

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.14	-15
5-yr UST	3.95	-24
10-yr UST	3.73	-22
30-yr UST	3.70	-13

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.87	2	3.84	6
5-yr	4.16	0	4.18	7
7-yr	4.49	9	4.46	3
10-yr	4.45	6	4.61	7
15-yr	4.77	4	4.88	14
20-yr	4.89	5	4.95	4
30-yr	5.06	6	5.12	5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	2
3-yr	3.96	1
5-yr	4.13	0
7-yr	4.27	1
10-yr	4.42	1

Source : Bloomberg

Upcoming Government Bond Tender

New issuance of RM4.5bn 15.5Y Sustainability GII3/38 on 30 September

US Treasuries

- US treasuries staged a relief rally taking cue from positive spillover from the UK gilts reversal, in response to BOE’s plan for unlimited bond buying to stem the unruly selloffs in the UK gilts and GBP. Overall benchmark yields fell 13-24bps across the curve. The 2-year note yields retreated 15bps to 4.14% while the 10s saw a bigger pullback of 22bps to 3.73%. Inversion in the 2/10s of the curve widened again to -41bps. Sale of the \$36bn 7Y debt attracted subdued demand as expected, with a BTC of 2.57x (prior 2.65x) at a high yield of 3.898%. Meanwhile, the Fed reverse repo facility hit a fresh record \$2.37 trillion on Wednesday, at an overnight rate of 3.05%. Markets will focus on final 3Q GDP print and core PCE in addition to more Fed speaks for direction. The overnight relief rally may not be sustainable as we believe the Fed’s policy path will return to the fore as the key market driver.

MGS/GII

- Selling in local govovies extended into its 10th consecutive trading session as market jitters over imminent economic and financial fallout continued to loom large. Trading activities picked up marginally to RM2.90bn (prior RM2.62bn) with yields rising 2-14bps overall. The benchmark 5Y MGS 11/27 yield was flat at 4.16% whilst the 10Y MGS 7/32 yield climbed 6bps higher to 4.45%. Trading interests were seen focusing on off the runs MGS ’23 and ’24, which attracted RM796m or 27% of total trades yesterday. Benchmark 5Y and 30Y also attracted investors’ interests while in the GII space, trading was rather scattered. 3Y, 5Y and 20Y benchies led but volumes were all below RM100m. Overall GII trades accounted for 24% of total trades (prior: 37%). We expect local govovies to see some relief rally today tracking the reversal in global bond yields but shall remain under pressure by and large unless markets manage to reprice rate hike expectations.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk softened again as investors pondered over implications of hawkish policy path and step-up intervention by numerous central banks including the BOJ, BOK, PBoC, and the latest, BOE. Trading volume in the secondary market eased to RM157m spanning over 18 names (prior RM226m, 34 names) from GG to A-rated papers. AAA and AA-rated issuances were the center of attention. AAA-rated Telekom ’28 and PLUB ’28 saw RM50m and RM20m changed hands, at 4.55% and 4.68% respectively. Meanwhile, AA-rated FADB ’27 last traded at 4.70% (+56bps) with RM20m done. Trading in the GG segment remained light, limited to LPPSA ’26 and ’36, last transacted at 4.28% and 4.77%, each with RM10m 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	2.90	151	2.93	27/9/2022	-3
MGS 04/23	2.96	309	2.90	27/9/2022	6
MGS 08/23	3.04	72	3.16	27/9/2022	-12
MGS 06/24	3.63	211	3.53	27/9/2022	10
MGS 07/24	3.59	54	3.57	27/9/2022	2
MGS 09/24	3.68	12	3.60	27/9/2022	8
MGS 03/25	3.82	28	3.77	27/9/2022	4
MGS 09/25	3.90	34	3.88	27/9/2022	2
MGS 07/26	4.05	2	4.02	27/9/2022	3
MGS 11/26	4.11	22	4.07	27/9/2022	4
MGS 05/27	4.19	20	4.18	27/9/2022	1
MGS 11/27	4.20	245	4.17	27/9/2022	3
MGS 06/28	4.45	63	4.33	27/9/2022	12
MGS 04/29	4.41	43	4.37	27/9/2022	4
MGS 08/29	4.42	149	4.44	27/9/2022	-2
MGS 04/31	4.52	57	4.50	27/9/2022	2
MGS 06/31	4.60	21	4.52	27/9/2022	8
MGS 04/32	4.65	5	4.35	21/9/2022	31
MGS 07/32	4.42	8	4.38	26/9/2022	4
MGS 04/33	4.73	52	4.62	27/9/2022	11
MGS 11/33	4.75	34	4.69	27/9/2022	6
MGS 07/34	4.80	14	4.70	27/9/2022	9
MGS 05/35	4.87	38	4.78	27/9/2022	9
MGS 04/37	4.77	151	4.72	27/9/2022	5
MGS 06/38	4.90	41	4.49	19/9/2022	41
MGS 05/40	4.95	123	4.88	27/9/2022	7
MGS 10/42	4.90	3	4.84	27/9/2022	6
MGS 09/43	5.00	10	4.93	27/9/2022	7
MGS 07/48	5.05	1	4.88	27/9/2022	18
MGS 06/50	5.04	247	4.98	27/9/2022	6
GII 05/23	2.97	3	3.12	27/9/2022	-15
GII 11/23	3.13	28	3.11	27/9/2022	1
GII 05/24	3.75	10	3.44	23/9/2022	31
GII 10/24	3.68	8	3.64	27/9/2022	4
GII 08/25	3.81	5	3.75	27/9/2022	6
GII 10/25	3.81	90	3.78	27/9/2022	4
GII 03/26	3.93	69	3.78	21/9/2022	15
GII 09/26	4.07	40	3.99	23/9/2022	8
GII 07/27	4.26	63	4.25	27/9/2022	1
GII 09/27	4.27	74	4.22	27/9/2022	6
GII 10/28	4.41	22	4.37	27/9/2022	4
GII 07/29	4.46	23	4.43	27/9/2022	3
GII 10/30	4.57	11	4.55	27/9/2022	1
GII 10/32	4.61	59	4.54	27/9/2022	8
GII 07/36	4.87	71	4.75	27/9/2022	12
GII 09/39	4.69	6	4.52	23/9/2022	17
GII 09/41	4.95	77	4.86	27/9/2022	9
GII 11/49	4.94	6	5.05	27/9/2022	-11
GII 05/52	5.08	20	4.70	22/9/2022	38
		<u>2903</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	4.28	10	4.01	20/7/2022	27	31
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.77	10	-	-	477	7
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.68	20	4.50	24/6/2022	18	48
Telekom Malaysia Berhad	05/28	AAA	4.55	50	4.21	23/8/2022	34	25
Projek Lebuhraya Usahasama Berhad	01/29	AAA	4.78	10	4.40	9/9/2022	38	48
Sabah Development Bank Berhad	12/23	AA1	4.67	0	4.67	26/9/2022	0	157
Sabah Development Bank Berhad	04/24	AA1	4.83	0	4.67	20/7/2022	16	127
Sabah Development Bank Berhad	07/24	AA1	4.03	2	4.03	27/9/2022	0	46
First Abu Dhabi Bank PJSC	12/27	AA1	4.70	20	4.14	5/4/2022	56	50
Fortune Premiere Sdn Berhad	09/25	AA	4.73	10	4.39	18/4/2022	33	100
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/27	AA-	5.04	10	4.70	24/1/2022	34	85
Besraya (M) Sdn Berhad	07/28	AA3	4.91	10	4.27	18/2/2022	65	62
Tropicana Corporation Berhad	10/23	A+	4.13	1	5.96	27/9/2022	-183	103
Affin Bank Berhad	07/32	A1	4.32	1	4.35	27/9/2022	-3	-10
Tropicana Corporation Berhad	09/19	A	6.26	1	7.11	27/9/2022	-85	146
Tropicana Corporation Berhad	09/19	A	6.45	1	6.71	20/9/2022	-26	165
YNH Property Berhad	08/19	-	6.68	1	6.23	27/9/2022	45	188
YNH Property Berhad	08/19	-	6.62	0	6.62	27/9/2022	0	182
								157

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Premium Commerce Berhad	Class A and Class B Notes under Notes Series 2016-A.	AAA/Stable	Reaffirmed
OSK Rated Bond Sdn Bhd	Sukuk Murabahah/ Multi-Currency Medium-Term Notes Programmes (MCMTN) with a combined limit of up to RM2.0 billion	AAIS /AA / Stable	Affirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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