

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US markets were closed in observation of Thanksgiving holiday. We expect the US treasuries market to remain biddish going into next week as expectations for slower pace of Fed rate hike following a dovish FOMC minutes is expected to continue reverberating. 3Q GDP print, core PCE, as well as nonfarm job report, will be among the top market-moving data to watch next week.

MGS/GIII

- Local govies staged a broad-based rally on Thursday, pushing yields down 2-50bps across the curve. This marked its first such strong move post GE15, as risk appetite made a return on the abatement in event risk following news on the appointment of Datuk Seri Anwar Ibrahim as Malaysia's 10th Prime Minister. The benchmark 5Y MGS 11/27 yield plunged 22bps to 3.98% while the 10Y MGS 10/42 yield closed 25bps down at 4.13%, its lowest since mid-September. Secondary market volume jumped 45% to RM3.87bn (prior RM2.67bn), as investors flocked in to buy again. Off the runs MGS '23 stole the limelight with RM1.11bn done between 2.70-3.19%. Meanwhile, 5Y MGS 11/27 and 10Y MGS 7/32 and 30Y MGS 6/50 stole the limelight among benchies. Trading momentum in the GII space also picked up to RM1.20bn or 31% of overall govies trade (prior RM616m; 23%). Benchmark GII 10/32 led the pack with RM333m last done at 4.24% (-15bps) followed by non benchies GII 10/30 (RM290m) at 4.36% (-8bps). We expect continued buying interests in the local bond scene amid substantial paring of event risk domestically. The release of October CPI at noon today is expected to reaffirm further moderation in headline inflation while core is expected to remain elevated.

Corp Bonds/Sukuk

- Mirroring the pick-up in buying interests in local govies, trading momentum in corporate bonds/sukuk gained some traction. Secondary market volume increased almost 5x to RM249m on Thursday, from a low of RM52m the preceding day with yields ended the day mixed overall. There were a number of maiden trade namely DANA '11/29 and DANA '11/52 in the GG segment, which made its debut at 4.58% and 4.95% respectively. AAA-rated CAGA '10/27 and CAGA '11.27 also first traded at 4.50% with RM20m changed hands for the former and 4.51% (RM10m) for the latter. Other sizeable trades were AAA-rated Pengurusan Air SPV '6/27 with RM50m last dealt 8bps inner at 4.51% and AA2-rated AEON '7/23 with RM40m done at 4.03% (+43ps).

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.48 | 0 |
| 5-yr UST | 3.89 | 0 |
| 10-yr UST | 3.70 | 0 |
| 30-yr UST | 3.73 | 0 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.86 | -5 | 3.92 | -2 |
| 5-yr | 3.98 | -22 | 4.03 | -15 |
| 7-yr | 4.09 | -16 | 4.19 | -24 |
| 10-yr | 4.13 | -25 | 4.24 | -15 |
| 15-yr | 4.37 | -22 | 4.59 | -6 |
| 20-yr | 4.50 | -18 | 4.62 | -8 |
| 30-yr | 4.54 | -25 | 4.83 | -50 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.82 | -3 |
| 3-yr | 3.91 | -12 |
| 5-yr | 3.98 | -14 |
| 7-yr | 4.15 | -10 |
| 10-yr | 4.24 | -9 |

Source : Bloomberg

Note: UST levels as at 23 November closing

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

| Securities | Closing | Vol | Previous | Previous | Chg |
|------------|---------|-------------|----------|--------------------------|------|
| | YTM | (RM mil) | YTM | Trade Date (d/m/yyyy) | (bp) |
| MGS 03/23 | 2.70 | 936 | 2.96 | 23/11/2022 | -26 |
| MGS 04/23 | 2.79 | 140 | 2.70 | 23/11/2022 | 9 |
| MGS 08/23 | 3.19 | 30 | 2.98 | 23/11/2022 | 20 |
| MGS 06/24 | 3.49 | 19 | 3.54 | 23/11/2022 | -5 |
| MGS 09/24 | 3.60 | 117 | 3.68 | 23/11/2022 | -7 |
| MGS 03/25 | 3.86 | 40 | 3.91 | 23/11/2022 | -5 |
| MGS 09/25 | 3.88 | 30 | 3.97 | 23/11/2022 | -10 |
| MGS 11/26 | 3.98 | 34 | 4.06 | 22/11/2022 | -8 |
| MGS 05/27 | 4.04 | 30 | 4.24 | 23/11/2022 | -20 |
| MGS 11/27 | 3.98 | 548 | 4.19 | 23/11/2022 | -22 |
| MGS 06/28 | 4.20 | 0 | 4.32 | 21/11/2022 | -12 |
| MGS 04/29 | 4.09 | 156 | 4.25 | 23/11/2022 | -16 |
| MGS 04/31 | 4.25 | 15 | 4.42 | 23/11/2022 | -17 |
| MGS 06/31 | 4.27 | 5 | 4.39 | 23/11/2022 | -12 |
| MGS 07/32 | 4.13 | 142 | 4.38 | 23/11/2022 | -25 |
| MGS 11/33 | 4.49 | 30 | 4.51 | 23/11/2022 | -1 |
| MGS 07/34 | 4.41 | 27 | 4.53 | 23/11/2022 | -12 |
| MGS 05/35 | 4.49 | 21 | 4.60 | 22/11/2022 | -11 |
| MGS 04/37 | 4.37 | 4 | 4.59 | 23/11/2022 | -22 |
| MGS 06/38 | 4.58 | 3 | 4.56 | 21/11/2022 | 2 |
| MGS 05/40 | 4.60 | 113 | 4.69 | 23/11/2022 | -9 |
| MGS 10/42 | 4.50 | 24 | 4.67 | 23/11/2022 | -18 |
| MGS 03/46 | 4.74 | 7 | 4.82 | 23/11/2022 | -8 |
| MGS 06/50 | 4.54 | 198 | 4.79 | 23/11/2022 | -25 |
| GII 05/23 | 2.82 | 11 | 2.93 | 23/11/2022 | -11 |
| GII 10/25 | 3.92 | 158 | 3.94 | 23/11/2022 | -2 |
| GII 03/26 | 3.88 | 16 | 4.02 | 23/11/2022 | -14 |
| GII 09/26 | 4.03 | 10 | 4.07 | 16/11/2022 | -4 |
| GII 07/27 | 4.04 | 5 | 4.21 | 23/11/2022 | -17 |
| GII 09/27 | 4.03 | 50 | 4.18 | 23/11/2022 | -15 |
| GII 10/28 | 4.24 | 0 | 4.37 | 23/11/2022 | -13 |
| GII 07/29 | 4.19 | 130 | 4.43 | 22/11/2022 | -24 |
| GII 09/30 | 4.38 | 10 | 4.40 | 23/11/2022 | -2 |
| GII 10/30 | 4.36 | 290 | 4.44 | 23/11/2022 | -8 |
| GII 10/32 | 4.24 | 333 | 4.39 | 23/11/2022 | -15 |
| GII 07/36 | 4.58 | 32 | 4.81 | 23/11/2022 | -23 |
| GII 08/37 | 4.64 | 10 | 4.77 | 21/11/2022 | -13 |
| GII 03/38 | 4.59 | 82 | 4.65 | 23/11/2022 | -6 |
| GII 09/41 | 4.62 | 40 | 4.70 | 17/11/2022 | -8 |
| GII 05/52 | 4.83 | 20 | 5.33 | 16/11/2022 | -50 |
| | | <u>3865</u> | | | |

Daily Trades : Corp Bonds/ Sukuk

| Securities | | Rating | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (d/m/yyyy) | Chg (bp) | Spread Against MGS* |
|--|-------|--------|----------------|-----------------|-----------------|--------------------------------------|-------------|---------------------------|
| DanaInfra Nasional Berhad | 11/29 | GG | 4.58 | 10 | | | 458 | 47 |
| DanaInfra Nasional Berhad | 08/52 | GG | 4.95 | 5 | 5.25 | 12/10/2022 | -30 | 33 |
| DanaInfra Nasional Berhad | 11/52 | GG | 4.95 | 20 | | | 495 | 33 |
| Danum Capital Berhad | 05/23 | AAA | 3.50 | 5 | 3.45 | 17/11/2022 | 5 | 35 |
| Mercedes-Benz Services Malaysia Sdn Berhad | 11/23 | AAA | 3.75 | 10 | 3.00 | 6/4/2022 | 75 | 59 |
| Pengurusan Air SPV Berhad | 06/27 | AAA | 4.51 | 50 | 4.60 | 15/11/2022 | -8 | 49 |
| Cagamas Berhad | 10/27 | AAA | 4.50 | 20 | | | 450 | 48 |
| Cagamas Berhad | 11/27 | AAA | 4.51 | 10 | | | 451 | 49 |
| Pengurusan Air SPV Berhad | 02/29 | AAA | 4.64 | 10 | 4.74 | 2/11/2022 | -10 | 54 |
| Tenaga Nasional Berhad | 06/37 | AAA | 5.14 | 7 | 5.15 | 23/11/2022 | -1 | 64 |
| Tenaga Nasional Berhad | 08/37 | AAA | 5.13 | 10 | 5.15 | 4/11/2022 | -2 | 63 |
| Sabah Development Bank Berhad | 05/25 | AA1 | 4.51 | 0 | 5.24 | 22/11/2022 | -73 | 94 |
| Genting RMTN Berhad | 03/27 | AA1 | 5.10 | 15 | 5.27 | 13/5/2022 | -18 | 114 |
| United Overseas Bank (Malaysia) Berhad | 10/32 | AA1 | 4.57 | 1 | 4.63 | 23/11/2022 | -7 | 38 |
| AEON Co. (M) Berhad | 07/23 | AA2 | 4.03 | 40 | 3.60 | 14/7/2022 | 43 | 88 |
| CIMB Group Holdings Berhad | 09/32 | AA2 | 4.75 | 1 | 4.75 | 23/11/2022 | 0 | 57 |
| RHB Bank Berhad | 09/32 | AA2 | 4.75 | 1 | 4.71 | 17/11/2022 | 4 | 57 |
| UEM Sunrise Berhad | 09/25 | AA- | 5.42 | 1 | 5.42 | 23/11/2022 | 1 | 160 |
| MY E.G. Services Berhad | 11/27 | AA- | 5.85 | 1 | 5.50 | 23/11/2022 | 35 | 183 |
| Press Metal Aluminium Holdings Berhad | 08/25 | AA3 | 4.47 | 10 | 4.50 | 17/11/2022 | -3 | 65 |
| Tanjung Bin Energy Sdn Berhad | 03/26 | AA3 | 5.80 | 10 | 5.40 | 25/7/2022 | 40 | 198 |
| AmBank (M) Berhad | 10/32 | A1 | 4.97 | 0 | 5.00 | 23/11/2022 | -4 | 78 |
| Affin Bank Berhad | 07/18 | A3 | 4.21 | 12 | 4.19 | 8/11/2022 | 2 | -41 |
| Eco World International Berhad | 04/23 | - | 5.07 | 1 | 5.84 | 7/11/2022 | -77 | 191 |
| PESTECH International Berhad | 10/20 | - | 6.30 | 1 | 5.80 | 7/9/2022 | 49 | 168 |
| | | | | <u>249</u> | | | | |

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

Rating Action

| Issuer | PDS Description | Rating/Outlook | Action |
|--------------------------|---|------------------------------|----------|
| Trusmadi Capital Sdn Bhd | RM235 million Class A, RM40 million Class B, and RM25 million Class C Medium-Term Notes (MTN) as well as RM300 million Commercial Papers (CP) | AAA, AA, A and MARC-1 Stable | Affirmed |
| YNH Property Berhad | Islamic Medium-Term Notes (IMTN) Programme of up to RM700 million (Sukuk Wakalah) | A+IS / Stable | Affirmed |

Source: RAM, MARC

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