

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.94	7
5-yr UST	3.68	5
10-yr UST	3.49	4
30-yr UST	3.52	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.47	3	3.52	0
5-yr	3.87	4	3.99	2
7-yr	4.08	2	4.10	5
10-yr	4.20	3	4.17	1
15-yr	4.35	2	4.38	1
20-yr	4.54	4	4.68	1
30-yr	4.63	1	4.65	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.46	3
3-yr	3.76	3
5-yr	3.93	9
7-yr	4.02	9
10-yr	4.17	5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries remained under selling pressure on Monday as Fed rate hike concern continued to take a toll on the bond market. The curve bear flattened as the front end continued to lead the surge in yields. The benchmark 2Y UST yields hit a fresh 15-year high at 3.94% whilst the 10Y note yields rallied past the 3.50% psychological level, albeit pulling back somewhat to a 3.49% close, its highest since 2011. Fed rate hike jitters were also evident in the lackluster demand for 3-month and 6-month treasury bill sales as investors preferred to stay on the sideline ahead of FOMC meeting. Focus is not entirely on the outsized hike but rather on the Fed guidance on terminal rate and dot plot. Before that, housing starts and existing home sales will likely offer more signs the US housing market is slowing.

MGS/GII

- Local govies remained under pressure as the September FOMC meeting drew nearer. Yields were seen edging up between 1-5bps across most part of the curve, along with higher IRS (by 3-9bps). The benchmark 5Y MGS 11/27 yield edged 4bps up at 3.87% whilst the 10Y MGS 7/32 yield also rose 3bps to 4.20%. Trading interests in the secondary market continued to pick up steam, with RM3.10bn dealt (prior RM2.71bn), with off the run '23 & '24 taking center stage in the MGS space. Benchmark 5Y MGS11/27 also garnered RM216m deals. In the GII space, trading dwindled to form a mere 17% of overall trades (prior 49%), with concentration on 3Y benchmark GII 10/25 and 7Y benchmark GII 10/28. Attention will shift to FOMC meeting outcome and dot plot on 22-September, but before that, Malaysia exports numbers are due for release at noon today.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk normalized to RM243m (prior RM989m), spanning over 19 names vs prior's 79 names. Overall yields ended mixed. Government-guaranteed papers led the pack followed by AA-rated issuances. PRASA '32 and '37 collectively made up RM50m transactions, last dealt at 4.35% and 4.57% respectively (+6bps and +11bps). DANA '23 and '40 were the next to follow, with RM20m done each. In the AA-rated segment, SAMALAJU '28 saw RM20m done at 4.67% (+7bps) while A-rated Bank Islam '21 was last transacted at 4.91% (-5bps) with RM20m changed hands.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.69	429	2.55	15/9/2022	15
MGS	04/23	2.72	281	2.45	15/9/2022	27
MGS	08/23	2.86	450	2.75	15/9/2022	11
MGS	06/24	3.31	195	3.26	15/9/2022	5
MGS	07/24	3.32	91	3.22	14/9/2022	10
MGS	09/24	3.40	22	3.40	15/9/2022	0
MGS	03/25	3.31	3	3.36	15/9/2022	-5
MGS	09/25	3.53	42	3.45	15/9/2022	8
MGS	07/26	3.68	16	3.63	15/9/2022	5
MGS	11/26	3.83	11	3.76	15/9/2022	8
MGS	05/27	3.82	1	3.86	15/9/2022	-4
MGS	11/27	3.92	216	3.84	15/9/2022	8
MGS	06/28	4.04	16	3.97	15/9/2022	7
MGS	04/29	4.06	150	4.04	15/9/2022	2
MGS	08/29	4.06	2	4.06	15/9/2022	0
MGS	04/31	4.21	157	4.14	15/9/2022	7
MGS	06/31	4.21	0	4.06	9/9/2022	15
MGS	07/32	4.20	159	4.13	15/9/2022	6
MGS	11/33	4.41	53	4.19	15/9/2022	22
MGS	07/34	4.47	121	4.27	15/9/2022	19
MGS	05/35	4.42	1	4.36	15/9/2022	6
MGS	04/37	4.33	36	4.31	15/9/2022	2
MGS	06/38	4.49	20	4.47	15/9/2022	2
MGS	05/40	4.55	20	4.52	15/9/2022	4
MGS	10/42	4.54	20	4.51	15/9/2022	4
MGS	09/43	4.69	0	4.55	15/9/2022	15
MGS	03/46	4.72	7	4.58	15/9/2022	14
MGS	07/48	4.74	1	4.63	15/9/2022	11
MGS	06/50	4.66	37	4.59	15/9/2022	7
GII	11/23	3.10	3	3.24	15/9/2022	-14
GII	10/24	3.30	2	3.25	14/9/2022	4
GII	10/25	3.51	141	3.51	15/9/2022	0
GII	09/26	3.80	80	3.68	13/9/2022	12
GII	09/27	4.04	4	3.93	15/9/2022	11
GII	10/28	4.12	123	4.03	15/9/2022	8
GII	07/29	4.14	13	4.09	15/9/2022	5
GII	09/30	4.13	2	4.03	13/9/2022	9
GII	10/30	4.16	0	4.14	15/9/2022	2
GII	10/32	4.17	60	4.16	15/9/2022	1
GII	06/33	4.37	0	4.21	13/9/2022	16
GII	11/34	4.41	103	4.30	15/9/2022	11
GII	08/37	4.57	0	4.42	15/9/2022	15
GII	09/41	4.45	9	4.46	15/9/2022	0
GII	11/49	4.62	1	4.68	13/9/2022	-7
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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*
DanaInfra Nasional Berhad	02/23	GG	2.99	20	2.76	2/6/2022	23	-115
Prasarana Malaysia Berhad	12/32	GG	4.35	30	4.29	1/9/2022	6	140
Prasarana Malaysia Berhad	09/37	GG	4.57	20	4.47	19/8/2022	11	7
DanaInfra Nasional Berhad	11/40	GG	4.65	20	4.43	21/6/2021	22	31
Pengurusan Air SPV Berhad	10/26	AAA	4.18	7	4.15	9/8/2022	3	-32
YTL Power International Berhad	08/28	AA1	4.56	1	4.72	14/9/2022	-16	43
Samalaju Industrial Port Sdn Berhad	12/28	AA1	4.67	20	4.60	1/9/2022	7	14
Fortune Premiere Sdn Berhad	12/22	AA	3.44	10	2.96	17/2/2022	48	-72
Kimanis Power Sdn Berhad	06/23	AA	3.46	10	4.43	7/10/2016	-97	50
MMC Corporation Berhad	04/23	AA-	3.53	40	3.46	25/8/2022	7	57
Perbadanan Kemajuan Negeri Selangor	08/23	AA3	3.98	10	4.15	15/9/2022	-17	102
PONSB Capital Berhad	12/28	AA3	4.78	10	4.73	6/9/2022	5	80
PONSB Capital Berhad	06/29	AA3	4.84	10	4.79	6/9/2022	5	79
Affin Bank Berhad	07/32	A1	4.27	0	4.58	13/9/2022	-31	11
Tropicana Corporation Berhad	09/19	A	7.31	0	6.71	8/9/2022	60	279
Bank Muamalat Malaysia Berhad	07/32	A3	5.13	10	5.19	12/8/2022	-6	97
Affin Islamic Bank Berhad	10/17	A3	4.07	4	4.11	12/8/2022	-4	-45
Bank Islam Malaysia Berhad	08/21	A3	4.91	20	4.96	7/9/2022	-5	39
LBS Bina Group Berhad	03/20	-	5.99	1	5.99	14/9/2022	0	147
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Dua Sdn Bhd	Green Sustainable and Responsible Investment (SRI) sukuk of RM97.0 million	AA- <i>IS</i> / Stable	Affirmed
Segi Astana Sdn Bhd	RM415.0 million ASEAN Green Medium-Term Notes (MTN) facility	A+ / Stable	Affirmed; Outlook revised from negative to stable

Source: RAM, MARC

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