

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to trend stronger on Thursday, boosted by slightly softer-than-expected PCE inflation data and ISM manufacturing gauge for November. Fed Chair Powell's indication that the pace of rate hikes would be stepped down to 50bps at the upcoming FOMC also lent bonds a bid. The curve was flatter as overall benchmark yields declined between 7-14bps across, led by long end. **The benchmark UST 2Y yield fell 8bps to 4.23% whilst the much-watched UST 10Y plunged 10bps to 3.51%.** Fed-dated OIS contracts are seen shifting rate-hike premium lower; with expected peak rates retreating to ~4.88% in May 2023. Meanwhile, expect attention to shift to important November jobs data release tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.23	-8
5-yr UST	3.67	-7
10-yr UST	3.51	-10
30-yr UST	3.60	-14

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.70	-12	3.80	-8
5-yr	3.89	-3	3.92	-1
7-yr	3.95	-11	4.10	-4
10-yr	4.04	-7	4.16	-3
15-yr	4.21	-9	4.29	-12
20-yr	4.38	-7	4.37	-25
30-yr	4.49	-4	4.68	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.73	-7
3-yr	3.78	-7
5-yr	3.85	-5
7-yr	3.96	-4
10-yr	4.04	-5

Source : Bloomberg

MGS/GII

- Local govies outperformed on Thursday; influenced by lower IRS levels due to strong receiving interest. The curve shifted lower as overall benchmark MGS/GII yields closed lower between 0-25bps across, amid a slight 6% decrease in secondary market volume @ RM3.79b. **The benchmark 5Y MGS 11/27 yield eased 3bps to 3.89% whilst the 10Y MGS 7/32 rallied with yields ending 7bps lower at 4.04%.** Interest was mainly seen in the off-the-run 23-24's, 29's and benchmark 3Y GII, 5Y MGS, 10Y MGS/GII. GII transactions fell to form 15% of overall trades. Separately, expect attention to shift to the impending announcement of cabinet line-up anytime soon.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw improved investor interest with transactions seen mainly between GG-AA part of the curve, as yields closed mostly mixed-to-higher. Overall secondary market volume spiked by 62% to RM356m with total number of trades above RM500k jumping to 35. Govt-guaranteed PRASA 28's settled 28-31bps lower compared to previous-done levels at 4.24% levels whereas the long-end 9/42 tranche declined by a massive 54bps to 4.75%. AAA-rated utility giant TNB Western 27's jumped 27-28bps to between 4.57-60% area whereas TNB proper saw its 6/47 tranche move 3bps higher to 5.29%. In the AA-space, energy-related bonds Tg Bin Energy, saw its 2027 bonds end mixed between 5.93-99%. Meanwhile, the banking/finance space saw MAYBANK 2117NC24 perps end 10bps lower at 4.25% whilst Sabah Development Bank and CIMB Group Holdings saw several odd-lot transactions ending mixed on yields.

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	2.798	422	2.786	30/11/2022	1
MGS	04/23	2.891	169	3.002	30/11/2022	-11
MGS	08/23	3.134	123	3.234	30/11/2022	-10
MGS	06/24	3.410	102	3.471	30/11/2022	-6
MGS	07/24	3.503	212	3.518	30/11/2022	-1
MGS	09/24	3.484	18	3.549	30/11/2022	-6
MGS	03/25	3.695	150	3.811	30/11/2022	-12
MGS	09/25	3.781	99	3.850	30/11/2022	-7
MGS	04/26	3.872	1	3.878	30/11/2022	-1
MGS	07/26	3.839	5	3.875	30/11/2022	-4
MGS	11/26	3.818	19	3.955	30/11/2022	-14
MGS	03/27	3.918	2	4.019	30/11/2022	-10
MGS	05/27	3.993	31	3.931	30/11/2022	6
MGS	11/27	3.894	528	3.924	30/11/2022	-3
MGS	06/28	4.006	72	3.993	30/11/2022	1
MGS	04/29	3.951	134	4.065	30/11/2022	-11
MGS	08/29	4.056	129	4.171	30/11/2022	-12
MGS	04/30	3.984	4	4.116	30/11/2022	-13
MGS	04/31	4.043	34	4.099	30/11/2022	-6
MGS	06/31	4.156	11	4.205	30/11/2022	-5
MGS	07/32	4.037	218	4.102	30/11/2022	-7
MGS	04/33	4.179	128	4.296	30/11/2022	-12
MGS	11/33	4.213	17	4.328	30/11/2022	-12
MGS	07/34	4.219	58	4.288	30/11/2022	-7
MGS	05/35	4.233	96	4.359	30/11/2022	-13
MGS	04/37	4.209	110	4.296	30/11/2022	-9
MGS	06/38	4.387	23	4.400	30/11/2022	-1
MGS	05/40	4.332	55	4.542	30/11/2022	-21
MGS	10/42	4.377	224	4.444	30/11/2022	-7
MGS	09/43	4.524	6	4.604	30/11/2022	-8
MGS	07/48	4.509	11	4.673	30/11/2022	-16
MGS	06/50	4.490	17	4.525	30/11/2022	-4
GII	05/23	2.899	16	3.102	29/11/2022	-20
GII	11/23	3.005	4	3.065	30/11/2022	-6
GII	05/24	3.515	1	3.454	30/11/2022	6
GII	08/24	3.460	4	3.607	16/11/2022	-15
GII	10/24	3.631	45	3.597	30/11/2022	3
GII	10/25	3.802	18	3.881	30/11/2022	-8
GII	03/26	3.789	55	3.911	30/11/2022	-12
GII	09/26	3.906	6	4.026	24/11/2022	-12
GII	09/27	3.915	35	3.927	30/11/2022	-1
GII	10/28	4.051	2	4.139	30/11/2022	-9
GII	07/29	4.095	62	4.138	30/11/2022	-4
GII	10/30	4.172	38	4.254	30/11/2022	-8
GII	10/32	4.161	211	4.192	30/11/2022	-3
GII	07/36	4.539	8	4.592	30/11/2022	-5
GII	03/38	4.294	42	4.408	30/11/2022	-11
GII	09/41	4.370	4	4.617	30/11/2022	-25
GII	05/52	4.683	10	4.684	30/11/2022	0
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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*
Khazanah Nasional Berhad	08/23	GG	3.391	15	3.182	02/09/2022	21	20
Prasarana Malaysia Berhad	08/28	GG	4.244	20	4.520	26/10/2022	-28	31
Prasarana Malaysia Berhad	11/28	GG	4.239	20	4.548	25/10/2022	-31	30
Prasarana Malaysia Berhad	09/42	GG	4.750	10	5.289	12/05/2022	-54	36
Inverfin Sdn Berhad	02/24	AAA	4.304	60	3.860	24/06/2022	44	111
Sarawak Petchem Sdn Berhad	07/26	AAA	4.546	20	-	-	-	72
TNB Western Energy Berhad	01/27	AAA	4.573	15	4.305	05/09/2022	27	75
TNB Western Energy Berhad	07/27	AAA	4.602	15	4.325	25/08/2022	28	72
EKVE Sdn Berhad	01/31	AAA	4.847	10	4.258	18/02/2022	59	85
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	5.029	15	-	-	-	98
TNB Power Generation Sdn Berhad	06/37	AAA	4.939	10	4.829	22/09/2022	11	67
Tenaga Nasional Berhad	06/37	AAA	5.102	1	5.141	30/11/2022	-4	83
Tenaga Nasional Berhad	06/47	AAA	5.290	10	5.260	29/11/2022	3	90
Sabah Development Bank Berhad	05/23	AA1	5.707	1	4.009	12/08/2022	170	252
Sabah Development Bank Berhad	12/23	AA1	4.605	6	4.429	25/11/2022	18	142
Sabah Development Bank Berhad	04/24	AA1	4.753	1	4.834	28/09/2022	-8	156
Sabah Development Bank Berhad	07/24	AA1	4.467	6	5.180	30/11/2022	-71	92
YTL Power International Berhad	08/28	AA1	5.181	5	5.296	23/11/2022	-12	125
RHB Islamic Bank Berhad	04/32	AA2	4.607	10	-	-	-	58
CIMB Group Holdings Berhad	09/32	AA2	4.678	1	4.753	24/11/2022	-8	62
CIMB Group Holdings Berhad	12/32	AA2	4.500	2	4.500	30/11/2022	0	45
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA-	4.562	5	4.646	07/11/2022	-8	82
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA-	4.680	5	4.330	29/07/2022	35	94
MMC Corporation Berhad	11/29	AA-	5.350	17	5.350	29/11/2022	0	139
Tadaw Energy Sdn Berhad	07/25	AA3	4.859	10	4.507	26/04/2022	35	112
UEM Sunrise Berhad	09/25	AA-	5.339	20	5.338	30/11/2022	0	160
Tanjung Bin Energy Sdn Berhad	03/27	AA3	5.931	10	5.485	13/06/2022	45	210
Tanjung Bin Energy Sdn Berhad	09/27	AA3	5.993	20	5.999	18/10/2022	-1	211
Malaysian Reinsurance Berhad	10/32	AA3	4.867	2	4.884	30/11/2022	-2	81
Malayan Banking Berhad	02/17	AA3	4.251	10	4.351	16/11/2022	-10	-14
AmbBank (M) Berhad	10/32	A1	4.825	2	4.687	30/11/2022	14	77
Tropicana Corporation Berhad	10/23	A+	6.186	1	6.221	21/11/2022	-4	300
WCT Holdings Berhad	09/19	A	5.783	1	5.786	25/10/2022	0	139
DRB-Hicom Berhad	12/14	A-	5.859	1	6.399	30/11/2022	-54	147
Eco World International Berhad	04/23	-	5.141	1	5.065	24/11/2022	8	195
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Sdn Bhd	RM192.3 million Green SRI Sukuk	From AA-IS to A+IS	Downgraded

Source: RAM, MARC

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