

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were sold off for the fourth consecutive day, pushing yields to multiyear highs ahead of the FOMC announcement. Losses were narrowed post the 20-year bond auction which drew strong demand with a BTC of 2.65x (prior 2.30x) at a high yield of 3.82%. The benchmark 2Y UST yields hit a fresh 15-year high at 3.99% before pulling back to 3.97% at close. Meanwhile, the 10Y note yields stayed above the 3.50% psychological level, last settled at 3.56% after hitting an intraday high of 3.60%. Focus will be squarely on the Fed announcement at 2am Malaysia time tomorrow where the Fed is expected to deliver at least 75bps hike. Guidance on terminal rate and the dot plot will be key in determining the next course of move in the global financial markets, which are currently in a jittery mode on fear of over-tightening and rising recession risks.

MGS/GII

- Local govies extended its downward trajectory, pushing yields even higher across the curve as expectations for a 100bps Fed rate hike continued building up as the FOMC meeting draws closer. The bigger than expected 100bps hike by Riksbank could further shore up aggressive Fed rate hike expectations and exacerbate the pressure on bonds. Yields were seen edging up between 1-5bps across most part of the curve, along with further increases in the IRS. The benchmark 5Y MGS 11/27 yield edged 4bps up at 3.91% whilst the 10Y MGS 7/32 yield rose 2bps to 4.22%. Trading interests in the secondary market continued to pick up steam, with RM3.50bn dealt (prior RM3.10bn), with off the run MGS '23 & '24 taking center stage in the MGS space. Benchmark 5Y MGS11/27 attracted RM241m deals. In the GII space, trading formed a bigger share of 31% of overall trades (prior 17%), with concentration on 3Y benchmark GII 10/25 and 5Y benchmark GII 09/27. Attention will shift to FOMC meeting outcome and dot plot on 22-September, followed by the reopening auction of RM5.0bn 7Y MGS 04/29 on the same day.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk picked up to RM282m (prior RM243m), but transactions were seemingly more scattered spanning over 32 names vs prior's 19 names. Overall yields ended mixed. AAA-rated issuances took center stage accounted for close to half of total deals transacted in the secondary market. BPMB '25 saw RM30m done at 4.04% (+58bps), SEB '27 (RM20m), Sarawak Petchem '27 (RM20m), and Rautau '1/32 (RM20m). In the GG space, DANA '27 and '32 collectively saw RM50m transacted at 4.00-4.37% with yields settling mixed. In the AA segment, Edra '23 saw yields jumping 16bps to 3.56%

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.97	3
5-yr UST	3.75	6
10-yr UST	3.56	7
30-yr UST	3.57	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	3	3.57	5
5-yr	3.91	4	4.01	2
7-yr	4.10	2	4.14	4
10-yr	4.22	2	4.21	4
15-yr	4.40	5	4.41	3
20-yr	4.57	3	4.48	1
30-yr	4.64	1	4.66	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.47	0
3-yr	3.77	1
5-yr	3.94	2
7-yr	4.06	4
10-yr	4.20	4

Source : Bloomberg

Upcoming Government Bond Tender

RM5.0bn reopening of 7Y MGS 4/29 on 22 September 2022

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 09/22	2.53	400	1.78	15/9/2022	76
MGS 03/23	2.68	14	2.69	19/9/2022	-2
MGS 04/23	2.73	65	2.72	19/9/2022	1
MGS 08/23	3.01	468	2.86	19/9/2022	14
MGS 06/24	3.28	9	3.31	19/9/2022	-3
MGS 07/24	3.43	250	3.32	19/9/2022	11
MGS 09/24	3.42	59	3.40	19/9/2022	2
MGS 03/25	3.45	99	3.42	19/9/2022	3
MGS 09/25	3.55	135	3.53	19/9/2022	2
MGS 04/26	3.64	5	3.56	15/9/2022	7
MGS 07/26	3.81	8	3.68	19/9/2022	13
MGS 11/26	3.87	15	3.83	19/9/2022	3
MGS 03/27	3.85	56	3.78	9/9/2022	7
MGS 05/27	3.87	12	3.82	19/9/2022	5
MGS 11/27	3.92	241	3.92	19/9/2022	0
MGS 06/28	4.03	72	4.04	19/9/2022	-1
MGS 04/29	4.10	30	4.06	19/9/2022	4
MGS 08/29	4.11	13	4.06	19/9/2022	5
MGS 04/30	4.18	1	4.04	15/9/2022	14
MGS 04/31	4.25	56	4.21	19/9/2022	4
MGS 06/31	4.22	0	4.21	19/9/2022	1
MGS 07/32	4.18	168	4.20	19/9/2022	-1
MGS 04/33	4.37	8	4.21	15/9/2022	16
MGS 11/33	4.40	61	4.41	19/9/2022	-1
MGS 07/34	4.43	1	4.47	19/9/2022	-3
MGS 05/35	4.46	20	4.42	19/9/2022	4
MGS 04/37	4.40	50	4.33	19/9/2022	7
MGS 05/40	4.56	3	4.55	19/9/2022	0
MGS 10/42	4.54	14	4.54	19/9/2022	0
MGS 09/43	4.63	4	4.69	19/9/2022	-7
MGS 03/46	4.76	13	4.72	19/9/2022	4
MGS 07/48	4.69	3	4.74	19/9/2022	-5
MGS 06/50	4.68	47	4.66	19/9/2022	2
GII 11/22	2.59	120	2.57	13/9/2022	3
GII 11/22	2.59	110	2.72	20/7/2022	-13
GII 05/24	3.35	91	3.33	14/9/2022	3
GII 10/24	3.37	90	3.30	19/9/2022	8
GII 10/25	3.56	250	3.51	19/9/2022	4
GII 03/26	3.76	60	3.68	15/9/2022	8
GII 09/27	4.00	220	4.04	19/9/2022	-4
GII 10/28	4.09	30	4.12	19/9/2022	-3
GII 07/29	4.14	40	4.14	19/9/2022	0
GII 10/32	4.21	20	4.17	19/9/2022	4
GII 11/34	4.43	20	4.41	19/9/2022	1
GII 09/41	4.48	47	4.45	19/9/2022	3
GII 05/52	4.65	5	4.62	9/9/2022	3
		<u>3503</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			Against MGS*
Prasarana Malaysia Berhad	08/23	GG	3.20	10	3.13	24/5/2022	6	23
Danainfra Nasional Berhad	03/27	GG	4.00	10	4.16	27/5/2022	-16	28
Danainfra Nasional Berhad	05/32	GG	4.37	40	4.35	8/9/2022	2	19
Prasarana Malaysia Berhad	02/41	GG	4.64	20	4.84	13/7/2022	-20	11
Toyota Capital Malaysia Sdn Berhad	02/23	AAA	3.41	10	3.30	23/8/2022	11	45
Danum Capital Berhad	06/25	AAA	3.95	10	3.97	15/9/2022	-2	52
Bank Pembangunan Malaysia Berhad	10/25	AAA	4.04	30	3.46	16/3/2022	58	61
Sarawak Energy Berhad	01/27	AAA	4.22	20	4.15	12/9/2022	7	50
Malaysia Airport Holdings Berhad	04/27	AAA	4.28	10			428	38
Sarawak Petchem Sdn Berhad	07/27	AAA	3.58	20	4.39	14/9/2022	-81	-32
Rantau Abang Capital Berhad	01/32	AAA	4.59	20	4.47	10/8/2022	12	44
Tenaga Nasional Berhad	06/47	AAA	5.22	10	5.20	7/9/2022	2	68
Celcom Networks Sdn Berhad	10/26	AA+	4.24	10	4.39	28/6/2022	-15	52
edotco Malaysia Sdn Berhad	09/32	AA+	4.52	10			452	34
Sabah Development Bank Berhad	12/23	AA1	4.67	1	4.62	14/9/2022	5	171
Sabah Development Bank Berhad	07/24	AA1	4.04	0	3.92	15/9/2022	11	72
Sabah Development Bank Berhad	05/25	AA1	4.29	0	4.29	15/9/2022	0	87
Sabah Credit Corporation	10/26	AA1	4.41	10	3.74	18/3/2021	67	69
YTL Power International Berhad	05/27	AA1	4.99	0	4.98	14/9/2022	1	110
GENM Capital Berhad	07/28	AA1	5.40	1	4.65	30/8/2022	75	141
YTL Power International Berhad	08/28	AA1	4.66	1	4.56	19/9/2022	10	66
CIMB Group Holdings Berhad	09/32	AA2	4.31	3	3.95	13/9/2022	36	14
Northport (Malaysia) Berhad	12/22	AA-	2.91	2	3.03	2/8/2022	-13	-5
Quantum Solar Park (Semenanjung) Sdn Berhad	10/23	AA-	3.89	1	3.34	28/9/2021	56	93
UEM Sunrise Berhad	03/24	AA-	4.43	2	4.20	28/4/2022	23	112
Edra Energy Sdn Berhad	07/23	AA3	3.72	20	3.56	7/9/2022	16	76
BGSM Management Sdn Berhad	12/23	AA3	3.63	10	2.89	7/12/2021	74	67
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.96	1	3.91	6/9/2022	5	65
Malayan Banking Berhad	02/17	AA3	4.12	1	4.23	9/8/2022	-10	-41
Yinson Holdings Berhad	12/26	A1	5.96	0	5.42	16/6/2022	54	224
Tropicana Corporation Berhad	09/19	A	6.71	0	7.31	19/9/2022	-60	217
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.47	1	4.75	15/9/2022	-28	32
				<u>282</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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