

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US treasuries rallied across the curve shrugging off a weak 7Y bond auction as investors focused on the Fed policy path ahead of the release of FOMC minutes tomorrow. Fed speaks remained hawkish by and large although Cleveland Fed Mester said she is open to smaller quantum of rate hike while Fed Daly said officials need to be mindful of the lag effects of earlier rate hikes. Fed George meanwhile commented that higher savings may mean higher rates are needed. The US\$35bn sale of 7Y bonds concluded this week's bond sale on a generally softer tone, due in part by the massive supply and anxiety ahead of FOMC minutes. The 7Y bond auction printed a lower BTC of 2.33x (prior 2.43x) at a high yield of 3.89% (prior 4.03%). All eyes will be on upcoming FOMC minutes while markets are expected to turn quiet heading into Thanksgiving holidays.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.52	-4
5-yr UST	3.95	-8
10-yr UST	3.76	-7
30-yr UST	3.83	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.91	-5	3.96	7
5-yr	4.29	0	4.25	0
7-yr	4.32	0	4.43	2
10-yr	4.38	3	4.51	3
15-yr	4.55	0	4.57	-6
20-yr	4.68	5	4.70	0
30-yr	4.79	-7	5.33	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.96	0
3-yr	4.08	0
5-yr	4.20	2
7-yr	4.32	-1
10-yr	4.46	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies managed to shrug off the the post-GE15 broad selloff and traded on a mixed note on Tuesday, with gains seen in the front end and ultra long end of the MGS curve, as well as 15Y GII. Overall, benchmark MGS/ GII yields settled mixed between -7bps to +7bps. The benchmark 5Y MGS 11/27 settled unchanged at 4.29% whilst the 10Y MGS 10/42 added 3bps to 4.38%. Trading momentum was however softer, with secondary market volume tapered off to RM1.63bn (prior RM2.68bn), its lowest in approximately 1.5 weeks. Interests were seen concentrated on the front end to the belly (5Y) of the curve, notably off the run MGS '23 (RM413m) & MGS '25 (RM100m), benchmark 5Y MGS 11/27 (RM171m) and benchmark 3Y GII 10/25 (RM200m). Overall GII trades accounted for a higher 31% share of overall govies trade (prior 14%). Markets will most likely remain cautious closely tracking development in the local political front where the caretaker Prime Minsiter Anwar Ibrahim are required to garner majority support to form a coalition government within ten days.

Corp Bonds/Sukuk

- The corporate bonds/sukuk space returned to life albeit modestly. Secondary market volume picked up again to RM136m on Tuesday (piror RM22m), as fear over political tussle somewhat abated. Trading interests were seen focused on AAA to AA-part of the curve with AA3-rated BGSM '6/24 leading the pack with RM30m changed hands at 4.04% (unchanged). This was followed by AAA-rated AMAN '5/29 with RM20m last dealt at 4.82% (+25bps), and PLUB '1/37 which last traded at 5.19% (-3bps). Trading in GG papers remained scanty, limited to DANA '11/47 which traded 28bps higher at 5.02%, with RM10m done. Other papers included those from the energy, finance and property sectors.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/23	2.80	413	2.66	21/11/2022	14
MGS 04/23	2.88	7	2.51	21/11/2022	36
MGS 08/23	3.26	28	3.11	21/11/2022	15
MGS 09/24	3.65	0	3.65	21/11/2022	0
MGS 03/25	3.91	60	3.96	21/11/2022	-5
MGS 09/25	3.99	100	3.96	21/11/2022	3
MGS 04/26	4.05	21	4.13	21/11/2022	-8
MGS 07/26	4.07	17	4.09	21/11/2022	-2
MGS 11/26	4.06	24	4.09	21/11/2022	-3
MGS 05/27	4.29	70	4.16	21/11/2022	13
MGS 11/27	4.29	171	4.29	21/11/2022	0
MGS 08/29	4.41	43	4.40	21/11/2022	0
MGS 04/31	4.49	21	4.39	21/11/2022	10
MGS 06/31	4.46	0	4.44	21/11/2022	1
MGS 07/32	4.38	13	4.34	21/11/2022	3
MGS 04/33	4.49	10	4.40	21/11/2022	9
MGS 11/33	4.52	10	4.54	21/11/2022	-2
MGS 07/34	4.56	3	4.58	21/11/2022	-2
MGS 05/35	4.60	4	4.62	21/11/2022	-2
MGS 04/37	4.55	54	4.55	21/11/2022	0
MGS 05/40	4.69	28	4.74	21/11/2022	-5
MGS 10/42	4.68	3	4.62	17/11/2022	5
MGS 09/43	4.66	0	4.76	17/11/2022	-10
MGS 03/46	4.82	10	4.85	21/11/2022	-3
MGS 07/48	4.86	20	4.90	21/11/2022	-4
MGS 06/50	4.79	0	4.86	21/11/2022	-7
GII 05/23	2.98	1	3.11	21/11/2022	-13
GII 10/23	3.22	10	3.17	16/11/2022	5
GII 11/23	3.24	2	3.19	17/11/2022	5
GII 10/25	3.96	200	3.89	17/11/2022	7
GII 09/27	4.25	80	4.25	21/11/2022	0
GII 10/28	4.44	40	4.40	21/11/2022	3
GII 07/29	4.43	70	4.41	21/11/2022	2
GII 10/30	4.50	80	4.50	21/11/2022	0
GII 10/32	4.51	1	4.48	21/11/2022	3
GII 03/38	4.57	0	4.63	17/11/2022	-6
GII 05/47	4.84	20	4.86	15/11/2022	-2
GII 11/49	4.97	0	4.92	17/11/2022	6
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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	11/47	GG	5.02	10	4.74	30/3/2022	28	32
Sarawak Energy Berhad	07/24	AAA	3.97	3	3.69	22/8/2022	28	36
Projek Lebuhraya Usahasama Berhad	01/25	AAA	4.31	2	4.45	8/11/2022	-14	70
Aman Sukuk Berhad	02/26	AAA	4.46	3	2.96	4/8/2021	151	54
Mercedes-Benz Services Malaysia Sdn Berhad	03/26	AAA	4.45	3	4.36	4/10/2022	9	53
Westports Malaysia Sdn Berhad	04/26	AAA	4.40	4	4.08	15/9/2022	32	48
Sarawak Energy Berhad	11/28	AAA	4.63	5	4.59	6/10/2022	4	34
Aman Sukuk Berhad	05/29	AAA	4.82	20	4.58	22/7/2022	25	49
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.89	8	4.99	8/11/2022	-10	50
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.19	12	5.22	3/10/2022	-3	60
Tenaga Nasional Berhad	06/37	AAA	5.16	6	5.17	26/10/2022	-1	57
Celcom Networks Sdn Berhad	08/27	AA+	4.66	5	4.54	23/6/2022	12	39
Sabah Development Bank Berhad	06/23	AA1	5.03	0	4.95	10/11/2022	7	184
Sabah Development Bank Berhad	05/25	AA1	5.24	0	4.79	21/11/2022	45	163
GENM Capital Berhad	08/25	AA1	4.76	2	4.78	19/10/2022	-2	84
Kimanis Power Sdn Berhad	08/25	AA	4.38	3	4.05	14/7/2022	33	46
Anih Berhad	11/25	AA	4.68	4	4.40	3/6/2022	28	76
Imtiaz Sukuk II Berhad	04/28	AA2	4.98	6	4.86	20/10/2022	13	72
Jimah East Power Sdn Berhad	06/23	AA-	3.83	2	3.45	10/6/2022	38	64
UEM Sunrise Berhad	09/25	AA-	5.45	5	5.27	16/11/2022	18	153
MY E.G. Services Berhad	11/27	AA-	5.50	1	5.39	21/11/2022	12	124
TG Excellence Berhad	02/20	AA-	6.40	0	5.03	8/11/2022	137	171
BGSM Management Sdn Berhad	06/24	AA3	4.04	30	4.04	20/10/2022	0	43
CIMB Thai Bank Public Company Limited	07/31	AA3	5.25	1	5.46	7/11/2022	-21	86
DRB-Hicom Berhad	12/14	A-	6.40	0	5.86	3/11/2022	54	170
LBS Bina Group Berhad	03/20	-	6.56	0	6.43	14/11/2022	13	187
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Zamarad Assets Berhad	Tranche 8 RM140 mil Class A Sukuk	AAA/Stable	Assigned
	RM35 mil Class B Sukuk	AA2/Stable	Assigned

Source: RAM, MARC

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