4.028	25/3/2024	9	28
Affin Islamic Bank Berhad	12/25	AA3	3.905	30	3.884	21/2/2024	2	42
Edra Energy Sdn Berhad	07/35	AA3	4.269	10	4.239	25/3/2024	3	31
Edra Energy Sdn Berhad	07/37	AA3	4.360	10	4.300	1/4/2024	6	29
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/28	AA-	4.658	20	4.668	23/4/2024	-1	97
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/38	AA-	5.150	50	5.359	7/2/2024	-21	108
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/39	AA-	5.210	20	5.215	23/4/2024	0	114
DRB-Hicom Berhad	12/29	A+	4.748	10	4.701	23/4/2024	5	92
Seaport Terminal (Johore) Sdn Berhad	09/27	NR(LT)	5.979	329	6.140	25/3/2024	-16	238
Seaport Terminal (Johore) Sdn Berhad	09/28	NR(LT)	5.999	329	6.150	25/3/2024	-15	231
Seaport Terminal (Johore) Sdn Berhad	09/29	NR(LT)	6.010	390	6.170	25/3/2024	-16	225
				<u>2003</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Avaland Berhad	Corporate Credit Ratings	AA3/Stable/P1	Assigned

Source: RAM, MARC

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