

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mostly higher in trading on Monday, in a quiet session to start the week amidst the absence of any significant economic data releases, with equity markets little changed for the day. Benchmark yields finished lower between 2 and 5bps for the day, with the UST yield curve little changed. **The benchmark 2yr UST yield was 4bps lower for the session at 4.02%, while the benchmark 10yr UST yield also fell by 4bps for the day to 3.91%.** Tonight sees the release of US PPI numbers for July, ahead of tomorrow's much anticipated CPI report. There are also some comments from the Fed's Bostic to look out for, which may provide further clues into the Fed's thinking post the market turmoil last week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.02	-4
5-yr UST	3.75	-5
10-yr UST	3.91	-4
30-yr UST	4.20	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.33	0	3.31	-2
5-yr	3.49	0	3.46	0
7-yr	3.69	-1	3.64	0
10-yr	3.78	1	3.80	0
15-yr	3.89	0	3.92	0
20-yr	4.04	0	4.05	0
30-yr	4.06	-10	4.13	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.35	-2
3-yr	3.30	-2
5-yr	3.37	-1
7-yr	3.48	1
10-yr	3.56	0

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM3bn of benchmark 30Y MGS 3/53 on Wednesday, 14 Aug (with an additional RM2bn to be privately placed)

MGS switch auction on Monday, 19 Aug with an indicative size of RM 1.22bn – MGS 3/25, MGS 9/25 and MGS 7/26 eligible to be repurchased, and replaced with MGS 6/50

MGS/GII

- Local govovies were mixed in trading in a quiet session on Monday, amidst more government bond supply being announced with the reopening of RM3bn of the 30Y benchmark MGS 3/53, which is set to be auctioned on Wednesday, as well as a MGS switch auction scheduled for next week. Secondary market volume for the day declined by 32% to RM2.77bn compared to the RM4.07bn that changed hands on Friday. Benchmark yields closed mixed between -2 and +1 bps for the day, except for the benchmark 30Y MGS which was skewed by some small odd-lot trades. **The benchmark 5Y MGS 8/29 saw its yield little changed at 3.49% while the yield on the benchmark 10Y MGS 11/33 was 1bp higher for the day at 3.78%.** Trading interest was led by the off-the-run GII 8/24, while interest was also seen in the off-the-run MGS 9/24, GII 10/24, MGS 3/25, MGS 9/25, MGS 7/26 and MGS 4/30, as well as in the benchmark 3Y GII. Trading in GIIs as a proportion of total govovies trading surged to 55% versus the 39% share seen on Friday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market was better bid in trading on Monday, with secondary market volume receding by 17% to RM881m versus the RM1,057m that traded on Friday. Trading activity for the day was again led by the GG segment, where PRASA 3/30 and GOVCO 2/32 led trading, closing at 3.67% (-7bps from last print) and 3.88% (-33bps) respectively. Over in the AAA space, interest was led by CIMBI 3/34, which closed the day at 4.00%, 2bps lower compared to its last trade. Interest was also seen in CIMBI 7/35, which settled the day at 4.04% in a secondary market debut for the bond. Meanwhile in the AA-rated segment, trading interest was led by MBB 4.13% Perps and 7-EHMB 6/26, which settled at 4.00% (-10bps) and 4.20% (-6bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/24	3.075	227	3.019	08/09/2024	6
MGS	03/25	3.095	111	3.078	08/09/2024	2
MGS	09/25	3.112	205	3.124	08/09/2024	-1
MGS	04/26	3.224	51	3.201	08/09/2024	2
MGS	07/26	3.201	112	3.218	08/09/2024	-2
MGS	05/27	3.327	107	3.327	08/09/2024	0
MGS	11/27	3.368	2	3.359	08/09/2024	1
MGS	04/28	3.402	61	3.406	08/09/2024	0
MGS	06/28	3.438	42	3.436	08/09/2024	0
MGS	08/29	3.488	83	3.489	08/09/2024	0
MGS	04/30	3.587	180	3.590	08/09/2024	0
MGS	04/31	3.689	2	3.699	08/09/2024	-1
MGS	07/32	3.745	22	3.742	08/09/2024	0
MGS	04/33	3.786	4	3.782	08/08/2024	0
MGS	04/37	3.888	1	3.933	08/08/2024	-4
MGS	10/42	4.019	8	4.011	08/09/2024	1
MGS	09/43	4.041	20	4.068	08/09/2024	-3
MGS	06/50	4.040	8	4.110	08/09/2024	-7
MGS	03/53	4.055	5	4.158	08/09/2024	-10
GII	08/24	3.073	527	3.100	08/06/2024	-3
GII	10/24	3.084	429	3.092	08/09/2024	-1
GII	08/25	3.148	50	3.163	08/08/2024	-1
GII	10/25	3.197	50	3.194	08/08/2024	0
GII	03/26	3.279	103	3.297	08/09/2024	-2
GII	09/26	3.308	110	3.324	08/09/2024	-2
GII	09/27	3.391	50	3.394	08/08/2024	0
GII	10/28	3.504	5	3.489	08/08/2024	2
GII	12/28	3.501	30	3.521	08/09/2024	-2
GII	07/29	3.520	30	3.523	08/09/2024	0
GII	10/31	3.704	10	3.704	08/09/2024	0
GII	10/32	3.790	1	3.780	08/09/2024	1
GII	11/34	3.777	23	3.782	08/09/2024	0
GII	10/35	3.972	20	3.820	08/06/2024	15
GII	03/38	3.931	3	3.908	08/09/2024	2
GII	09/41	4.012	60	4.010	08/09/2024	0
GII	05/52	4.197	20	4.200	08/09/2024	0
			2769			

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*
PR1MA Corporation Malaysia	07/27	GG	3.549	20	3.699	20/6/2024	-15	22
Prasarana Malaysia Berhad	03/30	GG	3.668	140	3.739	25/7/2024	-7	6
GovCo Holdings Berhad	02/32	GG	3.881	140	4.208	5/10/2023	-33	16
DanaInfra Nasional Berhad	03/34	GG	3.858	20	3.849	6/8/2024	1	9
Prasarana Malaysia Berhad	06/34	GG	3.873	80	3.918	11/7/2024	-4	11
Prasarana Malaysia Berhad	08/34	GG	3.869	50	3.849	6/8/2024	2	10
Lembaga Pembiayaan Perumahan Sektor Awam	08/38	GG	3.959	50	3.961	9/8/2024	0	6
Prasarana Malaysia Berhad	08/39	GG	3.989	30	3.972	30/7/2024	2	9
DanaInfra Nasional Berhad	03/40	GG	3.999	20	4.121	18/4/2024	-12	10
DanaInfra Nasional Berhad	03/44	GG	4.100	45	4.095	6/8/2024	0	5
Bakun Hydro Power Generation Sdn Berhad (fka S)	08/26	AAA	3.700	6	3.719	21/6/2024	-2	45
CIMB Islamic Bank Berhad	03/31	AAA	3.924	10	3.898	31/7/2024	3	23
CIMB Islamic Bank Berhad	03/34	AAA	3.997	20	4.019	11/7/2024	-2	23
Sarawak Energy Berhad	06/35	AAA	3.889	15	3.918	9/8/2024	-3	12
CIMB Islamic Bank Berhad	07/35	AAA	4.041	15	n/a	n/a	404	27
RHB Bank Berhad	11/28	AA1	3.857	30	3.867	1/8/2024	-1	44
YTL Power International Berhad	08/32	AA1	3.909	30	4.001	2/7/2024	-9	19
CIMB Group Holdings Berhad	12/31	AA2	3.825	20	3.859	21/6/2024	-3	13
BGSM Management Sdn Berhad	12/26	AA3	3.838	5	4.010	26/7/2023	-17	59
AEON Credit Service (M) Berhad	12/28	AA3	3.855	20	3.910	29/7/2024	-6	44
Malayan Banking Berhad	02/17	AA3	4.004	50	4.103	9/8/2024	-10	-4
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.196	40	4.254	18/7/2024	-6	95
MY E.G. Services Berhad	03/27	AA-	5.458	1	4.822	20/3/2024	64	213
Quantum Solar Park (Semenanjung) Sdn Berhad	10/27	AA-	4.017	10	4.097	7/3/2024	-8	69
Quantum Solar Park (Semenanjung) Sdn Berhad	04/33	AA-	4.308	10	4.728	17/5/2023	-42	56
Alliance Bank Malaysia Berhad	08/31	A1	4.032	1	3.900	9/8/2024	13	33
MCIS Insurance Berhad	12/31	A2	4.399	1	3.973	8/8/2024	43	70
Eco World Capital Sdn Berhad	03/26	NR(LT)	4.996	2	5.332	19/7/2024	-34	175
				<u>881</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
KIP REIT Capital Sdn Bhd	RM210m 2019-Issue 1 Class A Medium-Term Notes (MTN)	AAA/Stable	Withdrawn

Source: RAM, MARC

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