

12 September 2025

Global Economics & Market Strategy

GII 30YR Reopening

- ◆ **We expect today's 30YR 3/54 4.280% GII reopening auction to print around 3.91% to 3.93%.** The issue size for today's auction is MYR3.0bn and MYR2.0bn private placement. While demand has declined in recent government auctions, we think today's auction could still attract interest from traders. This view is based on the limited availability of ultra-long-dated securities in the market, alongside our assessment of a benign interest rate risk environment, which collectively should support solid demand. We estimate the bid-to-cover ratio (BTC) for today's issuance to be within the range of 1.9x to 2.2x. Bloomberg's morning bid-ask quotes this morning are seen at 3.926/3.905.
- ◆ **Malaysia:** Total traded government securities volume stood at MYR5,101mn with the top traded stock **GII 3.804% 10/31** with MYR508mn traded. The implied 10YR MGS yield movement today is +0.21, given the trailing 30-day beta of -0.09 against UST 10YR (-2.5bps). Bid-ask spread fell for MGS 3YR (Figure 3). The 30-day 10YR MGS/UST correlation stood at -0.50. Corporate Bonds volume traded was MYR657mn, with the top traded stock **MRL 9/27** with a volume of MYR100mn. **Every 1 bps move in 10YR UST yield implies a -0.09bps move in 10YR MGS.*
- ◆ **US Treasuries:** Treasury rallied as all signs pointed to policy easing. UST yield curve bull flattened with gains led by the long-end, extending the trend for the week. Front-end gains in the morning were supported by higher weekly jobless claims and a US Aug core CPI print, which was in line with Bloomberg consensus at 0.3%. Traders interpreted the data as a clear signal for the Fed to resume its rate-cutting cycle next week. Later, the long-end outperformed after a solid 30Y UST auction with a size of USD22bn, that was awarded at 4.651%, matching the indicated yield level. Swap implied FFR cuts by Dec-2025 stood at 2.9x. UST yields for the 2YR/10YR/20YR moved by -0.2bps/-2.5ps/-3.6bps, respectively.
- ◆ **Key Events – Friday:** US September preliminary consumer sentiment

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Fixed Income Return Snapshot

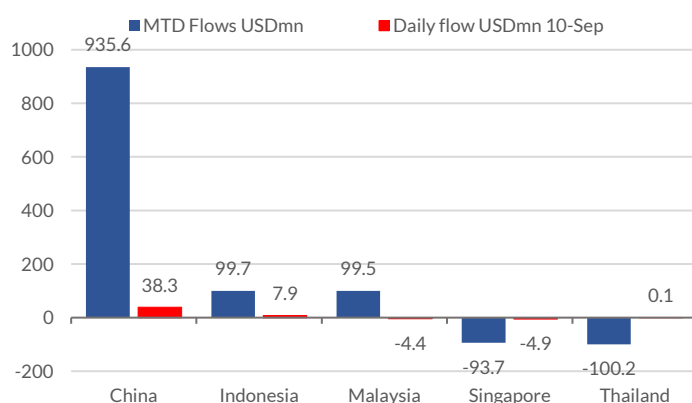
	1D Δ (%)	7D Δ (%)	1M Δ (%)
MGS 10YR	-0.24	-0.20	-0.35
MYR Govt Bond	-0.02	0.10	0.28
US Treasuries	0.14	0.90	1.73
Global Bond	0.12	1.06	1.36
AxJ IG Bond	0.12	0.67	1.63

2YR and 10YR Yields (%)

	11-Sep	1D bps Δ	7D bps Δ
China 2YR	1.418	-0.6	2.0
China 10YR	1.803	-1.6	5.1
Indonesia 2YR	5.268	-5.0	3.1
Indonesia 10YR	6.365	-4.1	-0.8
Japan 2YR	0.855	0.6	0.7
Japan 10YR	1.575	1.1	-1.5
Malaysia 3YR	3.058	1.9	2.9
Malaysia 10YR	3.411	1.4	0.2
Singapore 2YR	1.381	-1.7	-4.4
Singapore 10YR	1.777	-2.2	-7.4
Thailand 2YR	1.093	1.0	-1.0
Thailand 10YR	1.256	3.0	1.4
US 2YR	3.542	-0.2	-4.6
US 10YR	4.021	-2.5	-14.0
MYR AAA 10YR	3.749	0.7	1.2
MYR AA 10YR	3.909	-0.1	0.5
MYR A 10YR	5.004	-1.3	-7.7

Source: Bloomberg, RHB Economics & Market Strategy.

Figure 1: Regional MTD/Daily Bond Fund Flows (USDmn)

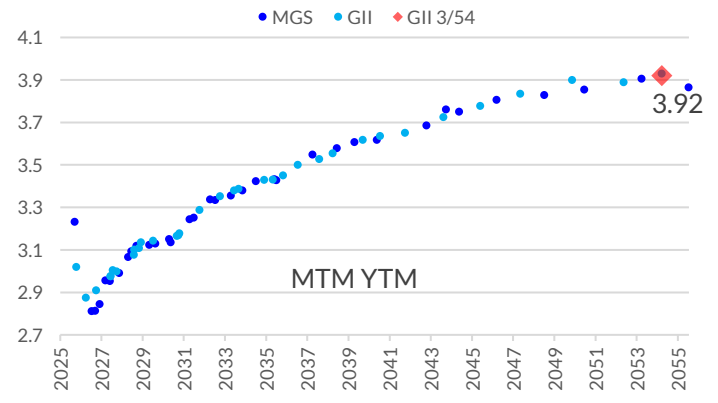


Source: EPFR, RHB Economics & Market Strategy.

See important disclosures at the end of this report

Market Dateline / PP 19489/05/2019 (035080)

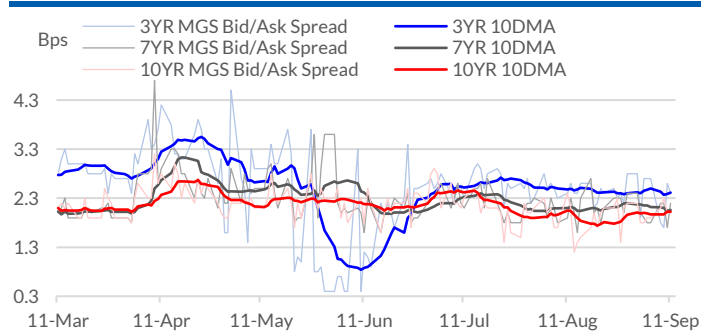
Figure 2: Target for GII 3/54



Source: BPAM, RHB Economics & Market Strategy.

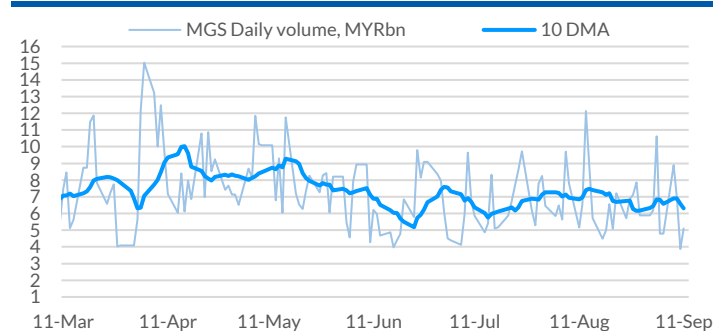
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Figure 3: Bid-ask spreads of key benchmarks



Source: Bloomberg, RHB Economics & Market Strategy.

Figure 4: Daily MGS/GII Volume



Source: Bloomberg, RHB Economics & Market Strategy.

Trading Ideas

- ◆ **SGD Bond: (29/8/25) We are Outperform on CapitaLand Ascendas REIT (CLAR) (Moody's, A3).** We think that its longer-end pick up yield to SGS at around 50bps-130bps are attractive. While the 9/25 tranche has a higher positive spread to SGS, it is set to mature next month. The trust is a renowned industrial REIT player in Singapore with good overseas presence. CLAR's diversified portfolio of 229 properties across Singapore, Australia, Europe, and the US is valued at SGD16.8bn as of 30 June 2025. The financial performance has remained sound while the portfolio quality is set to be enhanced via M&A and assets disposal ([Read here](#)).
- ◆ **MYR Bond: (30/7/25) We are Market Perform on Petroleum Sarawak & Exploration Production Sdn Bhd (PSEP) (AAA).** We think that its MYR15bn Islamic Medium-Term Notes (IMTN) paper's yields are attractive and in-line with the indicative AAA-rating benchmark in addition to decent liquidity. The instrument is guaranteed by PSEP's parent, Petroleum Sarawak Berhad (PETROS) (AAA/P1, RAM Ratings). PSEP is mandated to undertake and house upstream O&G business and investments for PETROS Group. PSEP's upstream business has remained sound while the overall group's financial position has remained healthy. PETROS Group is considered as key player in Sarawak's economic development ([Read here](#)).
- ◆ **MYR Bond: (24/6/25) We are Market Perform on Farm Fresh Berhad (AA-IS).** We think that its Islamic Medium-term Notes (IMTN) paper is fairly priced and offer attractive relative value as well as decent liquidity. Farm Fresh has a solid metrics and commendable earnings performance which we view as positive for the company. Hence, we think that it warrants the paper yields to stand one-notch above its AA3-bond benchmark. The company has a decent revenue of around MYR981mn while D/E ratio remains healthy at 0.59x in FY25 ([Read here](#)).
- ◆ Read the complete list of our bond coverage [here](#).

MGS/GII

- ◆ Following the cut in OPR to 2.75% from 3.00%, we changed our forecast for 10YR MGS to be traded at a slightly lower range at around 3.40% to 3.50% in 2025.
- ◆ Read our 3Q25 report here: [Global Outlook 3Q25: Beware the Three Tees](#)

MYR Yields vs RHB Year-end Forecast

	Last Yield %	Forecast		Yield Changes (bps)				
		2025F	Pickup (bps)	1D	1W	1M	3M	YTD
MGS 3YR	3.058	3.10	-4	1.9	2.9	3.8	-10.9	-42.3
MGS 5YR	3.126	3.14	-2	0.8	1.7	2.6	-11.9	-49.8
MGS 7YR	3.336	3.35	-1	0.9	1.2	6.0	-12.3	-42.5
MGS 10YR	3.411	3.43	-2	1.4	0.2	4.1	-14.0	-39.9
MGS 15YR	3.607	3.67	-6	0.4	0.8	1.1	-10.2	-36.2
MGS 20YR	3.751	3.77	-2	0.4	0.8	1.0	-3.6	-31.3
MGS 30YR	3.873	3.99	-12	-0.1	-1.4	-2.7	-14.1	-31.0
AAA 3YR	3.515	3.60	-9	0.2	0.4	-1.7	-10.3	-31.5
AAA 10YR	3.749	3.83	-8	0.7	1.2	-2.1	-8.4	-31.6
AAA 15YR	3.882	3.96	-8	0.9	1.5	-2.8	-8.0	-28.5
AA 3YR	3.675	3.76	-9	0.1	0.6	-2.0	-9.1	-33.9
AA 10YR	3.909	3.99	-8	-0.1	0.5	-2.3	-8.8	-33.0
AA 15YR	4.048	4.13	-8	0.4	0.8	-3.3	-9.2	-31.3
A 3YR	4.505	4.54	-4	-0.9	-4.0	-1.1	-6.6	-35.2
A 10YR	5.004	5.01	-1	-1.3	-7.7	-0.2	-8.5	-55.5
A 15YR	5.236	5.26	-2	-1.4	-9.7	-0.5	-10.2	-64.3

Source: Bloomberg, RHB Economic & Market Research. Constant maturity.

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Daily Top 10 Trade

Government

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
GII MURABAH 2/2024 3.804% 08.10.2031	508	3.285	3.263	2
MGS 1/2019 3.906% 15.07.2026	478	2.817	2.798	2
MGS 2/2023 3.519% 20.04.2028	457	3.064	3.051	1
MGS 4/2017 3.899% 16.11.2027	313	2.990	2.970	2
MGS 1/2022 3.582% 15.07.2032	276	3.337	3.330	1
GII MURABAH 1/2023 3.599% 31.07.2028	240	3.074	3.069	0
GII MURABAH 3/2025 3.612% 30.04.2035	240	3.430	3.419	1
MGS 2/2019 3.885% 15.08.2029	230	3.134	3.124	1
GII MURABAH 3/2015 4.245% 30.09.2030	230	3.167	3.166	0
GII MURABAH 2/2020 3.465% 15.10.2030	190	3.177	3.165	1

Quasi-Govt

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
MRL IMTN 10.09.2027 - SERIES 21	100	3.180	-	-
LPPSA IMTN 4.200% 25.08.2032 - Tranche No 67	60	3.445	3.448	0
PRASARANA IMTN 4.540% 03.03.2042 (Series 7)	50	3.769	3.807	-4
PRASARANA SUKUK MURABAH 5.11% 12.09.2042 - S5	40	3.781	3.780	0
DANAINFRA IMTN 4.230% 23.11.2035 - Tranche No 114	10	3.518	3.499	2
PASB IMTN 4.060% 29.04.2039 - Issue No. 51	10	3.759	3.761	0
CAGAMAS IMTN 3.900% 14.04.2026	5	3.329	3.226	10
DANAINFRA IMTN 3.620% 26.09.2034 - Tranche 13	5	3.488	3.498	-1
-	-	-	-	-
-	-	-	-	-

Corporate

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
SDPROPERTY IMTN 3.420% 03.12.2027	40	3.480	3.530	-5
CELCOMDIGI IMTN 3.50% 18.09.2026 - Tranche No 4	30	3.392	3.432	-4
ISLAM IMTN 4.010% 13.07.2029 (Tranche 6 Series 1)	30	3.619	3.699	-8
SCC IMTN 12.08.2026	30	3.441	-	-
PRESS METAL IMTN 4.690% 07.12.2027	25	3.490	3.477	1
ALLIANCEI IMTN 4.160% 20.09.2034 (TRANCHE 02)	20	3.718	3.736	-2
CIMBI IMTN 4.070% 30.07.2035 - Series 4 Tranche 3	20	3.672	3.659	1
PSEP IMTN 3.930% 24.05.2029 (Tr4 Sr2)	20	3.465	3.563	-10
TBE IMTN 5.650% 15.09.2026 (Tranche 11)	20	3.748	4.507	-76
AEON CO. IMTN 4.000% 16.08.2029	15	3.610	3.626	-2

Source: BPAM, RHB Economic & Market Strategy. Previous trading day.

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RHB Credit Strategy Rating Definitions

Recommendation	Time Horizon	Definition
Outperform	6 to 12 months	A corporate bond's expected relative performance versus a reference (i.e. AA3 curve or sector peers)
Market perform	6 to 12 months	
Underperform	6 to 12 months	
Speculative	Indefinitely	The bond's repayment ability is highly uncertain
Not Rated (NR)	Indefinitely	Not under coverage

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