

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.29	-6
5-yr UST	4.19	0
10-yr UST	3.95	2
30-yr UST	3.83	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.85	5	3.78	-3
5-yr	4.16	-1	4.11	-3
7-yr	4.40	-4	4.43	-1
10-yr	4.39	0	4.54	4
15-yr	4.73	2	4.74	9
20-yr	4.84	2	4.91	15
30-yr	5.00	2	5.07	13

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	-5
3-yr	3.95	-8
5-yr	4.13	-14
7-yr	4.26	-14
10-yr	4.41	-14

Source : Bloomberg

Upcoming Government Bond Tender

New issuance of RM4.5bn 15.5Y Sustainability GII/38 on 30 September

US Treasuries

- US treasuries traded mixed with gains in the front end while the longer ends remained under pressure. The curve steepened as the 2-year note yields shed 6bps to 4.29% while the 10s rose 2bps to 3.95%. Inversion in the 2/10s of the curve narrowed to -34bps. The 5Y ended flat at 4.19% pulling back from a day high of 4.23%, amid a weak \$44bn 5Y auction that attracted a soft BTC of 2.27x (prior 2.30x) at a high yield of 4.23%. Sale of 7Y debt is in the pipeline and may receive subdued demand given the current market backdrop. Markets will focus on final 3Q GDP print and core PCE in addition to more Fed speaks for direction. Markets seem to be seeing some stability after recent rout but bears remain tightly in grip in our view.

MGS/GII

- The sell-off in the local bond scene stayed extended for the 9th straight trading session mirroring recent market rout globally, which was in turn stoke by concerns over rising recessionary risks following forceful policy tightening to rein in inflation. Overall govovies yields continued to push higher across the curve. The benchmark 5Y MGS 11/27 yield slipped 1bp to 4.16% whilst the 10Y MGS 7/32 yield ended flat at 4.39%. Trading in the secondary market garnered some traction to RM2.62bn (prior RM2.06bn) as investors started to bargain-hunt. Notable interests were seen on the benchies. The 5Y MGS 11/27 led the pack with RM540m dealt while 3Y MGS3/25 also ranked high with RM192m done. In the GII space, benchmark GII 10/25 and 10/28 attracted trading interest of RM418m and RM200m respectively. Overall GII trades accounted for 37% of total trades (prior: 25%). We expect local govovies to remain under pressure unless markets manage to reprice rate hike expectations.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk attracted higher investors' interest. Secondary market trading volume improved to RM226m, covering 34 names (prior RM161m; 18 names), with transactions well scattered from GG to A-rated papers. GG papers made a return after hibernating for two straight days. Government guaranteed GoVco '32 led the pack with RM40m changed hands at 4.76% (+39bps), followed closely by DANA '33 (RM30m @ 4.64%), PTPTN '33 (RM30m @ 4.61%), and DANA '25 saw RM20m changed hands at 4.00%. In the AAA-rated space, TNB '47 and PLUS '37 stole the limelight, with RM20m and RM10m done at 5.45% and 5.20% respectively. HLFG '17 was also heavily traded at 4.19% (+8bps), with RM32m changed hands.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/23	2.93	2	3.00	09/26/2022	-8
MGS 04/23	2.90	26	3.05	09/26/2022	-16
MGS 08/23	3.16	8	3.10	09/26/2022	6
MGS 06/24	3.53	224	3.48	09/26/2022	5
MGS 07/24	3.57	9	3.66	09/26/2022	-9
MGS 09/24	3.60	83	3.50	09/23/2022	10
MGS 03/25	3.77	192	3.74	09/26/2022	3
MGS 09/25	3.88	109	3.73	09/23/2022	15
MGS 04/26	3.97	1	3.82	09/26/2022	15
MGS 07/26	4.02	22	4.08	09/26/2022	-6
MGS 11/26	4.07	15	4.10	09/26/2022	-4
MGS 05/27	4.18	14	4.20	09/26/2022	-2
MGS 11/27	4.17	540	4.16	09/26/2022	1
MGS 06/28	4.33	11	4.38	09/26/2022	-6
MGS 04/29	4.37	60	4.41	09/26/2022	-3
MGS 08/29	4.44	58	4.45	09/26/2022	-2
MGS 04/31	4.50	73	4.53	09/26/2022	-3
MGS 06/31	4.52	4	4.38	09/23/2022	14
MGS 04/33	4.62	1	4.38	09/22/2022	24
MGS 11/33	4.69	14	4.63	09/26/2022	6
MGS 07/34	4.70	25	4.57	09/23/2022	13
MGS 05/35	4.78	5	4.62	09/26/2022	16
MGS 04/37	4.72	126	4.71	09/26/2022	1
MGS 05/40	4.88	14	4.69	09/26/2022	19
MGS 10/42	4.84	6	4.67	09/23/2022	18
MGS 09/43	4.93	0	4.63	09/21/2022	30
MGS 07/48	4.88	1	4.82	09/26/2022	6
MGS 06/50	4.98	14	4.95	09/26/2022	3
GII 05/23	3.12	118	2.87	09/23/2022	25
GII 11/23	3.11	69	3.17	09/26/2022	-6
GII 10/24	3.64	12	3.65	09/26/2022	-1
GII 08/25	3.75	8	3.60	09/21/2022	15
GII 10/25	3.78	418	3.76	09/26/2022	2
GII 07/27	4.25	4	4.22	09/26/2022	2
GII 09/27	4.22	9	4.13	09/23/2022	9
GII 10/28	4.37	200	4.42	09/26/2022	-5
GII 07/29	4.43	20	4.44	09/26/2022	-1
GII 09/30	4.40	1	4.13	09/19/2022	27
GII 10/30	4.55	13	4.38	09/23/2022	18
GII 10/32	4.54	30	4.38	09/23/2022	16
GII 08/33	4.58	0	4.37	09/21/2022	21
GII 07/36	4.75	3	4.58	09/26/2022	17
GII 09/41	4.86	41	4.58	09/22/2022	28
GII 11/49	4.94	22	4.62	09/19/2022	33
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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)			Against MGS*
Danalnra Nasional Berhad	11/25	GG	4.00	20	3.85	09/23/2022	15	27
GovCo Holdings Berhad	02/32	GG	4.76	40	4.37	09/08/2022	39	33
Perbadanan Tabung Pendidikan Tinggi Nasional	01/33	GG	4.61	30	4.30	04/12/2022	31	19
Danalnra Nasional Berhad	11/33	GG	4.64	30	4.68	06/29/2022	-4	21
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/26	AAA	4.35	6	4.13	09/14/2022	22	38
Projek Lebuhraya Usahasama Berhad	01/27	AAA	4.42	0	3.88	04/14/2022	54	45
Ranhill Powertron II Sdn Berhad	06/28	AAA	4.98	1	4.03	01/13/2020	95	68
TNB Northern Energy Berhad	11/28	AAA	4.65	1	3.63	01/17/2020	102	35
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.20	10	4.77	08/30/2022	43	50
Tenaga Nasional Berhad	06/47	AAA	5.45	20	5.22	09/20/2022	23	65
Kapar Energy Ventures Sdn Berhad	07/23	AA+	3.83	1	2.88	06/16/2021	95	73
Sabah Development Bank Berhad	07/24	AA1	4.03	1	3.87	09/22/2022	16	46
GENM Capital Berhad	03/27	AA1	5.21	1	4.93	09/06/2022	27	101
CIMB Group Holdings Berhad	09/32	AA2	4.98	5	4.38	09/23/2022	60	55
UEM Sunrise Berhad	10/25	AA-	5.16	1	5.00	09/02/2022	16	143
MMC Corporation Berhad	11/27	AA-	4.79	1	4.56	08/19/2022	23	60
Jimah East Power Sdn Berhad	12/28	AA-	5.16	3	5.16	05/24/2022	0	86
Malakoff Power Berhad	12/28	AA-	4.94	1	4.20	11/26/2021	74	64
Cerah Sama Sdn Berhad	01/29	AA-	5.09	1	4.90	04/25/2022	19	79
Jimah East Power Sdn Berhad	12/29	AA-	5.32	1	5.15	07/22/2022	17	91
Southern Power Generation Sdn Berhad	04/35	AA-	5.37	1	4.49	06/23/2021	87	67
Tropicana Corporation Berhad	06/23	A+	5.97	11	5.62	09/23/2022	35	287
Tropicana Corporation Berhad	10/23	A+	5.96	1	5.55	09/23/2022	41	286
YNH Property Berhad	02/27	A+	6.16	1	5.59	09/02/2022	57	219
Affin Bank Berhad	07/32	A1	4.35	1	4.32	09/26/2022	3	-8
Hong Leong Financial Group Berhad	11/17	A1	4.19	32	4.11	08/23/2022	8	-62
Tropicana Corporation Berhad	09/19	A	7.11	1	6.83	09/05/2022	28	231
Affin Bank Berhad	07/18	A3	4.45	0	3.70	09/23/2022	75	-35
Eco World International Berhad	05/23	-	5.28	3	5.91	09/26/2022	-63	218
Hume Cement Industries Berhad	12/23	-	3.62	1	4.05	09/01/2022	-42	52
Eco World Capital Assets Berhad	08/24	-	5.92	1	6.10	09/26/2022	-17	236
Eco World Capital Services Berhad	03/26	-	5.43	0	5.86	09/15/2022	-43	171
YNH Property Berhad	08/19	-	6.62	1	5.68	09/23/2022	94	182
YNH Property Berhad	08/19	-	6.23	0	5.97	09/15/2022	27	143
								226

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Kapar Energy Ventures Sdn Bhd	Outstanding RM580.0 million Sukuk Ijarah	AA+ _{IS}	Affirmed

Source: RAM, MARC

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