

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were lower in trading on Thursday, driven by higher than expected import prices for April, as well as comments from a few Fed officials that policymakers are waiting for more evidence that inflation is easing, suggesting that they are not in a rush to reduce rates. Benchmark yields closed higher by between 1 and 7bps for the day, as the UST curve bear flattened. **The benchmark 2yr UST yield was 7bps higher for the session at 4.80%, while the benchmark 10yr UST yield was 3bps higher for the day at 4.38%.** The economic data calendar is pretty empty today with only the Leading Index for April due for release.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.80	7
5-yr UST	4.40	5
10-yr UST	4.38	3
30-yr UST	4.51	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.57	0	3.51	-1
5-yr	3.67	-3	3.64	-6
7-yr	3.79	-2	3.74	-4
10-yr	3.84	-4	3.86	-3
15-yr	4.00	-1	4.01	-1
20-yr	4.12	-7	4.12	-2
30-yr	4.22	-2	4.24	-2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	-2
3-yr	3.61	-3
5-yr	3.68	-2
7-yr	3.77	-3
10-yr	3.89	-3

Source : Bloomberg

MGS/GII

- Local govies were higher in trading in a very active session on Thursday, as the market took the lead from the overnight surge in US Treasuries, with GII trading recording the highest daily volume seen this year. Secondary market volume for the day climbed by 37% to RM6.14bn, versus the RM4.48bn that changed hands the prior session. Benchmark yields closed lower between 0 and 7bps for the day. **The benchmark 5Y MGS 8/29 saw its yield fall 3bps for the session to 3.67% while the benchmark 10Y MGS 11/33 was 4bps lower for the day at 3.84%.** Trading interest was led by the benchmark 10Y GII, while interest was also seen in the benchmark 3Y GII, 5Y MGS, 7Y GII and 10Y MGS, as well as in the off-the-run GII 7/29, GII 9/30 and GII 10/32. The market share of GII trading for the day surged to 64% versus the 43% share seen on Wednesday. The final reading of Malaysia 1Q GDP is scheduled for release later today, and we expect the final print to come in little changed from the flash reading of 3.9% announced last month.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets were also better bid in a lighter trading session on Thursday, with secondary market volume for the day plunging by 35% to RM595m, compared to the RM910m that traded the previous day. Trading interest for the day was led by the AA-rated segment of the market. In the GG universe, trading was led by PRASA 12/32 and PLUS 12/38, which settled the day at 3.88% (-2bps versus last print) and 4.03% (-4bps) respectively. Meanwhile in the AAA space, trading interest was led by TNB 8/40, which settled for the day at 4.07%, lower by 10bps versus where it last traded. In AA territory, trading was MMC 3/28, which closed the day at 4.03%, 3bps lower compared to its last print. Interest was also seen in CIMB 6/24 and Westport 5/39, which settled the day at 3.56% (+6bps) and 3.88% (-22bps) respectively. In the A-rated territory, BIMB 10/33 led trading, closing the day at 4.36%, up by 2bps versus where it last traded.

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.570	237	3.282	05/15/2024	29
MGS	07/24	3.169	245	3.206	05/15/2024	-4
MGS	03/25	3.346	162	3.350	05/15/2024	0
MGS	09/25	3.346	87	3.367	05/15/2024	-2
MGS	07/26	3.505	6	3.502	05/15/2024	0
MGS	11/27	3.561	6	3.598	05/15/2024	-4
MGS	04/28	3.643	15	3.642	05/15/2024	0
MGS	06/28	3.658	2	3.639	05/15/2024	2
MGS	04/29	3.694	1	3.724	05/14/2024	-3
MGS	08/29	3.673	260	3.706	05/15/2024	-3
MGS	04/30	3.753	71	3.756	05/15/2024	0
MGS	04/31	3.785	194	3.801	05/15/2024	-2
MGS	07/32	3.848	1	3.902	05/15/2024	-5
MGS	04/33	3.884	2	3.897	05/15/2024	-1
MGS	11/33	3.842	522	3.881	05/15/2024	-4
MGS	07/34	3.858	51	3.900	05/15/2024	-4
MGS	04/37	4.010	60	4.020	05/15/2024	-1
MGS	06/38	4.182	50	4.011	05/15/2024	17
MGS	04/39	4.000	20	4.013	05/15/2024	-1
MGS	10/42	4.103	60	4.137	05/15/2024	-3
MGS	05/44	4.117	72	4.139	05/15/2024	-2
MGS	03/46	4.190	1	4.170	05/15/2024	2
MGS	03/53	4.222	77	4.241	05/15/2024	-2
GII	10/24	3.193	248	3.301	05/10/2024	-11
GII	09/26	3.510	386	3.519	05/15/2024	-1
GII	09/27	3.564	130	3.596	05/14/2024	-3
GII	07/28	3.637	240	3.702	05/14/2024	-6
GII	07/29	3.677	330	3.699	05/15/2024	-2
GII	09/30	3.740	330	3.783	05/15/2024	-4
GII	10/30	3.766	75	3.835	05/14/2024	-7
GII	10/31	3.771	287	3.799	05/15/2024	-3
GII	10/32	3.868	380	3.894	05/14/2024	-3
GII	06/33	3.874	20	3.900	05/15/2024	-3
GII	08/33	3.864	810	3.898	05/15/2024	-3
GII	09/39	4.011	190	4.020	05/15/2024	-1
GII	09/41	4.065	120	4.090	05/15/2024	-2
GII	08/43	4.118	140	4.143	05/15/2024	-2
GII	05/47	4.184	21	4.208	05/15/2024	-2
GII	11/49	4.219	60	4.322	04/30/2024	-10
GII	05/52	4.252	130	4.270	05/15/2024	-2
GII	03/54	4.244	40	4.268	05/15/2024	-2
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## 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	09/26	GG	3.596	10	3.498	16/2/2024	10	13
Prasarana Malaysia Berhad	12/32	GG	3.879	70	3.900	14/5/2024	-2	4
DanaInfra Nasional Berhad	04/33	GG	3.910	15	4.019	26/4/2024	-11	8
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	3.982	10	4.051	16/4/2024	-7	13
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.029	50	4.065	13/5/2024	-4	3
DanaInfra Nasional Berhad	05/46	GG	4.199	10	4.280	23/4/2024	-8	8
Putrajaya Holdings Sdn Berhad	07/24	AAA	3.515	10	3.720	9/11/2023	-21	15
Toyota Capital Malaysia Sdn Berhad	12/24	AAA	3.774	10	3.771	12/3/2024	0	40
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	3.885	20	3.908	7/5/2024	-2	25
DiGi Telecommunications Sdn Berhad	05/30	AAA	3.958	20	3.958	8/5/2024	0	21
Pengurusan Air SPV Berhad	02/31	AAA	3.999	10	3.998	8/5/2024	0	22
Danga Capital Berhad	01/33	AAA	4.049	10	4.051	6/5/2024	0	21
Danga Capital Berhad	09/33	AAA	4.080	10	4.099	18/4/2024	-2	25
Pengurusan Air SPV Berhad	02/34	AAA	4.049	10	4.109	24/4/2024	-6	20
Tenaga Nasional Berhad	08/40	AAA	4.074	30	4.173	7/5/2024	-10	7
CIMB Group Holdings Berhad	06/24	AA1	3.559	30	3.497	7/5/2024	6	19
Sabah Development Bank Berhad	07/24	AA1	3.961	20	5.198	8/5/2024	-124	59
GENM Capital Berhad	08/25	AA1	4.252	1	4.248	15/5/2024	0	88
Sabah Development Bank Berhad	04/26	AA1	4.197	20	4.251	26/4/2024	-5	73
Westports Malaysia Berhad	05/39	AA1	3.882	30	4.100	18/12/2023	-22	-12
Batu Kawan Berhad	02/29	AA1	3.950	3	3.901	15/4/2024	5	28
YTL Corporation Berhad	04/31	AA1	4.078	20	4.180	30/4/2024	-10	30
United Overseas Bank (Malaysia) Berhad	10/32	AA1	3.951	10	4.299	10/5/2024	-35	13
Malayan Banking Berhad	01/34	AA1	3.996	20	4.017	30/4/2024	-2	15
YTL Power International Berhad	03/37	AA1	4.169	10	4.199	15/5/2024	-3	17
Benih Restu Berhad	06/25	AA2	3.696	20	3.792	7/9/2023	-10	33
Press Metal Aluminium Holdings Berhad	12/27	AA2	3.940	1	3.919	5/3/2024	2	31
CIMB Group Holdings Berhad	12/32	AA2	3.910	10	3.875	4/4/2024	4	8
AEON Credit Service (M) Berhad	02/27	AA3	3.908	5	4.016	2/5/2024	-11	35
AEON Credit Service (M) Berhad	02/28	AA3	3.962	15	4.097	29/4/2024	-14	33
AEON Credit Service (M) Berhad	12/28	AA3	3.997	10	4.031	15/5/2024	-3	32
UEM Sunrise Berhad	04/25	AA-	4.296	1	3.902	30/4/2024	39	93
MMC Corporation Berhad	03/28	AA-	4.034	45	4.068	2/5/2024	-3	40
Point Zone (M) Sdn Berhad	03/30	AA-	3.980	5	4.099	8/1/2024	-12	23
Southern Power Generation Sdn Berhad	04/30	AA-	4.058	10	4.082	13/3/2024	-2	31
Bank Islam Malaysia Berhad	10/33	A1	4.358	10	4.338	21/12/2023	2	52
Tan Chong Motor Holdings Berhad	03/27	A+	5.250	1	5.366	8/5/2024	-12	170
Affin Islamic Bank Berhad	10/18	A3	4.388	1	4.399	2/5/2024	-1	27
WCT Holdings Berhad	03/19	A-	6.307	2	5.699	8/3/2024	61	218
WCT Holdings Berhad	09/19	A-	6.181	1	5.998	8/3/2024	18	206
Bank Muamalat Malaysia Berhad	09/22	BBB	5.072	1	4.949	14/5/2024	12	95
				595				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TM Technology Services Sdn Bhd	RM3bn IMTN Programme (2013/2033)	AAA/Stable	Affirmed
	RM4bn IMTN Programme (2018/2048)	AAA/Stable	Affirmed

Source: RAM, MARC

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