

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.35	14
5-yr UST	4.19	21
10-yr UST	3.93	24
30-yr UST	3.74	13

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.80	10	3.81	4
5-yr	4.17	9	4.14	7
7-yr	4.44	15	4.44	12
10-yr	4.39	6	4.50	11
15-yr	4.71	11	4.65	8
20-yr	4.82	13	4.76	10
30-yr	4.98	15	4.94	9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	4
3-yr	4.03	13
5-yr	4.27	11
7-yr	4.40	15
10-yr	4.55	15

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US treasuries remained under tremendous pressure amid ongoing market rout that saw the 10Y UK gilts skyrocketing 75bps over two trading days. Investors remained nervous fearing more aggressive tightening will hasten and deepen the economic fallout. Weak demand for the 2Y bond sale did not offer any reprieve either, prompted further selling. The debt sale attracted a BTC of 2.51x at a high yield of 4.29%. Overall benchmark yields rose 13-24bps across the curve, with the 10Y jumping 24bps to 3.93%, its highest level since 2010 and the biggest spike since the pandemic selloff in Mar-20. The 30Y long bond saw milder selloffs as recession concerns mount. All eyes will be on upcoming core PCE and to a lesser extent final 2Q GDP print later this week. Any upside surprises in inflation will likely reinforce a hawkish rate hike path, sending more chills to the broader markets.

MGS/GII

- Local govies remained under selling pressure for the 8th consecutive day as market jitters surrounding potential economic fallout arising from aggressive policy tightening globally continued to amplify. Trading in the secondary market reduced by about half to RM2.06bn (prior RM3.94bn) as investors stayed cautious in a volatile and nervous market. Yields were seen spiking further, broadly across the curve by 4-15bps. The benchmark 5Y MGS 11/27 yield jumped 9bps to 4.17% whilst the 10Y MGS 7/32 yield rose 6bps to 4.39%. Benchies attracted the most interest, spanning from 5Y, 7Y and 30Y MGS, while on the GII front, trading were concentrated on the front end of the curve, 3Y and 5Y. GII trades accounted for a lower 25% (prior 34%) share of overall trade, with the 3Y and 5Y benchmarks led the pack with RM131m and RM260m done respectively. External factors primarily the Fed rate hike theme will continue to drive the local bond space in the week ahead.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk picked up some steam again but overall trading volume remained subdued at RM161m (prior RM124m) spanning over 18 names. There were no GG names being traded for a 2nd straight session and interests were seen concentrated on the A-rated part of the curve, which accounted for more than half of yesterday's deals. AmBank '28 topped the list with RM59m done at 3.86% (+4bps). Toll operator Projek Lintasan Sungai Besi Ulu Kelang '27 saw RM20m changed hands at 6.02% (+6bps). AA2-rated RHB Bank '9/32 made its debut at 4.40%. Yesterday's trade while thin, was relatively well-balanced between finance, energy, and construction names.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/22	2.66	50	2.58	09/23/2022	9
MGS 03/23	3.00	80	2.87	09/23/2022	13
MGS 04/23	3.05	61	2.97	09/23/2022	8
MGS 08/23	3.10	10	3.17	09/23/2022	-6
MGS 06/24	3.48	35	3.49	09/23/2022	-1
MGS 07/24	3.66	3	3.43	09/22/2022	23
MGS 03/25	3.74	48	3.66	09/23/2022	9
MGS 04/26	3.82	6	3.64	09/20/2022	19
MGS 07/26	4.08	4	3.80	09/22/2022	28
MGS 11/26	4.10	0	3.99	09/23/2022	12
MGS 05/27	4.20	82	4.01	09/23/2022	19
MGS 11/27	4.16	354	4.10	09/23/2022	6
MGS 06/28	4.38	50	4.23	09/23/2022	15
MGS 04/29	4.41	720	4.30	09/23/2022	11
MGS 08/29	4.45	63	4.33	09/23/2022	13
MGS 04/30	4.48	0	4.18	09/20/2022	29
MGS 04/31	4.53	50	4.39	09/23/2022	15
MGS 07/32	4.38	32	4.27	09/23/2022	11
MGS 11/33	4.63	2	4.51	09/23/2022	12
MGS 05/35	4.62	1	4.61	09/23/2022	1
MGS 04/37	4.71	99	4.60	09/23/2022	11
MGS 05/40	4.69	2	4.68	09/23/2022	1
MGS 03/46	4.75	1	4.70	09/22/2022	5
MGS 07/48	4.82	0	4.71	09/22/2022	11
MGS 06/50	4.95	206	4.79	09/23/2022	16
GII 11/23	3.17	19	3.16	09/23/2022	2
GII 10/24	3.65	20	3.45	09/22/2022	20
GII 10/25	3.76	131	3.77	09/23/2022	-1
GII 07/27	4.22	70	4.05	09/22/2022	17
GII 10/28	4.42	260	4.34	09/23/2022	8
GII 07/29	4.44	60	4.23	09/23/2022	21
GII 11/34	4.62	7	4.46	09/21/2022	16
GII 07/36	4.58	48	4.42	09/21/2022	16
GII 08/37	4.66	30	4.51	09/21/2022	15
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
TNB Northern Energy Berhad	11/23	AAA	3.60	2	3.55	09/23/2022	5	50
Pengurusan Air SPV Berhad	06/27	AAA	4.36	10	4.20	09/07/2022	16	16
Sabah Development Bank Berhad	12/23	AA1	4.67	0	4.54	09/23/2022	13	157
YTL Power International Berhad	08/28	AA1	4.58	1	4.66	09/20/2022	-8	28
CIMB Group Holdings Berhad	09/29	AA	4.00	10	4.11	06/15/2022	-11	-40
RHB Bank Berhad	09/32	AA2	4.40	4			-	-2
Sinar Kamiri Sdn Berhad	01/23	AA-	4.23	10	3.76	04/25/2022	47	113
Press Metal Aluminium Holdings Berhad	10/24	AA3	4.01	10	3.96	09/20/2022	4	44
Gamuda Berhad	11/29	AA3	4.98	10	4.97	06/23/2022	1	58
Malayan Banking Berhad	02/17	AA3	4.13	1	4.12	09/20/2022	0	-68
DRB-Hicom Berhad	12/22	A+	3.86	2	3.69	09/14/2022	17	76
Tropicana Corporation Berhad	10/25	A+	5.41	1	6.15	09/22/2022	-74	169
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	6.02	20	5.96	09/22/2022	6	182
DRB-Hicom Berhad	12/29	A+	5.65	10	5.61	09/22/2022	5	125
AmBank (M) Berhad	11/28	A1	3.86	59	3.82	07/20/2022	4	-43
Affin Bank Berhad	07/32	A1	4.32	2	4.27	09/23/2022	5	-10
Eco World Internasional Berhad	05/23	-	5.91	1	5.20	09/09/2022	71	281
Eco World Capital Assets Berhad	08/24	-	6.10	10	5.61	09/13/2022	48	253
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TNB Western Energy Berhad	Outstanding sukuk of RM3.7 billion	AAA _{IS} /Stable	Affirmed
UEM Sunrise Berhad	RM2.0 billion IMTN programme Islamic Commercial Papers (ICP) and Islamic Medium-Term Notes (IMTN) programmes with a total combined nominal value of RM6.0 billion.	AA- _{IS} / Stable MARC-1 _{IS} /AA- _{IS}	Affirmed Affirmed

Source: RAM, MARC

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