

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were stronger in trading on Wednesday, amidst rising risk aversion and declining equity markets. A solid auction of new 20yr UST notes also added to the bid tone for the session. Benchmark yields were lower by between 5 and 9bps for the day, with the UST curve bull flattening. **The benchmark 2yr UST yield was 5bps lower for the session at 4.93%, while the benchmark 10yr UST yield was 8bps lower for the day at 4.59%.** Tonight sees the release of weekly jobless claims, as well as the Leading Index and existing home sales for March.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.93 | -5 |
| 5-yr UST | 4.62 | -9 |
| 10-yr UST | 4.59 | -8 |
| 30-yr UST | 4.70 | -6 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.61 | 1 | 3.51 | 2 |
| 5-yr | 3.78 | 2 | 3.70 | 1 |
| 7-yr | 3.88 | 0 | 3.84 | 1 |
| 10-yr | 3.98 | 2 | 3.98 | 4 |
| 15-yr | 4.06 | 0 | 4.03 | 0 |
| 20-yr | 4.20 | 2 | 4.18 | 6 |
| 30-yr | 4.26 | 3 | 4.29 | 1 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.65 | 0 |
| 3-yr | 3.69 | -2 |
| 5-yr | 3.81 | -2 |
| 7-yr | 3.91 | -3 |
| 10-yr | 4.02 | -2 |

Source : Bloomberg

MGS/GII

- Local govies had another bad day in trading on Wednesday as the market took the cue from a further overnight decline in the US Treasury market. It was even a worse day for the hedging participants of the bond market, with bond swap spreads tearing apart as IRS levels finished lower for the day. Secondary market volume for the day receded by 22% to RM3.59bn, versus the RM4.58bn that exchanged hands on Tuesday. Benchmark yields closed higher between 0 and 6bps for the day. **The benchmark 5Y MGS 8/29 saw its yield rise by 2bps for the session to 3.78% while the benchmark 10Y MGS 11/33 was also 2bps higher in yield at 3.98%.** Trading for the day was led by off-the-run MGS 6/24, while interest was also seen in the benchmark 10Y MGS, 20Y MGS/GII and 30Y MGS/GII, as well as in the off-the-run GII 5/24 and MGS 9/25. The market share of GII rose to 40%, from the 34% share seen on Tuesday. The next key events domestically are the release of March trade numbers and advanced 1Q GDP on Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were better offered in trading on Wednesday, as secondary market volume for the day fell by 21% to RM676m, compared to RM857m that traded the previous session. Trading interest for the day was dominated by the AA segment of the market. In the GG universe, DANA 10/39 led trading and closed the day at 4.11%, up 10bps in yield versus its last print. Over in the AAA space, trading interest was led by DANUM 2/26, which closed the day at 3.70%, down 6bps in yield versus where it last traded. Meanwhile in the AA universe, trading interest was dominated by MBB 4.13% Perps, with RM200m changing hands for the day, and settled at 4.00%, lower by 24bps versus its last print. Over in the A-rated side of things, trading interest was led by BIMB 3/30 and ABMB 10/30, which closed the session at 4.00% (unchanged versus last print) and 4.15% (-1bp) respectively.

Upcoming Government Bond Tender

Nil

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 06/24 | 3.261 | 603 | 3.177 | 04/16/2024 | 8 |
| MGS | 03/25 | 3.419 | 1 | 3.415 | 04/16/2024 | 0 |
| MGS | 09/25 | 3.446 | 130 | 3.439 | 04/16/2024 | 1 |
| MGS | 07/26 | 3.530 | 98 | 3.518 | 04/16/2024 | 1 |
| MGS | 03/27 | 3.572 | 1 | 3.544 | 04/16/2024 | 3 |
| MGS | 05/27 | 3.607 | 50 | 3.600 | 04/16/2024 | 1 |
| MGS | 04/28 | 3.682 | 62 | 3.673 | 04/16/2024 | 1 |
| MGS | 06/28 | 3.674 | 2 | 3.641 | 04/16/2024 | 3 |
| MGS | 08/29 | 3.777 | 55 | 3.755 | 04/16/2024 | 2 |
| MGS | 06/31 | 3.926 | 50 | 3.889 | 04/16/2024 | 4 |
| MGS | 04/32 | 3.950 | 15 | 3.860 | 04/09/2024 | 9 |
| MGS | 04/33 | 3.991 | 12 | 3.924 | 04/16/2024 | 7 |
| MGS | 11/33 | 3.979 | 547 | 3.954 | 04/16/2024 | 2 |
| MGS | 07/34 | 3.990 | 100 | 3.960 | 04/16/2024 | 3 |
| MGS | 04/37 | 4.043 | 4 | 4.055 | 04/16/2024 | -1 |
| MGS | 06/38 | 4.068 | 25 | 4.073 | 04/16/2024 | -1 |
| MGS | 04/39 | 4.056 | 60 | 4.058 | 04/16/2024 | 0 |
| MGS | 10/42 | 4.203 | 127 | 4.180 | 04/16/2024 | 2 |
| MGS | 03/46 | 4.190 | 21 | 4.051 | 04/16/2024 | 14 |
| MGS | 07/48 | 4.212 | 5 | 4.205 | 04/15/2024 | 1 |
| MGS | 06/50 | 4.230 | 49 | 4.159 | 04/16/2024 | 7 |
| MGS | 03/53 | 4.260 | 151 | 4.228 | 04/16/2024 | 3 |
| GII | 05/24 | 3.224 | 216 | 3.238 | 04/16/2024 | -1 |
| GII | 08/24 | 3.274 | 50 | 3.243 | 04/16/2024 | 3 |
| GII | 10/25 | 3.402 | 34 | 3.435 | 04/16/2024 | -3 |
| GII | 03/26 | 3.458 | 1 | 3.419 | 04/15/2024 | 4 |
| GII | 09/26 | 3.506 | 40 | 3.486 | 04/16/2024 | 2 |
| GII | 07/27 | 3.570 | 1 | 3.540 | 04/09/2024 | 3 |
| GII | 07/28 | 3.700 | 102 | 3.687 | 04/16/2024 | 1 |
| GII | 10/28 | 3.728 | 10 | 3.671 | 04/09/2024 | 6 |
| GII | 07/29 | 3.778 | 10 | 3.768 | 04/16/2024 | 1 |
| GII | 09/30 | 3.839 | 110 | 3.830 | 04/16/2024 | 1 |
| GII | 10/31 | 3.866 | 110 | 3.852 | 04/16/2024 | 1 |
| GII | 06/33 | 3.961 | 40 | 3.940 | 04/16/2024 | 2 |
| GII | 08/33 | 3.978 | 110 | 3.943 | 04/16/2024 | 4 |
| GII | 11/34 | 3.962 | 12 | 3.937 | 04/16/2024 | 3 |
| GII | 03/38 | 4.020 | 16 | 4.011 | 04/16/2024 | 1 |
| GII | 09/41 | 4.103 | 20 | 3.887 | 04/09/2024 | 22 |
| GII | 08/43 | 4.184 | 283 | 4.128 | 04/16/2024 | 6 |
| GII | 05/52 | 4.302 | 10 | 4.300 | 04/15/2024 | 0 |
| GII | 03/54 | 4.292 | 245 | 4.289 | 04/16/2024 | 0 |
| | | 3585 | | | | |

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 | 02/26 | GG | 3.491 | 10 | 3.431 | 26/3/2024 | 6 | 2 |
| DanaInfra Nasional Berhad | 02/33 | GG | 3.988 | 10 | 3.960 | 16/4/2024 | 3 | 4 |
| DanaInfra Nasional Berhad | 10/39 | GG | 4.114 | 40 | 4.018 | 8/3/2024 | 10 | 5 |
| DanaInfra Nasional Berhad | 05/41 | GG | 4.155 | 30 | 4.059 | 3/4/2024 | 10 | 9 |
| Danum Capital Berhad | 06/25 | AAA | 3.655 | 5 | 3.624 | 3/4/2024 | 3 | 28 |
| Danum Capital Berhad | 02/26 | AAA | 3.695 | 15 | 3.636 | 30/1/2024 | 6 | 23 |
| Danga Capital Berhad | 09/27 | AAA | 3.753 | 5 | 3.693 | 25/3/2024 | 6 | 15 |
| Danga Capital Berhad | 01/28 | AAA | 3.792 | 5 | 3.728 | 20/3/2024 | 6 | 12 |
| Pengurusan Air Selangor Sdn Berhad | 04/33 | AAA | 4.028 | 10 | 3.969 | 19/3/2024 | 6 | 8 |
| Danga Capital Berhad | 09/33 | AAA | 4.128 | 10 | 3.998 | 3/4/2024 | 13 | 18 |
| Tenaga Nasional Berhad | 08/40 | AAA | 4.270 | 1 | 4.416 | 16/4/2024 | -15 | 20 |
| GENM Capital Berhad | 05/28 | AA1 | 4.577 | 1 | 4.556 | 14/3/2024 | 2 | 90 |
| UMW Holdings Berhad | 10/26 | AA+ | 3.848 | 10 | 4.153 | 11/10/2023 | -31 | 38 |
| Imtiaz Sukuk II Berhad | 04/28 | AA2 | 4.067 | 30 | 4.114 | 3/8/2023 | -5 | 39 |
| Pelabuhan Tanjung Pelepas Sdn Berhad | 06/25 | AA | 3.795 | 10 | 3.766 | 20/3/2024 | 3 | 42 |
| SP Setia Berhad | 06/28 | AA | 3.998 | 10 | 4.126 | 12/1/2024 | -13 | 33 |
| Affin Islamic Bank Berhad | 12/26 | AA3 | 4.000 | 15 | 3.915 | 2/4/2024 | 9 | 40 |
| Affin Islamic Bank Berhad | 12/27 | AA3 | 4.039 | 20 | 4.324 | 8/4/2024 | -29 | 37 |
| IJM Corporation Berhad | 04/29 | AA3 | 4.037 | 40 | 4.027 | 28/2/2024 | 1 | 27 |
| Gamuda Berhad | 06/30 | AA3 | 4.008 | 40 | 3.936 | 27/3/2024 | 7 | 18 |
| Gamuda Berhad | 06/30 | AA3 | 4.009 | 5 | 4.490 | 14/4/2023 | -48 | 18 |
| Gamuda Berhad | 03/31 | AA3 | 4.068 | 10 | 4.045 | 29/3/2024 | 2 | 18 |
| AmBank (M) Berhad | 03/32 | AA3 | 3.998 | 40 | 4.001 | 15/4/2024 | 0 | 8 |
| AmBank (M) Berhad | 10/32 | AA3 | 4.310 | 2 | 4.349 | 15/3/2024 | -4 | 39 |
| Gamuda Berhad | 06/33 | AA3 | 4.178 | 10 | 4.148 | 22/3/2024 | 3 | 23 |
| Malayan Banking Berhad | 02/17 | AA3 | 3.996 | 200 | 4.237 | 1/4/2024 | -24 | -17 |
| Eco World Capital Berhad | 08/28 | AA- | 4.049 | 20 | 3.988 | 26/3/2024 | 6 | 38 |
| UMW Holdings Berhad | 04/18 | AA- | 4.398 | 10 | 4.341 | 27/3/2024 | 6 | 23 |
| Bank Islam Malaysia Berhad | 03/30 | A1 | 4.001 | 20 | 4.000 | 15/4/2024 | 0 | 17 |
| Bank Islam Malaysia Berhad | 10/30 | A1 | 4.067 | 10 | 4.058 | 3/4/2024 | 1 | 18 |
| MNRB Holdings Berhad | 03/34 | A1 | 4.330 | 10 | 4.232 | 15/4/2024 | 10 | 34 |
| Hong Leong Bank Berhad | 11/17 | A1 | 4.247 | 2 | 4.247 | 15/4/2024 | 0 | 8 |
| Hong Leong Bank Berhad | 11/17 | A1 | 4.095 | 1 | 4.095 | 16/4/2024 | 0 | -7 |
| Alliance Bank Malaysia Berhad | 10/30 | A2 | 4.148 | 20 | 4.157 | 4/4/2024 | -1 | 26 |
| Bank Muamalat Malaysia Berhad | 09/22 | BBB | 5.200 | 1 | 5.189 | 16/4/2024 | 1 | 103 |
| | | | | 676 | | | | |

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

| Rating Action | | | |
|------------------------|-----------------------------------|----------------|------------------------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Qiradh Capital Sdn Bhd | RM200 mil Sukuk Wakalah Programme | AA3/Stable | Preliminary Rating Withdrawn |

Source: RAM, MARC

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