

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US treasuries rallied amid clearer signal from Fed Chair Powell for a slower pace of rate hike as soon as December. This came in line with our house view for a 50bps hike at the upcoming FOMC meeting on 15-December. UST also advanced as second estimate showed 3Q GDP print was revised upwards from 2.6% q/q to 2.9% q/q (2Q: +0.6%), even though other economic indicators were generally weak. Overall yields plunged 7-19bps across the curve led by the front end, bear steepening the curve. The 2-year note yield fell 17bps to 4.31% while the benchmark 10-year yield fell 14bps to 3.61%. Expect attention to shift to the release of more key indicators for the remaining of the week, namely ISM, core PCE, and nonfarm job data.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.31	-17
5-yr UST	3.74	-19
10-yr UST	3.61	-14
30-yr UST	3.74	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.81	0	3.88	-7
5-yr	3.92	-8	3.93	-12
7-yr	4.07	-6	4.14	-4
10-yr	4.10	-2	4.19	-2
15-yr	4.30	-1	4.41	-4
20-yr	4.44	1	4.62	14
30-yr	4.53	-3	4.68	-11

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.80	-3
3-yr	3.85	-5
5-yr	3.90	-7
7-yr	4.00	-6
10-yr	4.09	-9

Source : Bloomberg

MGS/GII

- On Wednesday, local govies recovered from prior day's profit-taking with the belly seeing the largest positive moves; influenced by lower IRS levels. Overall benchmark MGS/GII yields closed lower between 0-12bps across (save for the 20Y bonds); amid a 40% increase in secondary market volume @ RM4.02b. **The benchmark 5Y MGS 11/27 rallied with yields ending 8bps lower at 3.92% whilst the 10Y MGS 7/32 yield edged 2bps down at 4.10%.** Interest was mainly seen in the off-the-run 23's, 29's and benchmark 3Y GII, 5Y, 20Y MGS. GII transactions rose further to form 35% of overall trades. Meanwhile, expect attention to shift to the impending announcement of cabinet line-up.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor interest dip with transactions seen mainly between the AAA to the single-A part of the curve, as yields closed mostly mixed again. Although, overall secondary market volume fell sharply to RM220m, the total number of trades above RM500k rose slightly to 29. The sole govt-guaranteed trade consisted of DANA 11/29 which declined 26bps compared to previous-done levels to 4.32%. Meanwhile, the banking/finance space saw SABAH Development Bank 4/23 edge 2bps lower at 4.21% whilst MBSB 31NC26 rallied with yields ending 20bps lower at 4.69%.

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	03/23	2.786	543	2.880	29/11/2022	-9
MGS	04/23	3.002	30	3.060	29/11/2022	-6
MGS	08/23	3.234	126	3.179	29/11/2022	6
MGS	06/24	3.471	46	3.504	29/11/2022	-3
MGS	07/24	3.518	7	3.552	29/11/2022	-3
MGS	09/24	3.549	1	3.567	29/11/2022	-2
MGS	03/25	3.811	51	3.811	29/11/2022	0
MGS	09/25	3.850	107	3.900	29/11/2022	-5
MGS	04/26	3.878	2	4.053	22/11/2022	-18
MGS	07/26	3.875	3	3.953	29/11/2022	-8
MGS	11/26	3.955	47	3.914	29/11/2022	4
MGS	03/27	4.019	9	4.235	23/11/2022	-22
MGS	05/27	3.931	61	3.955	29/11/2022	-2
MGS	11/27	3.924	455	4.002	29/11/2022	-8
MGS	06/28	3.993	95	4.130	29/11/2022	-14
MGS	09/28	4.082	1	4.355	31/10/2022	-27
MGS	04/29	4.065	59	4.125	29/11/2022	-6
MGS	08/29	4.171	209	4.169	29/11/2022	0
MGS	04/30	4.116	8	4.054	29/11/2022	6
MGS	04/31	4.099	81	4.166	29/11/2022	-7
MGS	06/31	4.205	3	4.261	29/11/2022	-6
MGS	04/32	4.179	4	4.316	29/11/2022	-14
MGS	07/32	4.102	116	4.122	29/11/2022	-2
MGS	04/33	4.296	12	4.250	29/11/2022	5
MGS	11/33	4.328	10	4.374	25/11/2022	-5
MGS	07/34	4.288	5	4.303	29/11/2022	-1
MGS	05/35	4.359	1	4.463	25/11/2022	-10
MGS	04/37	4.296	71	4.310	29/11/2022	-1
MGS	06/38	4.400	2	4.483	29/11/2022	-8
MGS	05/40	4.542	28	4.491	29/11/2022	5
MGS	10/42	4.444	213	4.430	29/11/2022	1
MGS	09/43	4.604	1	4.601	29/11/2022	0
MGS	06/50	4.525	184	4.559	29/11/2022	-3
GII	07/23	3.075	7	3.121	25/11/2022	-5
GII	11/23	3.065	5	3.119	29/11/2022	-5
GII	05/24	3.454	11	3.576	29/11/2022	-12
GII	10/24	3.597	45	3.709	23/11/2022	-11
GII	08/25	3.988	2	3.820	29/11/2022	17
GII	10/25	3.881	227	3.951	29/11/2022	-7
GII	07/27	4.017	2	4.043	24/11/2022	-3
GII	09/27	3.927	50	4.046	29/11/2022	-12
GII	10/28	4.139	91	4.241	24/11/2022	-10
GII	07/29	4.138	259	4.182	29/11/2022	-4
GII	10/30	4.254	106	4.280	29/11/2022	-3
GII	10/32	4.192	167	4.218	29/11/2022	-3
GII	07/36	4.592	22	4.592	29/11/2022	0
GII	03/38	4.408	183	4.453	29/11/2022	-4
GII	09/39	4.666	6	4.477	29/11/2022	19
GII	05/52	4.684	246	4.790	29/11/2022	-11
			<u>4020</u>			

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*
DanaInfra Nasional Berhad	11/29	GG	4.318	25	4.579	24/11/2022	-26	25
Westports Malaysia Sdn Berhad	04/23	AAA	3.515	5	2.568	23/09/2020	95	32
Johor Corporation	06/27	AAA	5.014	1	4.665	18/10/2022	35	105
DiGi Telecommunications Sdn Berhad	12/27	AAA	4.800	10	-	-	-	84
Pengurusan Air SPV Berhad	02/28	AAA	4.421	10	4.241	25/08/2022	18	46
Pengurusan Air SPV Berhad	06/28	AAA	4.442	10	4.600	17/11/2022	-16	40
Sarawak Energy Berhad	11/28	AAA	4.498	1	4.634	22/11/2022	-14	46
Pengurusan Air SPV Berhad	02/29	AAA	4.537	10	4.574	25/11/2022	-4	50
Sarawak Petchem Sdn Berhad	07/30	AAA	4.849	2	4.968	17/10/2022	-12	75
Tenaga Nasional Berhad	06/37	AAA	5.141	1	5.038	29/11/2022	10	80
Tenaga Nasional Berhad	08/40	AAA	5.073	10	5.239	14/11/2022	-17	63
Tenaga Nasional Berhad	06/42	AAA	5.099	10	5.299	04/11/2022	-20	65
edotco Malaysia Sdn Berhad	09/27	AA+	4.478	20	-	-	-	51
Sabah Development Bank Berhad	04/23	AA1	4.214	10	4.238	07/11/2022	-2	102
Sabah Development Bank Berhad	07/24	AA1	5.180	1	4.472	23/11/2022	71	160
GENM Capital Berhad	07/28	AA1	5.399	1	5.402	27/10/2022	0	136
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.678	1	4.564	25/11/2022	11	57
RHB Bank Berhad	09/32	AA2	4.647	10	4.750	24/11/2022	-10	54
CIMB Group Holdings Berhad	12/32	AA2	4.500	58	-	-	-	39
Eco World Capital Berhad	10/27	AA-	5.613	1	5.619	16/11/2022	-1	165
TG Excellence Berhad	02/20	AA-	6.408	1	6.402	29/11/2022	1	196
MMC Corporation Berhad	04/27	AA-	4.957	1	4.768	06/10/2022	19	105
BGSM Management Sdn Berhad	12/27	AA3	4.598	10	4.760	16/11/2022	-16	63
Malaysian Reinsurance Berhad	10/32	AA3	4.884	2	4.868	29/11/2022	2	77
YNH Property Berhad	02/25	A+	5.882	1	5.083	14/11/2022	80	230
Tropicana Corporation Berhad	09/19	A	7.772	1	7.570	01/11/2022	20	333
Alliance Bank Malaysia Berhad	10/30	A2	4.604	1	5.308	15/11/2022	-70	51
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.693	10	4.888	20/10/2022	-20	59
Eco World International Berhad	05/23	-	6.133	1	5.778	08/11/2022	36	294
				<u>220</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Citibank Berhad	financial institution ratings.	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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