

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were softer in trading on Friday, amidst a continued surge in risk appetite even as the monthly employment report for September was delayed due to the federal government shutdown, while the ISM Services index for the month registered a larger than expected decline. Overall benchmark UST yields closed the day higher by between 2 to 5bps. **The benchmark 2-year UST note yield was 4bps higher for the day at 3.58% while the 10-year UST bond yield also rose by 4bps to 4.12%.** The coming day sees no economic data releases scheduled, but the Fed's Schmid is due to speak on the economic outlook and monetary policy.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 3.58 | 4 |
| 5-yr UST | 3.71 | 5 |
| 10-yr UST | 4.12 | 4 |
| 30-yr UST | 4.71 | 2 |

| MGS | | | GII* | | |
|--------|-------------|-----------|-------------|-----------|--|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) | |
| 3-yr | 3.09 | 1 | 3.13 | 1 | |
| 5-yr | 3.20 | -3 | 3.22 | -1 | |
| 7-yr | 3.39 | 1 | 3.34 | 0 | |
| 10-yr | 3.44 | -1 | 3.48 | 1 | |
| 15-yr | 3.66 | 0 | 3.70 | 2 | |
| 20-yr | 3.86 | 5 | 3.83 | 0 | |
| 30-yr | 3.99 | 18 | 3.93 | -6 | |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.22 | 0 |
| 3-yr | 3.17 | 1 |
| 5-yr | 3.24 | 1 |
| 7-yr | 3.30 | -1 |
| 10-yr | 3.41 | 0 |

Source : Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM3bn of the benchmark 30Y MGS 7/55 on Monday, 06 Oct (with an additional RM2bn to be privately placed)

MGS/GII

- Local govies were mixed in trading on Friday in a quieter session to end the week amidst no fresh leads domestically. Secondary market volume for the day declined by 46% to RM4.20bn from the RM7.76bn that changed hands on Thursday. Overall benchmark yields were mixed by between -3 to +5bps (prior: -3 to +1bp), except for the benchmark 30Y GII which was skewed by a late off-market trade, and the 30Y MGS which was correcting from previous off-market trades. **The benchmark 5Y MGS 5/30 yield fell 3bps for the day to 3.20% while the yield on the benchmark 10Y MGS 7/35 declined by 1bp to 3.44%.** Trading interest for the day was led by the off-the-run GII 10/25, while decent interest was also seen in the off-the-run GII 3/26 and MGS 7/26, as well as in the benchmark 5Y MGS. The share of GII trading for the day rose to 58% of overall govies trading versus the 51% seen the previous session. The day ahead sees the reopening of the benchmark 30Y MGS 7/55, with RM3bn to be auctioned.

Corp Bonds/Sukuk

- Corporate bonds/sukuk were mixed in trading on Friday in a busier session, with secondary market volume rising by 30% to RM668m versus the RM516m that traded on Thursday. Trading for the day was led by the AAA-rated segment of the market. In the GG universe, the interest was led by PRASA 2/31 and PRASA 9/28, which settled the day at 3.40% (+7bps versus last print) and 3.19% (-8bps) respectively. In the AAA space, trading was led by SMJ 10/33 and PASB 4/28, closing at 3.74% (-1bp) and 3.43% (unchanged) respectively. Over in the AA-rated territory, interest was seen in AEONC 8/30 and PMAH 3/35, which settled the day at 3.72% (+12bps) and 3.79% (+1bp) respectively.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 07/26 | 2.846 | 315 | 2.785 | 10/02/2025 | 6 |
| MGS | 11/26 | 2.839 | 2 | 2.820 | 10/02/2025 | 2 |
| MGS | 03/27 | 3.001 | 30 | 3.020 | 10/02/2025 | -2 |
| MGS | 05/27 | 3.019 | 9 | 3.016 | 10/02/2025 | 0 |
| MGS | 11/27 | 3.035 | 14 | 3.024 | 10/02/2025 | 1 |
| MGS | 04/28 | 3.085 | 4 | 3.077 | 10/02/2025 | 1 |
| MGS | 06/28 | 3.130 | 4 | 3.146 | 10/02/2025 | -2 |
| MGS | 04/29 | 3.238 | 20 | 3.174 | 10/02/2025 | 6 |
| MGS | 08/29 | 3.204 | 155 | 3.204 | 10/02/2025 | 0 |
| MGS | 05/30 | 3.199 | 209 | 3.230 | 10/02/2025 | -3 |
| MGS | 04/31 | 3.329 | 92 | 3.325 | 10/02/2025 | 0 |
| MGS | 06/31 | 3.361 | 30 | 3.359 | 10/02/2025 | 0 |
| MGS | 04/32 | 3.429 | 10 | 3.438 | 09/29/2025 | -1 |
| MGS | 07/32 | 3.393 | 182 | 3.383 | 10/02/2025 | 1 |
| MGS | 04/33 | 3.452 | 1 | 3.433 | 10/02/2025 | 2 |
| MGS | 11/33 | 3.477 | 60 | 3.477 | 10/02/2025 | 0 |
| MGS | 07/34 | 3.493 | 98 | 3.520 | 10/02/2025 | -3 |
| MGS | 05/35 | 3.470 | 40 | 3.480 | 10/02/2025 | -1 |
| MGS | 07/35 | 3.443 | 46 | 3.457 | 10/02/2025 | -1 |
| MGS | 04/37 | 3.611 | 36 | 3.614 | 10/02/2025 | 0 |
| MGS | 06/38 | 3.661 | 20 | 3.656 | 10/02/2025 | 0 |
| MGS | 04/39 | 3.662 | 40 | 3.658 | 10/02/2025 | 0 |
| MGS | 05/40 | 3.721 | 100 | 3.721 | 10/02/2025 | 0 |
| MGS | 10/42 | 3.794 | 25 | 3.779 | 10/02/2025 | 2 |
| MGS | 09/43 | 3.810 | 1 | 3.830 | 10/01/2025 | -2 |
| MGS | 05/44 | 3.858 | 7 | 3.804 | 10/02/2025 | 5 |
| MGS | 03/46 | 3.895 | 92 | 3.917 | 10/02/2025 | -2 |
| MGS | 06/50 | 3.982 | 41 | 3.924 | 10/02/2025 | 6 |
| MGS | 03/53 | 4.002 | 43 | 3.982 | 10/02/2025 | 2 |
| MGS | 07/55 | 3.988 | 23 | 3.804 | 10/02/2025 | 18 |
| GII | 10/25 | 2.972 | 1376 | 2.957 | 10/02/2025 | 2 |
| GII | 03/26 | 2.880 | 492 | 2.885 | 10/02/2025 | 0 |
| GII | 09/26 | 2.893 | 50 | 2.878 | 10/02/2025 | 1 |
| GII | 07/27 | 3.045 | 16 | 3.045 | 10/02/2025 | 0 |
| GII | 07/28 | 3.127 | 34 | 3.120 | 10/02/2025 | 1 |
| GII | 10/28 | 3.138 | 20 | 3.145 | 10/02/2025 | -1 |
| GII | 08/30 | 3.216 | 40 | 3.223 | 10/02/2025 | -1 |
| GII | 09/30 | 3.237 | 40 | 3.238 | 10/02/2025 | 0 |
| GII | 10/31 | 3.341 | 135 | 3.341 | 10/02/2025 | 0 |
| GII | 06/33 | 3.472 | 10 | 3.478 | 09/30/2025 | -1 |
| GII | 08/33 | 3.487 | 31 | 3.466 | 10/02/2025 | 2 |
| GII | 11/34 | 3.501 | 20 | 3.507 | 10/02/2025 | -1 |
| GII | 04/35 | 3.479 | 30 | 3.471 | 10/02/2025 | 1 |
| GII | 07/36 | 3.554 | 20 | 3.543 | 10/02/2025 | 1 |
| GII | 07/40 | 3.699 | 10 | 3.682 | 10/02/2025 | 2 |
| GII | 08/43 | 3.824 | 10 | 3.802 | 10/02/2025 | 2 |
| GII | 05/45 | 3.831 | 10 | 3.832 | 10/02/2025 | 0 |
| GII | 11/49 | 3.961 | 70 | 3.960 | 10/02/2025 | 0 |
| GII | 03/54 | 3.934 | 40 | 3.990 | 10/02/2025 | -6 |
| | | | 4202 | | | |

Daily Trades: Corp Bonds/ Sukuk

| Securities | | Rating | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yyyy) | Chg (bps) | Spread Against MGS* |
|--|-------|--------|----------------|-----------------|-----------------|--|--------------|------------------------|
| Prasarana Malaysia Berhad | 09/28 | GG | 3.194 | 70 | 3.278 | 2/7/2025 | -8 | 11 |
| Prasarana Malaysia Berhad | 03/30 | GG | 3.310 | 30 | 3.210 | 22/9/2025 | 10 | 15 |
| Prasarana Malaysia Berhad | 02/31 | GG | 3.398 | 100 | 3.329 | 8/8/2025 | 7 | 19 |
| Prasarana Malaysia Berhad | 02/35 | GG | 3.562 | 50 | 3.509 | 9/9/2025 | 5 | 13 |
| Prasarana Malaysia Berhad | 07/45 | GG | 3.895 | 20 | 3.959 | 7/5/2025 | -6 | 9 |
| Sarawak Energy Berhad | 01/27 | AAA | 3.410 | 20 | 3.389 | 30/9/2025 | 2 | 55 |
| Johor Corporation | 06/27 | AAA | 3.436 | 20 | 3.422 | 3/9/2025 | 1 | 43 |
| Projek Lebuhraya Usahasama Berhad | 01/28 | AAA | 3.437 | 20 | 3.437 | 1/10/2025 | 0 | 43 |
| Projek Lebuhraya Usahasama Berhad | 01/28 | AAA | 3.440 | 15 | 3.437 | 1/10/2025 | 0 | 44 |
| Pengurusan Air SPV Berhad | 04/28 | AAA | 3.434 | 40 | 3.430 | 26/9/2025 | 0 | 35 |
| Pengurusan Air SPV Berhad | 06/28 | AAA | 3.444 | 20 | 3.438 | 26/9/2025 | 1 | 36 |
| Petroleum Sarawak Exploration & Production Sdn E | 11/29 | AAA | 3.528 | 3 | 3.499 | 2/9/2025 | 3 | 37 |
| Samalaju Industrial Port Sdn Berhad | 12/29 | AAA | 3.563 | 2 | 3.886 | 13/2/2025 | -32 | 40 |
| Projek Lebuhraya Usahasama Berhad | 01/30 | AAA | 3.553 | 5 | 3.548 | 2/10/2025 | 0 | 39 |
| Petroleum Sarawak Exploration & Production Sdn E | 05/31 | AAA | 3.597 | 15 | 3.607 | 29/7/2025 | -1 | 29 |
| Projek Lebuhraya Usahasama Berhad | 01/32 | AAA | 3.602 | 5 | 3.600 | 2/10/2025 | 0 | 29 |
| Projek Lebuhraya Usahasama Berhad | 01/32 | AAA | 3.602 | 5 | 3.599 | 2/10/2025 | 0 | 29 |
| Pengurusan Air Selangor Sdn Berhad | 10/32 | AAA | 3.670 | 20 | n/a | n/a | 367 | 27 |
| SMJ Energy Sdn Berhad (fka SMJ Sdn Berhad) | 10/33 | AAA | 3.738 | 70 | 3.751 | 26/9/2025 | -1 | 32 |
| Projek Lebuhraya Usahasama Berhad | 01/35 | AAA | 3.705 | 30 | 3.712 | 2/10/2025 | -1 | 27 |
| Projek Lebuhraya Usahasama Berhad | 01/36 | AAA | 3.729 | 5 | 3.731 | 2/10/2025 | 0 | 29 |
| Pengurusan Air SPV Berhad | 06/37 | AAA | 3.771 | 20 | 3.674 | 20/8/2025 | 10 | 33 |
| Sarawak Petchem Sdn Berhad | 07/37 | AAA | 3.854 | 10 | 3.913 | 14/7/2025 | -6 | 41 |
| Genting Capital Berhad | 06/27 | AA1 | 3.907 | 10 | 3.875 | 2/10/2025 | 3 | 90 |
| Press Metal Aluminium Holdings Berhad | 03/35 | AA1 | 3.788 | 10 | 3.779 | 1/10/2025 | 1 | 35 |
| RHB Bank Berhad | 04/31 | AA2 | 3.556 | 2 | 3.550 | 19/9/2025 | 1 | 25 |
| Fortune Premiere Sdn Berhad | 10/25 | AA | 3.247 | 10 | 3.563 | 8/9/2025 | -32 | 38 |
| OSK Rated Bond Sdn Berhad | 04/28 | AA | 3.525 | 10 | 3.553 | 19/8/2025 | -3 | 44 |
| AEON Credit Service (M) Berhad | 08/30 | AA3 | 3.715 | 10 | 3.597 | 4/9/2025 | 12 | 51 |
| Zetrix AI Berhad (fka MY E.G. Services Berhad) | 09/28 | AA- | 4.941 | 1 | 4.941 | 2/10/2025 | 0 | 185 |
| Hong Leong Bank Berhad | 11/17 | A1 | 4.375 | 16 | 4.383 | 9/9/2025 | -1 | 57 |
| Qualitas Sukuk Berhad | 03/25 | A2 | 5.800 | 1 | 5.792 | 30/9/2025 | 1 | 200 |
| DRB-Hicom Berhad | 12/14 | A | 5.605 | 1 | 5.571 | 6/8/2025 | 3 | 180 |
| Affin Bank Berhad | 06/18 | A3 | 4.373 | 3 | 4.577 | 30/9/2025 | -20 | 57 |
| Yinson Holdings Berhad | 11/22 | NR(LT) | 5.653 | 2 | 5.662 | 1/10/2025 | -1 | 185 |
| | | | | 668 | | | | |

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

| Rating Action | | | |
|-----------------------------------|---|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| TSH Sukuk Murabahah Sdn Bhd | RM150m Islamic Medium-Term Notes Programme | AA-/Stable | Affirmed |
| Southern Power Generation Sdn Bhd | Outstanding RM2.9bn Sukuk Wakalah | AA-/Stable | Affirmed |
| TTM Sukuk Berhad | RM600m Sukuk Murabahah | AAA/Stable | Affirmed |
| Pengerang LNG (Two) Sdn Bhd | Islamic Medium-Term Notes (IMTN) Programme of up to RM3bn | AAA/Stable | Affirmed |

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@hlbb.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.