

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries saw volatility last Friday amid the release of a stronger than expected labor market data which saw the short-end sell-off whilst the longer-ends remained well-bid and continued trending strong. Nevertheless, the curve ended flatter as overall benchmark yields closed mixed between -5 and +4bps across. **The benchmark UST 2Y yield jumped 4bps higher to 4.27% whilst the much-watched UST 10Y edged 2bps lower at 3.49%.** Investors were seen mulling whether officials may have to boost their terminal rates next year following the milder levels mentioned earlier; as the blazing nonfarm payrolls increased 263k in November despite the elevated interest rate environment. Fed-dated OIS contracts linked to Fed meetings are now reflecting expected peak rates at ~4.95% levels in May 2023. The pace of rate hikes has seemed to fade in importance compared to the ultimate peak levels whilst waiting for inflation to ease. Meanwhile, expect some attention to shift to US services and composite PMI data release tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.27	4
5-yr UST	3.65	-1
10-yr UST	3.49	-2
30-yr UST	3.55	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.67	-2	3.75	-5
5-yr	3.89	-1	3.87	-5
7-yr	3.97	2	4.08	-2
10-yr	4.02	-2	4.13	-3
15-yr	4.17	-4	4.16	-14
20-yr	4.34	-4	4.41	4
30-yr	4.51	2	4.65	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.70	-3
3-yr	3.73	-5
5-yr	3.79	-6
7-yr	3.94	-2
10-yr	4.03	0

Source : Bloomberg

### MGS/GII

- Local govies continued to see strong support last Friday; driven by lower IRS levels and continued confidence in the newly-formed government. The curve shifted lower as overall benchmark MGS/GII yields closed generally lower between 1-14bps across, amid a 50% jump in secondary market volume @ RM5.68b. **The benchmark 5Y MGS 11/27 yield eased 1bps to 3.89% whilst the 10Y MGS 7/32 dipped 2bps at 4.02%.** Interest was wider and seen in the off-the-run 23's, 25's, 38's, 43's and benchmark 3Y MGS, 5Y MGS, 10YMGS/GII. GII transactions inched higher to form 19% of overall trades.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw sustained investor interest with transactions seen across the GG to single-A part of the curve, as yields closed mixed. Overall secondary market volume maintained at ~RM369m with total number of trades above RM500k inching up to 36. Govt-guaranteed DANA 2/39 and 7/39 saw different fortunes with the former plunging 30bps compared to previous-done levels to 4.62% whilst the later rose 12bps instead to 4.64%. AAA-rated AMAN 5/24 edged 1bps lower 7/29 at 4.01%. SEB 7/29 declined 10bps to 4.45% whereas a slew of odd-lot tranches namely 7/24, 11/28, 4/31 and 8/35 exchange hands; closing mixed on yields. In the AA-space, toll-operator ANIH 11/23 bonds spiked 53bps to 4.19%. Meanwhile, the banking/finance space saw Sabah Development Bank 4/24 close 5bps lower whilst the 7/24 tranche jumped 31bps higher to 4.77%. CIMB Thai 29NC24 say yields balloon to 4.70% levels whilst AEON Credit 27NC23 moved 15bps higher to 4.75%.

### 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	2.882	866	2.798	01/12/2022	8
MGS	04/23	2.925	220	2.891	01/12/2022	3
MGS	08/23	3.182	285	3.134	01/12/2022	5
MGS	06/24	3.464	75	3.410	01/12/2022	5
MGS	07/24	3.505	86	3.503	01/12/2022	0
MGS	09/24	3.568	142	3.484	01/12/2022	8
MGS	03/25	3.672	251	3.695	01/12/2022	-2
MGS	09/25	3.750	279	3.781	01/12/2022	-3
MGS	04/26	3.767	23	3.872	01/12/2022	-11
MGS	07/26	3.920	7	3.839	01/12/2022	8
MGS	11/26	3.825	25	3.818	01/12/2022	1
MGS	03/27	3.891	30	3.918	01/12/2022	-3
MGS	05/27	3.829	90	3.993	01/12/2022	-16
MGS	11/27	3.887	229	3.894	01/12/2022	-1
MGS	06/28	3.875	78	4.006	01/12/2022	-13
MGS	04/29	3.970	5	3.951	01/12/2022	2
MGS	08/29	4.015	70	4.056	01/12/2022	-4
MGS	04/31	3.994	47	4.043	01/12/2022	-5
MGS	06/31	4.080	51	4.156	01/12/2022	-8
MGS	07/32	4.018	161	4.037	01/12/2022	-2
MGS	04/33	4.149	23	4.179	01/12/2022	-3
MGS	07/34	4.174	50	4.219	01/12/2022	-4
MGS	05/35	4.182	41	4.233	01/12/2022	-5
MGS	04/37	4.173	206	4.209	01/12/2022	-4
MGS	06/38	4.314	7	4.387	01/12/2022	-7
MGS	05/40	4.358	48	4.332	01/12/2022	3
MGS	10/42	4.336	394	4.377	01/12/2022	-4
MGS	09/43	4.554	803	4.524	01/12/2022	3
MGS	03/46	4.383	4	4.595	01/12/2022	-21
MGS	06/50	4.508	24	4.490	01/12/2022	2
GII	05/23	2.941	1	2.899	01/12/2022	4
GII	05/24	3.502	21	3.515	01/12/2022	-1
GII	08/25	3.693	81	3.988	30/11/2022	-30
GII	10/25	3.754	70	3.802	01/12/2022	-5
GII	03/26	3.802	53	3.789	01/12/2022	1
GII	09/26	3.856	15	3.906	01/12/2022	-5
GII	07/27	4.007	1	4.017	30/11/2022	-1
GII	09/27	3.870	40	3.915	01/12/2022	-4
GII	10/28	4.108	40	4.051	01/12/2022	6
GII	07/29	4.077	10	4.095	01/12/2022	-2
GII	10/30	4.203	10	4.172	01/12/2022	3
GII	10/32	4.130	200	4.161	01/12/2022	-3
GII	06/33	4.099	129	4.621	01/11/2022	-52
GII	07/36	4.282	43	4.539	01/12/2022	-26
GII	03/38	4.155	200	4.294	01/12/2022	-14
GII	09/41	4.413	33	4.370	01/12/2022	4
GII	05/47	4.593	100	4.553	01/12/2022	4
GII	11/49	4.651	4	4.625	01/12/2022	3
GII	05/52	4.650	10	4.683	01/12/2022	-3
			<u>5676</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*
Eco World International Berhad	05/23	GG	5.150	2	6.133	30/11/2022	-98	194
Prasarana Malaysia Berhad	03/24	GG	3.712	20	2.932	08/02/2022	78	51
DanaInfra Nasional Berhad	02/39	GG	4.624	20	4.920	02/11/2022	-30	42
DanaInfra Nasional Berhad	07/39	GG	4.640	10	4.521	16/08/2022	12	44
Cagamas Berhad	12/23	AAA	3.881	10	-	-	-	68
Aman Sukuk Berhad	05/24	AAA	4.005	30	4.016	25/11/2022	-1	80
Sarawak Energy Berhad	07/24	AAA	3.944	2	3.967	22/11/2022	-2	43
Telekom Malaysia Berhad	11/25	AAA	4.398	1	3.297	18/03/2022	110	73
Sarawak Energy Berhad	11/28	AAA	4.438	4	4.498	30/11/2022	-6	50
Sarawak Energy Berhad	07/29	AAA	4.446	20	4.547	25/11/2022	-10	48
Bank Pembangunan Malaysia Berhad	10/30	AAA	4.669	4	4.718	29/11/2022	-5	68
Sarawak Energy Berhad	04/31	AAA	4.648	1	4.754	20/06/2022	-11	66
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.698	4	4.889	22/11/2022	-19	69
Bank Pembangunan Malaysia Berhad	03/32	AAA	4.739	4	4.502	10/08/2022	24	73
TNB Power Generation Sdn Berhad	06/32	AAA	4.600	5	4.413	18/08/2022	19	58
Tenaga Nasional Berhad	06/32	AAA	4.660	15	4.888	17/11/2022	-23	64
Sarawak Energy Berhad	08/35	AAA	4.849	11	4.579	29/08/2022	27	65
Tenaga Nasional Berhad	06/47	AAA	5.280	20	5.290	01/12/2022	-1	93
Sabah Development Bank Berhad	04/24	AA1	4.699	15	4.753	01/12/2022	-5	149
Sabah Development Bank Berhad	07/24	AA1	4.773	45	4.467	01/12/2022	31	126
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.678	1	4.563	01/12/2022	12	66
Anih Berhad	11/23	AA	4.193	15	3.661	29/08/2022	53	99
BGSM Management Sdn Berhad	12/23	AA3	3.885	1	3.632	20/09/2022	25	68
BGSM Management Sdn Berhad	06/24	AA3	3.992	6	3.995	25/11/2022	0	48
BGSM Management Sdn Berhad	08/25	AA3	4.351	1	4.403	17/11/2022	-5	68
BGSM Management Sdn Berhad	12/26	AA3	4.498	1	4.609	04/11/2022	-11	69
AEON Credit Service (M) Berhad	02/27	AA3	4.748	10	4.598	03/06/2022	15	94
PONSB Capital Berhad	06/27	AA3	4.797	3	4.901	17/11/2022	-10	89
CIMB Thai Bank Public Company Limited	07/29	AA3	4.697	10	3.455	20/09/2021	124	73
Malaysian Reinsurance Berhad	10/32	AA3	4.768	2	4.867	01/12/2022	-10	75
AmBank Islamic Berhad	10/28	A1	4.191	8	4.164	18/10/2022	3	25
AmBank Islamic Berhad	12/30	A1	4.836	8	4.016	26/03/2021	82	85
AmBank (M) Berhad	10/32	A1	4.732	1	4.825	01/12/2022	-9	71
YNH Property Berhad	02/25	A+	4.973	1	5.882	30/11/2022	-91	146
Celcom Networks Sdn Berhad	08/24	AA+	4.058	30	4.077	25/11/2022	-2	54
edotco Malaysia Sdn Berhad	09/32	AA+	4.539	30	4.748	25/11/2022	-21	52
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\*spread against nearest indicative tenured MGS (Source: BPAM)

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Rantau Abang Capital Berhad	RM7.0 bil Islamic Medium-Term Notes (MTN) Sukuk Musyarakah Programme (2006/2041)	AAA/Stable	Reaffirmed
Danga Capital Berhad	RM10.0 bil Islamic Securities Programme (2009/2044)	AAA/Stable	Reaffirmed
Ihsan Sukuk Berhad	RM1.0 bil Islamic MTN Sukuk Ihsan Programme (2015/2040)	AAA/Stable	Reaffirmed
Danum Capital Berhad	RM20.0 bil Islamic MTN Sukuk Danum Programme (2019/2069)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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