

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were higher in trading on Friday for a third consecutive day, after a weaker than expected April jobs report, which saw less than expected jobs being added, a tick up in the unemployment rate, and a slower than expected rise in average hourly earnings. Market expectations for a cut by the Fed by the September meeting consequently increased to 88% from 79% the day before. Benchmark yields closed lower by between 6 and 7bps for the day in a nearly parallel shift lower in the UST curve. **The benchmark 2yr UST yield was lower by 6bps for the session at 4.82%, while the benchmark 10yr UST yield was 7bps lower for the day at 4.51%.** Up next for the markets is the release of the latest Fed Senior Loan Officer Opinion Survey later tonight, which will shed some light on how credit conditions are faring.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.82	-6
5-yr UST	4.50	-7
10-yr UST	4.51	-7
30-yr UST	4.66	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	-1	3.56	-1
5-yr	3.76	-6	3.71	-3
7-yr	3.87	-4	3.85	-3
10-yr	3.94	-1	3.95	-2
15-yr	4.06	0	4.08	1
20-yr	4.20	-2	4.18	-2
30-yr	4.29	-1	4.29	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.66	-1
3-yr	3.69	-1
5-yr	3.78	-2
7-yr	3.89	-1
10-yr	4.01	-1

Source : Bloomberg

MGS/GII

- Local govies traded higher on Friday, amidst MY IRS levels also heading lower for the day, ahead of the key US monthly employment report. Secondary market volume for the day inched lower by 6% to RM3.33bn, versus the RM3.56bn that exchanged hands the day before. Benchmark yields closed mixed between -6 and +1 bps for the day. **The benchmark 5Y MGS 8/29 saw its yield fall by 6bps to 3.76% while the benchmark 10Y MGS 11/33 was 1bp lower in yield at 3.94%.** Trading interest was led by the benchmark 3Y GII, while interest was also seen in the benchmark 10Y MGS and 15Y MGS, as well as in the off-the-run GII 10/24, GII 10/32, MGS 4/33, MGS 5/40 and MGS 6/50. The market share of GII trading for the day increased to 38% compared to the 29% seen on Thursday. Domestically, BNM meets to determine policy this coming Thursday, and the new 20Y MGS auction details could be announced later today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a lighter trading session on Friday. The market was better offered with secondary market volume for the day falling by 10% to RM380m, compared to the RM421m that traded on Thursday. Trading interest for the day was led by the GG segment of the market, where DANA 11/25 led trading and settled at 3.50%, unchanged from its last print. Interest was also seen in LPPSA 10/25 and LPPSA 11/25, which closed the day at 3.51% (+9bps versus last print) and 3.52% (-6bps) respectively. Meanwhile in the AAA space, trading interest was led by SEB 4/31 and SEB 7/33, which settled for the day at 4.01% (+10bps) and 4.11% (+1bp) respectively. Trading in the AA universe was led by YTLP 5/27, which closed at 3.90%, unchanged versus its last print.

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	3.574	107	3.288	05/02/2024	29
MGS	03/25	3.398	85	3.423	05/02/2024	-2
MGS	09/25	3.403	114	3.453	05/02/2024	-5
MGS	07/26	3.564	71	3.559	05/02/2024	0
MGS	11/26	3.533	2	3.552	05/02/2024	-2
MGS	03/27	3.570	27	3.601	05/02/2024	-3
MGS	05/27	3.593	12	3.602	05/02/2024	-1
MGS	11/27	3.624	5	3.647	05/02/2024	-2
MGS	04/28	3.683	34	3.724	05/02/2024	-4
MGS	06/28	3.711	15	3.764	05/02/2024	-5
MGS	04/29	3.738	80	3.790	05/02/2024	-5
MGS	08/29	3.758	76	3.821	05/02/2024	-6
MGS	04/30	3.833	55	3.871	05/02/2024	-4
MGS	04/31	3.866	80	3.902	05/02/2024	-4
MGS	07/32	3.948	8	3.971	05/02/2024	-2
MGS	04/33	3.924	131	3.961	05/02/2024	-4
MGS	11/33	3.937	175	3.949	05/02/2024	-1
MGS	07/34	3.936	20	3.978	05/02/2024	-4
MGS	05/35	4.011	10	4.011	05/02/2024	0
MGS	04/37	4.050	18	4.091	05/02/2024	-4
MGS	06/38	4.075	93	4.095	05/02/2024	-2
MGS	04/39	4.055	330	4.052	05/02/2024	0
MGS	05/40	4.108	205	4.136	05/02/2024	-3
MGS	10/42	4.198	129	4.217	05/02/2024	-2
MGS	07/48	4.273	7	4.296	05/02/2024	-2
MGS	06/50	4.253	145	4.291	05/02/2024	-4
MGS	03/53	4.293	47	4.299	05/02/2024	-1
GII	08/24	3.252	80	3.205	05/02/2024	5
GII	10/24	3.283	170	3.236	05/02/2024	5
GII	08/25	3.437	65	3.439	05/02/2024	0
GII	09/26	3.556	340	3.569	05/02/2024	-1
GII	07/27	3.593	42	3.661	05/02/2024	-7
GII	09/27	3.610	5	3.642	05/02/2024	-3
GII	07/28	3.714	1	3.740	05/02/2024	-3
GII	10/28	3.733	20	3.758	05/02/2024	-2
GII	07/29	3.775	5	3.786	05/02/2024	-1
GII	09/30	3.853	40	3.879	04/29/2024	-3
GII	10/32	3.932	160	3.956	05/02/2024	-2
GII	06/33	3.952	30	3.965	04/29/2024	-1
GII	08/33	3.948	70	3.967	05/02/2024	-2
GII	03/38	4.023	40	4.057	05/02/2024	-3
GII	09/39	4.083	40	4.075	05/02/2024	1
GII	09/41	4.120	4	4.125	05/02/2024	0
GII	08/43	4.180	130	4.199	05/02/2024	-2
GII	05/52	4.302	10	4.307	05/02/2024	-1
			3332			

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*
Lembaga Pembiayaan Perumahan Sektor Awam	04/25	GG	3.450	20	3.470	23/11/2023	-2	6
Lembaga Pembiayaan Perumahan Sektor Awam	10/25	GG	3.508	35	3.416	28/2/2024	9	11
Lembaga Pembiayaan Perumahan Sektor Awam	11/25	GG	3.519	35	3.581	6/4/2023	-6	2
DanaInfra Nasional Berhad	11/25	GG	3.500	40	3.501	30/4/2024	0	0
PR1MA Corporation Malaysia	07/27	GG	3.749	10	3.655	18/1/2024	9	15
Pengurusan Air SPV Berhad	06/38	GG	4.078	20	3.975	18/3/2024	10	2
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.099	10	3.999	27/3/2024	10	4
DanaInfra Nasional Berhad	03/44	GG	4.240	15	4.205	18/4/2024	4	3
Pengurusan Air SPV Berhad	11/25	AAA	3.745	20	3.701	30/1/2024	4	25
Danum Capital Berhad	05/30	AAA	3.988	15	3.972	16/4/2024	2	15
Sarawak Energy Berhad	04/31	AAA	4.014	30	3.912	4/3/2024	10	13
Sarawak Energy Berhad	07/33	AAA	4.114	25	4.099	29/4/2024	1	18
Danum Capital Berhad	02/34	AAA	4.109	6	3.975	8/2/2024	13	16
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.055	20	4.049	25/4/2024	1	0
TNB Power Generation Sdn Berhad	03/38	AAA	4.159	10	4.150	24/4/2024	1	10
GENM Capital Berhad	08/25	AA1	4.253	1	4.247	2/5/2024	1	86
YTL Power International Berhad	05/27	AA1	3.902	20	3.903	2/5/2024	0	30
YTL Power International Berhad	09/27	AA1	3.905	10	4.265	16/11/2023	-36	30
YTL Corporation Berhad	06/34	AA1	4.259	10	4.099	26/3/2024	16	31
Imtiaz Sukuk II Berhad	04/28	AA2	4.077	10	4.067	17/4/2024	1	38
Affin Islamic Bank Berhad	12/27	AA3	3.886	1	4.036	29/4/2024	-15	19
Penang Port Sdn Berhad	12/26	AA-	3.919	5	3.816	21/3/2024	10	32
MMC Corporation Berhad	11/29	AA-	4.129	10	4.126	14/2/2024	0	29
Alliance Bank Malaysia Berhad	10/30	A2	4.592	1	4.148	25/4/2024	44	76
DRB-Hicom Berhad	12/14	A-	5.365	1	5.253	12/3/2024	11	116
				380				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Muamalat Malaysia Berhad	RM2.0bn Senior Sukuk Programme	A+	Withdrawn
Tropicana Corporation Berhad	RM1.5bn Islamic Medium-Term Notes (IMTN) (Sukuk Wakalah)	A/Stable	Outlook Revised
	RM2.0bn Perpetual Sukuk	A-/Stable	Outlook Revised

Source: RAM, MARC

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