

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US treasuries advanced along with equities after FOMC minutes reaffirmed the Fed's readiness to raise rates at a slower pace while reiterated that terminal rate may be higher than initially projected. The curve bull flattened for a second straight day, led by the ultra long end with the 30Y note yields plunging 10bps to 3.73%. Meanwhile, the benchmark 2Y UST yields fell 4bps to 4.48% while the 10s shed 6bps to 3.70%, pulling back from an intraday high of 3.80% following a mixed bag of US data. PMIs eased further into contractionary levels in November, initial jobless claims climbed more than expected to a 3-month high, Uni Michigan consumer sentiments softened less than initially estimated, 1Y inflation expectations retreated more than initially estimated although 5-10Y inflation expectations showed a slight uptick. On a more positive note, durable goods orders and new home sales surprised on the upside. US markets will be closed for Thanksgiving holiday today before reopening with shorter trading hours on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.48	-4
5-yr UST	3.89	-6
10-yr UST	3.70	-6
30-yr UST	3.73	-10

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.91	0	3.94	-3
5-yr	4.19	-10	4.18	-7
7-yr	4.25	-7	4.43	0
10-yr	4.38	0	4.39	-12
15-yr	4.59	4	4.65	8
20-yr	4.67	0	4.70	0
30-yr	4.79	0	5.33	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.85	-11
3-yr	4.03	-5
5-yr	4.12	-8
7-yr	4.25	-7
10-yr	4.33	-13

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies continued to trade on a mixed note for the 2nd straight day on Wednesday, with overall benchmark MGS/ GII yields settled mixed between -12bps to +8bps across the curve. The benchmark 5Y MGS 11/27 settled 10bps down at 4.19% whilst the 10Y MGS 10/42 closed flat at 4.38%. Trading momentum however picked up again, with secondary market volume increasing to RM2.67bn (prior RM1.63bn), almost matching Monday's volume. Interests were seen concentrated on the front end off the run MGS '23 and '24, which collectively captured half, or RM1.26bn of total govies dealt, at between 2.70-3.68%. The 5Y benchmark MGS 11/27 also attracted some trading interests with RM194m done. In the GII space, GII trades accounted for a lower 23% share of overall govies traded, led by 3Y benchmark GII 10/25 (RM298m), last done at 3.94% (-3bps). We expect markets to remain cautious closely tracking development in the local political front.

Corp Bonds/Sukuk

- The corporate bonds/sukuk space saw softer trading momentum again. Secondary market volume thinned further to RM52m on Wednesday, from the already soft transaction of RM136m on Tuesday. Trading interests were seen focused on AAA to AA-part of the curve as GG papers were not seen again. Trading interests saw no specific concentration with names like Toyota Capital '1/24, YTLP '8/28, Point Zone '3/27 and Gamuda '8/25 garnered RM10m deals each. There were also a few financial papers traded thinly, including UOB '10/32, CIMB Group '9/32, and AmBank '10/32. Trading in the local corporate bond/ sukuk scene will likely remain very subdued as investors prefer to stay on the sideline pending greater clarity on the political front.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (d/m/yyyy)	(bp)
MGS 03/23	2.96	751	2.80	22/11/2022	17
MGS 04/23	2.70	91	2.88	22/11/2022	-18
MGS 08/23	2.98	96	3.26	22/11/2022	-28
MGS 06/24	3.54	122	3.54	21/11/2022	0
MGS 09/24	3.68	202	3.65	22/11/2022	2
MGS 03/25	3.91	38	3.91	22/11/2022	0
MGS 09/25	3.97	129	3.99	22/11/2022	-2
MGS 07/26	4.08	5	4.07	22/11/2022	1
MGS 03/27	4.24	3	4.25	10/11/2022	-1
MGS 05/27	4.24	32	4.29	22/11/2022	-5
MGS 11/27	4.19	194	4.29	22/11/2022	-10
MGS 04/29	4.25	20	4.32	21/11/2022	-7
MGS 08/29	4.32	24	4.41	22/11/2022	-9
MGS 04/31	4.42	6	4.49	22/11/2022	-7
MGS 06/31	4.39	30	4.46	22/11/2022	-7
MGS 07/32	4.38	89	4.38	22/11/2022	0
MGS 04/33	4.44	0	4.49	22/11/2022	-5
MGS 11/33	4.51	18	4.52	22/11/2022	-1
MGS 07/34	4.53	9	4.60	22/11/2022	-7
MGS 04/37	4.59	11	4.55	22/11/2022	4
MGS 05/40	4.85	60	4.73	22/11/2022	12
MGS 10/42	4.67	1	4.68	22/11/2022	0
MGS 03/46	4.82	0	4.82	22/11/2022	-1
MGS 07/48	4.85	10	4.86	22/11/2022	-1
MGS 06/50	4.79	99	4.79	22/11/2022	0
GII 05/23	2.93	1	2.98	22/11/2022	-5
GII 10/23	3.16	10	3.22	22/11/2022	-6
GII 11/23	3.05	26	3.24	22/11/2022	-20
GII 05/24	3.59	71	3.62	17/11/2022	-2
GII 10/24	3.71	30	3.64	17/11/2022	7
GII 10/25	3.94	298	3.96	22/11/2022	-3
GII 03/26	4.02	20	4.05	21/11/2022	-3
GII 07/27	4.21	20	4.31	21/11/2022	-10
GII 09/27	4.18	39	4.25	22/11/2022	-7
GII 10/28	4.37	34	4.44	22/11/2022	-7
GII 09/30	4.40	0	4.51	9/11/2022	-11
GII 10/30	4.44	40	4.50	22/11/2022	-6
GII 10/32	4.39	16	4.51	22/11/2022	-12
GII 07/36	4.81	1	4.81	17/11/2022	0
GII 03/38	4.65	1	4.57	22/11/2022	8
GII 11/49	4.78	11	4.97	22/11/2022	-20
		<u>2658</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (d/m/yyyy)			Against MGS*
Toyota Capital Malaysia Sdn Berhad	01/24	AAA	4.18	10	3.85	10/6/2022	33	101
Tenaga Nasional Berhad	06/37	AAA	5.15	5	5.16	22/11/2022	-1	58
Amanat Lebuhraya Rakyat Berhad	10/37	AAA	5.47	1	5.59	12/10/2022	-12	89
Sabah Development Bank Berhad	07/24	AA1	4.47	0	5.13	11/11/2022	-66	88
GENM Capital Berhad	08/25	AA1	4.69	1	4.76	22/11/2022	-7	80
YTL Power International Berhad	08/28	AA1	5.30	10	4.99	25/10/2022	31	102
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.63	0	4.64	15/11/2022	0	28
CIMB Group Holdings Berhad	09/32	AA2	4.75	2	4.92	17/11/2022	-17	40
UEM Sunrise Berhad	09/25	AA-	5.42	1	5.45	22/11/2022	-3	152
Point Zone (M) Sdn Berhad	03/27	AA-	4.84	10	4.81	2/11/2022	3	77
MY E.G. Services Berhad	11/27	AA-	5.50	1	5.50	22/11/2022	0	130
Gamuda Land (T12) Sdn Berhad	08/25	AA3	4.67	10	3.68	3/3/2022	99	77
Malaysian Reinsurance Berhad	10/32	AA3	5.16	1	4.86	17/11/2022	30	80
AmBank (M) Berhad	10/32	A1	5.00	1	4.85	21/11/2022	15	65
Eco World Capital Assets Berhad	08/24	-	4.91	0	5.14	15/11/2022	-23	132
LBS Bina Group Berhad	03/20	-	6.14	1	6.56	22/11/2022	-42	145
				<u>52</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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