Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.55	2
5-yr UST	4.02	1
10-yr UST	3.83	0
30-yr UST	3.90	-3

	MGS		GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.96	13	3.89	0
5-yr	4.29	12	4.25	5
7-yr	4.32	4	4.41	6
10-yr	4.34	6	4.48	8
15-yr	4.55	8	4.63	0
20-yr	4.62	0	4.70	0
30-yr	4.86	17	5.33	0

** Market indicative levels*

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.96	2
3-yr	4.08	2
5-yr	4.18	4
7-yr	4.34	6
10-yr	4.47	8

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries traded mixed overnight with the curve flattening further amid a soft 5Y bond auction bu solid 2Y note sale. The auction of the $42bn 2Y note attracted a firmer BTC of 2.64x (prior 2.59x) at a high yield of 4.51% while the $43bn 5Y note sale garnered a softer BTC of 2.39x (prior 2.48x) at a high yield of 3.97%. Overall benchmark UST yields settled mixed between -3 to +2bps across the curve with the 2s added 2bps to 4.55% while the 10s slipped less than a bp to 3.83%. Concerns over renewed tightening restrictions in China as well as the Fed policy tightening have and will continue to weigh on markets. Bond yields were seen falling earlier in European and Asian markets. FOMC minutes will be in focus this week and a hawkish rhetoric mirroring recent Fed speaks will likely exert further pressure on UST.

MGS/GIII

- Local govvies came under pressure in the wake of GE15-related impasse as the parties negotiate for a coalition government. Overall benchmark MGS/GII yields rose 4-17bps overall on the back of a slight pick-up in secondary market volume (RM2.68bn vs RM2.48bn). The benchmark 5Y and 10Y MGS added 12bps to 4.29% and 6bps to 4.34% respectively. Big swings were also observed in the front end and ultra long end of the MGS curve, with the 3Y and 30Y jumping 13 and 17bps respectively. Trading interests concentrated on 5Y benchmark MGS 11/27 followed by off the run MGS '23 again, with RM709m and RM525m changed hands. In the GII space, overall GII trades accounted for a lower 14% share of overall govvies trade (prior 30%), with off the run GII '23 leading the pack (RM116m).Markets will most likely stay jittery with yields continue skewing to the upside, as investors await greater clarity and development on the politicial front.

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Corp Bonds/Sukuk

- The corporate bonds/sukuk space was unusually quiet but not unexpected as investors stayed on the sideline amid poliical noises on the formation of a coalition government. Secondary market volume was razor thin at a meager RM22m (prior RM366m) with mixed trading in only 6 names. Government-guaranteed DANA '11/35 was indeed the primary trade with RM20m transacted whilst others were mainly odd-lot trades. SDB '5/25 and AmBank '10/32 were the two financial names that made it to the list, last traded at 4.79% and 4.85% respectively. UEM '10/25, MY E.G. '1/27 and Tropicana '10/23 were the remaining three papers, last dealt at 4.60%, 5.39%, and 6.22% respectively.

Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	03/23	2.66	525	2.78	17/11/2022	-13
MGS	04/23	2.51	108	2.59	17/11/2022	-7
MGS	08/23	3.11	20	3.04	17/11/2022	8
MGS	06/24	3.54	111	3.54	17/11/2022	0
MGS	07/24	3.54	1	3.53	17/11/2022	1
MGS	09/24	3.65	4	3.53	16/11/2022	12
MGS	03/25	3.96	12	3.83	17/11/2022	13
MGS	09/25	3.96	43	3.91	17/11/2022	5
MGS	04/26	4.13	50	3.95	16/11/2022	18
MGS	07/26	4.09	24	4.00	17/11/2022	9
MGS	11/26	4.09	136	4.04	17/11/2022	6
MGS	05/27	4.16	1	4.12	16/11/2022	4
MGS	11/27	4.29	709	4.17	17/11/2022	12
MGS	06/28	4.32	133	4.14	17/11/2022	17
MGS	04/29	4.32	15	4.28	17/11/2022	4
MGS	08/29	4.38	44	4.33	17/11/2022	4
MGS	04/30	4.42	0	4.43	15/11/2022	-2
MGS	04/31	4.39	76	4.36	17/11/2022	3
MGS	06/31	4.44	48	4.35	17/11/2022	9
MGS	07/32	4.34	47	4.28	17/11/2022	6
MGS	04/33	4.40	50	4.41	17/11/2022	-1
MGS	11/33	4.54	14	4.50	17/11/2022	4
MGS	07/34	4.58	57	4.45	17/11/2022	13
MGS	05/35	4.62	3	4.47	17/11/2022	15
MGS	04/37	4.55	35	4.48	17/11/2022	8
MGS	06/38	4.56	5	4.64	17/11/2022	-9
MGS	05/40	4.74	4	4.69	17/11/2022	4
MGS	03/46	4.85	8	4.77	17/11/2022	8
MGS	07/48	4.90	6	4.82	17/11/2022	8
MGS	06/50	4.86	13	4.69	17/11/2022	17
GII	07/27	4.31	3	4.12	16/11/2022	19
GII	08/25	3.97	2	3.82	16/11/2022	15
GII	07/29	4.41	95	4.35	17/11/2022	6
GII	09/27	4.25	22	4.20	17/11/2022	5
GII	10/32	4.48	10	4.40	17/11/2022	8
GII	10/28	4.40	28	4.26	17/11/2022	14
GII	10/30	4.50	47	4.38	17/11/2022	12
GII	03/26	4.05	47	3.89	16/11/2022	16
GII	08/37	4.77	10	4.75	14/11/2022	2
GII	05/23	3.11	116	2.88	16/11/2022	23
			2680			

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	11/35	GG	4.67	20	4.81	10/20/2022	-14	10
Sabah Development Bank Berhad	05/25	AA1	4.79	1	4.80	11/15/2022	-1	120
UEM Sunrise Berhad	10/25	AA-	4.60	1	4.26	11/2/2022	35	73
MY E.G. Services Berhad	01/27	AA-	5.39	0	5.50	11/17/2022	-12	134
Tropicana Corporation Berhad	10/23	A+	6.22	1	6.03	11/7/2022	19	304
AmBank (M) Berhad	10/32	A1	4.85	0	4.85	11/16/2022	0	48
				22				

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

Rating Action			
Issuer	**PDS Description**	**Rating/Outlook**	**Action**
Projek Lebuhraya Usahasama Berhad	Proposed Islamic Medium-Term Notes Programme (IMTN) of up to RM25.2 billion	AAA_{IS}(s) / Stable	Assigned
	Outstanding RM17.2 billion under PLUS' existing Sukuk Musharakah programme	AAA_{IS} / Stable	Affirmed
Toyota Capital Malaysia Sdn Bhd	RM2.5 billion Conventional and Islamic CP/MTN Programme	AA(s)/Stable/P1(s)	Reaffirmed
PONSB Capital Berhad	RM4.0 bil Islamic Medium Term Notes Programme (2021/2051) and RM1.0 bil Islamic Commercial Papers Programme (2021/2028)	AA3(s)/Stable and P1(s)	Reaffirmed

Source: RAM, MARC

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