

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries saw the short and mid-tenures weighed down slightly on Monday following hawkish statements from both Fed officials i.e. Bullard and Williams. Some spillover over concerns regarding widespread protests against Beijing's zero-covid policy was also seen, as traders largely preferred to be sidelined. The curve was flatter as overall benchmark yields ended between -3 to +3bps across. **Both the benchmark UST 2Y and 10Y yields edged 1bps higher at 4.46% and 3.70% respectively.** Meanwhile, the curve-flattening trend may continue to see some support going into the month-end tomorrow. Current swaps pricing referencing Fed meetings reflect a minimum 50bps rate hike in the last FOMC meeting for the year scheduled for 15<sup>th</sup> December. Meanwhile, expect attention to shift to private payroll processor, ADP's November employment numbers tomorrow.

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 4.46        | 1         |
| 5-yr UST  | 3.89        | 3         |
| 10-yr UST | 3.70        | 1         |
| 30-yr UST | 3.74        | -3        |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 3.82        | -4        | 3.90        | -2        |
| 5-yr   | 3.97        | -1        | 4.03        | 0         |
| 7-yr   | 4.08        | -1        | 4.21        | 2         |
| 10-yr  | 4.10        | -3        | 4.24        | -1        |
| 15-yr  | 4.32        | -5        | 4.51        | -8        |
| 20-yr  | 4.50        | 0         | 4.62        | 0         |
| 30-yr  | 4.59        | 4         | 4.80        | -3        |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 3.80        | -2        |
| 3-yr           | 3.87        | -3        |
| 5-yr           | 3.96        | -2        |
| 7-yr           | 4.06        | -10       |
| 10-yr          | 4.15        | -9        |

Source : Bloomberg

##### MGS/GII

- Local govies continued to be well-bid on Friday, ahead of the extended weekend break as confidence remained steadfast over the newly-appointed government. Levels were influenced by lower IRS levels with larger deviations seen in the longer-ends. Overall benchmark MGS/GII yields ended mostly lower between 0-8bps across, amid a 56% plunge in secondary market volume @ RM1.68b. **The benchmark 5Y MGS 11/27 yield edged 1bps lower at 3.97% whilst the 10Y MGS 7/32 declined 3bps instead at 4.10%.** Interest was mainly seen in the off-the-run 23's and benchmark 5Y MGS, 10Y GII. GII transactions formed 17% of overall trades. Meanwhile, expect attention to shift to the 30Y GII auction today followed by PMI manufacturing data release on Thursday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor interest confined to the AAA-AA part of the curve, as yields closed mostly mixed with a plethora of odd-lot trades. Overall secondary market volume fell 28% to RM179m whilst total number of trades above RM500k registered 28. There were no government-guaranteed bond trades. AAA-rated TOYOTA 12/25 spiked 31bps compared to previous-done levels to 4.41% whereas SEB 7/29 declined 20bps to 4.55%. In the AA-space, YTL Corp 4/23 climbed 8bps higher to 4.28% whereas edotco 9/32 jumped 23bps higher at 4.75%. Toll-operator ANIH saw its 11/24 tranche close 30bps up at 4.40%. Meanwhile, the banking/finance space saw AmBank 32NC27 rise 19bps to 5.15%.

#### Upcoming Government Bond Tender

Reopening of RM2.5b (+ RM2.5b Private Placement) of 30Y GII 5/52 on Tuesday, 29<sup>th</sup> of November 2022

## Daily Trades : Government Bond

| Securities |       | Closing | Vol         | Previous | Previous                   | Chg  |
|------------|-------|---------|-------------|----------|----------------------------|------|
|            |       | YTM     | (RM mil)    | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) |
| MGS        | 03/23 | 2.730   | 385         | 2.699    | 24/11/2022                 | 3    |
| MGS        | 06/24 | 3.545   | 46          | 3.491    | 24/11/2022                 | 5    |
| MGS        | 07/24 | 3.541   | 26          | 3.536    | 21/11/2022                 | 0    |
| MGS        | 09/24 | 3.574   | 8           | 3.603    | 24/11/2022                 | -3   |
| MGS        | 03/25 | 3.820   | 30          | 3.857    | 24/11/2022                 | -4   |
| MGS        | 09/25 | 3.896   | 33          | 3.877    | 24/11/2022                 | 2    |
| MGS        | 07/26 | 3.950   | 2           | 4.084    | 23/11/2022                 | -13  |
| MGS        | 05/27 | 4.006   | 25          | 4.041    | 24/11/2022                 | -4   |
| MGS        | 11/27 | 3.966   | 433         | 3.977    | 24/11/2022                 | -1   |
| MGS        | 06/28 | 4.109   | 12          | 4.200    | 24/11/2022                 | -9   |
| MGS        | 04/29 | 4.079   | 95          | 4.093    | 24/11/2022                 | -1   |
| MGS        | 08/29 | 4.179   | 126         | 4.317    | 23/11/2022                 | -14  |
| MGS        | 04/30 | 4.140   | 23          | 4.419    | 21/11/2022                 | -28  |
| MGS        | 04/31 | 4.188   | 19          | 4.250    | 24/11/2022                 | -6   |
| MGS        | 06/31 | 4.268   | 40          | 4.269    | 24/11/2022                 | 0    |
| MGS        | 07/32 | 4.104   | 10          | 4.134    | 24/11/2022                 | -3   |
| MGS        | 04/37 | 4.319   | 53          | 4.369    | 24/11/2022                 | -5   |
| MGS        | 05/40 | 4.507   | 1           | 4.595    | 24/11/2022                 | -9   |
| MGS        | 06/50 | 4.586   | 23          | 4.542    | 24/11/2022                 | 4    |
| GII        | 07/23 | 3.121   | 10          | 3.125    | 10/11/2022                 | 0    |
| GII        | 10/25 | 3.896   | 70          | 3.915    | 24/11/2022                 | -2   |
| GII        | 03/26 | 3.822   | 2           | 3.880    | 24/11/2022                 | -6   |
| GII        | 07/29 | 4.208   | 10          | 4.191    | 24/11/2022                 | 2    |
| GII        | 10/32 | 4.236   | 180         | 4.243    | 24/11/2022                 | -1   |
| GII        | 03/38 | 4.507   | 2           | 4.588    | 24/11/2022                 | -8   |
| GII        | 11/49 | 4.720   | 10          | 4.777    | 23/11/2022                 | -6   |
| GII        | 05/52 | 4.800   | 10          | 4.826    | 24/11/2022                 | -3   |
|            |       |         | <u>1684</u> |          |                            |      |

## Daily Trades : Corp Bonds/ Sukuk

| Securities                         |       | Rating | Closing | Vol        | Previous | Previous                   | Chg  | Spread          |
|------------------------------------|-------|--------|---------|------------|----------|----------------------------|------|-----------------|
|                                    |       |        | YTM     | (RM mil)   | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) | Against<br>MGS* |
| Infracap Resources Sdn Berhad      | 04/24 | AAA    | 4.127   | 3          | 3.858    | 14/09/2022                 | 27   | 97              |
| Aman Sukuk Berhad                  | 05/24 | AAA    | 4.016   | 12         | 4.146    | 08/11/2022                 | -13  | 45              |
| Toyota Capital Malaysia Sdn Berhad | 02/25 | AAA    | 4.408   | 10         | 4.099    | 22/09/2022                 | 31   | 84              |
| Projek Lebuhraya Usahasama Berhad  | 01/26 | AAA    | 4.489   | 2          | 4.037    | 06/09/2022                 | 45   | 68              |
| Westports Malaysia Sdn Berhad      | 04/27 | AAA    | 4.449   | 6          | 4.315    | 28/06/2022                 | 13   | 53              |
| DiGi Telecommunications Sdn Berhad | 04/27 | AAA    | 4.451   | 1          | 3.040    | 11/08/2021                 | 141  | 53              |
| Amanat Lebuhraya Rakyat Berhad     | 10/28 | AAA    | 4.782   | 3          | 4.854    | 26/10/2022                 | -7   | 71              |
| Pengurusan Air SPV Berhad          | 02/29 | AAA    | 4.574   | 10         | 4.641    | 24/11/2022                 | -7   | 50              |
| Rantau Abang Capital Berhad        | 03/29 | AAA    | 4.550   | 1          | 4.349    | 07/09/2022                 | 20   | 48              |
| Sarawak Energy Berhad              | 07/29 | AAA    | 4.547   | 20         | 4.745    | 08/11/2022                 | -20  | 44              |
| Manjung Island Energy Berhad       | 11/31 | AAA    | 4.800   | 3          | 4.798    | 12/05/2022                 | 0    | 66              |
| Tenaga Nasional Berhad             | 11/31 | AAA    | 4.776   | 3          | 4.635    | 13/06/2022                 | 14   | 63              |
| Celcom Networks Sdn Berhad         | 08/24 | AA+    | 4.077   | 6          | 4.058    | 04/10/2022                 | 2    | 51              |
| edotco Malaysia Sdn Berhad         | 09/25 | AA+    | 4.279   | 2          | -        | -                          | -    | 47              |
| YTL Corporation Berhad             | 04/23 | AA1    | 4.284   | 20         | 4.207    | 28/10/2022                 | 8    | 113             |
| Sabah Development Bank Berhad      | 12/23 | AA1    | 4.429   | 1          | 4.783    | 07/10/2022                 | -35  | 127             |
| edotco Malaysia Sdn Berhad         | 09/32 | AA+    | 4.748   | 40         | 4.515    | 20/09/2022                 | 23   | 60              |
| Anih Berhad                        | 11/24 | AA     | 4.399   | 5          | 4.096    | 15/09/2022                 | 30   | 84              |
| Fortune Premiere Sdn Berhad        | 09/26 | AA     | 5.017   | 1          | 5.118    | 15/11/2022                 | -10  | 109             |
| Imtiaz Sukuk II Berhad             | 10/25 | AA2    | 4.454   | 5          | 4.601    | 01/11/2022                 | -15  | 64              |
| Imtiaz Sukuk II Berhad             | 05/29 | AA2    | 4.919   | 3          | 5.068    | 10/11/2022                 | -15  | 84              |
| BGSM Management Sdn Berhad         | 06/24 | AA3    | 3.995   | 7          | 4.036    | 22/11/2022                 | -4   | 43              |
| BGSM Management Sdn Berhad         | 08/24 | AA3    | 4.109   | 4          | 4.128    | 17/10/2022                 | -2   | 55              |
| UEM Sunrise Berhad                 | 09/25 | AA-    | 5.338   | 1          | 5.423    | 24/11/2022                 | -9   | 152             |
| Konsortium KAJV Sdn Bhd            | 05/26 | AA-    | 5.961   | 3          | 5.799    | 13/06/2022                 | 16   | 215             |
| Malaysian Reinsurance Berhad       | 10/32 | AA3    | 5.157   | 1          | 5.158    | 23/11/2022                 | 0    | 101             |
| AmBank (M) Berhad                  | 10/32 | A1     | 5.154   | 5          | 4.965    | 24/11/2022                 | 19   | 101             |
| LBS Bina Group Berhad              | 03/20 | -      | 5.634   | 1          | 5.997    | 08/11/2022                 | -36  | 107             |
|                                    |       |        |         | <u>179</u> |          |                            |      |                 |

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

| Rating Action                  |                                                                  |                |            |
|--------------------------------|------------------------------------------------------------------|----------------|------------|
| Issuer                         | PDS Description                                                  | Rating/Outlook | Action     |
| Ranhill Solar Ventures Sdn Bhd | Sukuk Murabahah Programme of up to RM310 mil (2022/2042)         | AA3/Stable     | Assigned   |
| Suria KLCC Sdn Bhd             | RM600 mil Islamic Medium-term Notes (MTN) Programme (2014/2044). | AAA/Stable     | Reaffirmed |

Source: RAM, MARC

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