

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Monday in a light session, amidst the Fed reporting tighter credit standards for banks in 1Q, as the lagged effects of previous rate hikes continue to work their way through the system. The Fed's Thomas Barkin mentioned that he remains optimistic that the "restrictive level of rates" can bring inflation down to the 2% target. Benchmark yields closed mixed by between -3 and +1 bps for the day, as the UST curve flattened. **The benchmark 2yr UST yield was higher by 1bp for the session at 4.83%, while the benchmark 10yr UST yield was 2bps lower for the day at 4.49%.** There are no major economic releases scheduled for today, but there will be comments from the Fed's Kashkari to look out for.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.83	1
5-yr UST	4.49	-1
10-yr UST	4.49	-2
30-yr UST	4.64	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.58	-2	3.53	-3
5-yr	3.73	-3	3.69	-3
7-yr	3.85	-1	3.84	-1
10-yr	3.91	-3	3.92	-3
15-yr	4.02	-4	4.05	-3
20-yr	4.19	-1	4.15	-3
30-yr	4.28	-2	4.27	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	-1
3-yr	3.68	-1
5-yr	3.76	-2
7-yr	3.87	-2
10-yr	3.99	-2

Source : Bloomberg

MGS/GII

- Local govovies traded higher again on Monday, taking cue from the overnight rally in the UST market last Friday night after the weaker than expected monthly jobs report. Secondary market volume for the day receded by 29% to RM2.37bn, versus the RM3.33bn that traded on Friday. Benchmark yields closed lower between 1 and 4bps for the day. **The benchmark 5Y MGS 8/29 saw its yield fall by 3bps to 3.73% while the benchmark 10Y MGS 11/33 was also 3bps lower in yield at 3.91%.** Trading interest was led by the benchmark 3Y GII, while interest was also seen in the benchmark 7Y GII and 10Y MGS/GII, as well as in the off-the-run MGS 6/24, MGS 7/24, GII 3/26 and MGS 7/32. The market share of GII trading for the day increased to 47% compared to the 38% seen on Friday. The next key event for the domestic markets is the BNM MPC policy decision this coming Thursday.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a slightly more active trading session on Friday, with secondary market volume for the day rising by 25% to RM473m, compared to the RM380m that changed hands on Friday. Trading interest for the day was led by the AAA and AA segments of the market. In the GG universe, trading was led by PRASA 3/34 and DANA 5/36, which closed the day at 3.98% (+10bps versus last print) and 4.02% (-3bps) respectively. Meanwhile in the AAA space, trading interest was led by CAGA 7/24, which settled for the day at 3.51%, higher by 1bps versus where it last traded. Interest was also seen in SEB 7/24, which closed at 3.52%, up 3bps compared to its last print. Trading in the AA universe was led by UDA 4/26 and UDA 5/28, which settled for the day at 4.49% (-2bps) and 4.68% (-23bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.313	113	3.574	05/03/2024	-26
MGS	07/24	3.250	310	3.224	05/02/2024	3
MGS	09/24	3.291	5	3.319	05/03/2024	-3
MGS	03/25	3.371	16	3.398	05/03/2024	-3
MGS	09/25	3.388	33	3.403	05/03/2024	-2
MGS	04/26	3.529	7	3.484	05/02/2024	4
MGS	07/26	3.501	88	3.564	05/03/2024	-6
MGS	11/26	3.529	11	3.533	05/03/2024	0
MGS	03/27	3.564	9	3.570	05/03/2024	-1
MGS	05/27	3.578	16	3.593	05/03/2024	-2
MGS	11/27	3.595	14	3.624	05/03/2024	-3
MGS	04/28	3.674	2	3.683	05/03/2024	-1
MGS	06/28	3.685	59	3.711	05/03/2024	-3
MGS	04/29	3.762	13	3.738	05/03/2024	2
MGS	08/29	3.726	87	3.758	05/03/2024	-3
MGS	04/31	3.855	59	3.866	05/03/2024	-1
MGS	06/31	3.868	39	3.911	05/02/2024	-4
MGS	04/32	3.961	7	3.948	05/02/2024	1
MGS	07/32	3.913	94	3.948	05/03/2024	-4
MGS	04/33	3.897	28	3.924	05/03/2024	-3
MGS	11/33	3.905	124	3.937	05/03/2024	-3
MGS	07/34	3.906	10	3.936	05/03/2024	-3
MGS	05/35	4.004	6	4.011	05/03/2024	-1
MGS	04/37	4.041	19	4.050	05/03/2024	-1
MGS	06/38	4.059	8	4.075	05/03/2024	-2
MGS	04/39	4.018	31	4.055	05/03/2024	-4
MGS	05/40	4.100	9	4.108	05/03/2024	-1
MGS	10/42	4.186	14	4.198	05/03/2024	-1
MGS	07/48	4.223	5	4.273	05/03/2024	-5
MGS	06/50	4.256	11	4.253	05/03/2024	0
MGS	03/53	4.275	19	4.293	05/03/2024	-2
GII	03/26	3.499	116	3.511	05/02/2024	-1
GII	09/26	3.525	402	3.556	05/03/2024	-3
GII	07/27	3.634	2	3.593	05/03/2024	4
GII	09/27	3.585	3	3.610	05/03/2024	-2
GII	07/28	3.688	54	3.714	05/03/2024	-3
GII	10/28	3.733	3	3.733	05/03/2024	0
GII	07/29	3.739	53	3.775	05/03/2024	-4
GII	09/30	3.844	44	3.853	05/03/2024	-1
GII	10/30	3.827	3	3.880	05/02/2024	-5
GII	10/31	3.804	209	3.874	05/02/2024	-7
GII	10/32	3.950	3	3.932	05/03/2024	2
GII	08/33	3.916	163	3.948	05/03/2024	-3
GII	07/36	4.022	2	4.035	05/02/2024	-1
GII	03/38	4.055	2	4.023	05/03/2024	3
GII	09/39	4.052	4	4.083	05/03/2024	-3
GII	09/41	4.113	7	4.120	05/03/2024	-1
GII	08/43	4.154	14	4.180	05/03/2024	-3
GII	05/47	4.234	6	4.266	05/02/2024	-3
GII	05/52	4.289	12	4.302	05/03/2024	-1
GII	03/54	4.268	1	4.289	05/02/2024	-2
			2370			

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	02/33	GG	3.954	10	4.003	29/4/2024	-5	4
Prasarana Malaysia Berhad	03/34	GG	3.978	20	3.882	27/3/2024	10	6
DanaInfra Nasional Berhad	09/35	GG	4.000	5	3.956	3/4/2024	4	8
DanaInfra Nasional Berhad	11/35	GG	3.999	5	4.140	8/11/2023	-14	8
DanaInfra Nasional Berhad	05/36	GG	4.015	20	4.048	16/4/2024	-3	9
Sarawak Energy Berhad	07/24	AAA	3.516	40	3.487	23/4/2024	3	13
Cagamas Berhad	07/24	AAA	3.508	100	3.499	18/4/2024	1	12
Cagamas Berhad	04/25	AAA	3.551	10	3.591	19/4/2024	-4	16
CIMB Islamic Bank Berhad	03/29	AAA	3.977	20	n/a	n/a	398	23
Petroleum Sarawak Exploration & Production Sdr	02/30	AAA	3.949	5	3.946	23/4/2024	0	13
TNB Western Energy Berhad	07/30	AAA	4.376	20	4.178	5/1/2022	20	56
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.988	5	3.881	20/3/2024	11	12
Danga Capital Berhad	01/33	AAA	4.051	10	3.967	4/4/2024	8	14
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.150	10	4.097	23/4/2024	5	23
RHB Bank Berhad	05/26	AA1	3.755	10	3.707	24/4/2024	5	26
YTL Power International Berhad	08/38	AA1	4.249	10	4.261	30/4/2024	-1	21
Kapar Energy Ventures Sdn Berhad	07/24	AA+	3.835	20	4.199	11/10/2022	-36	45
Press Metal Aluminium Holdings Berhad	10/24	AA2	3.747	1	3.740	2/5/2024	1	36
Malaysia Airport Holdings Berhad	12/14	AA2	4.508	20	4.331	20/3/2024	18	32
Mumtaz Rakyat Sukuk Berhad	06/31	AA3	4.199	20	4.157	29/3/2024	4	34
UDA Holdings Berhad	04/26	AA-	4.485	50	4.507	5/3/2024	-2	99
MMC Corporation Berhad	04/27	AA-	4.006	1	4.027	2/5/2024	-2	43
Eco World Capital Berhad	10/27	AA-	4.010	20	4.650	8/4/2024	-64	43
UDA Holdings Berhad	05/28	AA-	4.684	30	4.911	17/10/2023	-23	101
Eco World Capital Berhad	08/28	AA-	4.047	10	4.049	17/4/2024	0	37
Tropicana Corporation Berhad	06/25	A	7.596	1	5.979	1/4/2024	162	421
Tropicana Corporation Berhad	10/25	A	8.601	1	5.470	30/4/2024	313	521
Naza TTDI Capital Berhad	06/26	NR(LT)	5.497	1	6.226	15/3/2024	-73	201
				473				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.