

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.20	6
5-yr UST	4.02	7
10-yr UST	3.79	6
30-yr UST	3.73	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.83	-4	3.78	-6
5-yr	4.10	-6	4.05	-13
7-yr	4.39	-10	4.38	-8
10-yr	4.48	3	4.48	-13
15-yr	4.76	-1	4.77	-11
20-yr	4.88	-1	4.87	-8
30-yr	5.04	-2	5.08	-4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	0
3-yr	3.88	-7
5-yr	4.06	-6
7-yr	4.18	-5
10-yr	4.38	-5

Source : Bloomberg

- US treasuries came under selling pressure again, as the hype over BOE bond buying plan proved short-lived and dissipated as expected, a sign markets were not convinced it would help stem ongoing woes in either the economy or financial markets. However, several hawkish Fed speaks echoing the Fed's commitment towards raising rates further to combat inflation, helped narrow losses in the UST. Yields climbed higher across the curve led by the front end, The 2-year and 10-year note yield rose 6bps each to 4.20% and 3.79%, leaving the yield curve inversion unchanged at -41bps. Markets will focus on core PCE next after the inflation gauge in the 2Q GDP report showed inflation moderated less than expected in 2Q. The Fed's policy path has returned to the fore as the key market driver, likely pushing yields to test new grounds soon.

MGS/GII

- Local govies advanced tracking rebound in the global bond markets on Wednesday after the BOE announced unlimited bond buying programme. The rebound was across the curve with yields falling between 1-13bps save for the 10Y MGS. The benchmark 5Y MGS 11/27 yield fell 6bps to 4.10% whilst the 10Y MGS 7/32 yield settled 3bps up at 4.48%. Trading activities tapered off marginally to RM2.72bn (prior RM2.90bn) with focus on off the runs MGS '23, which saw RM387m traded 4bps lower. Benchies continued to garner the bulk of the interests as seen in recent days. MGS benchmark 3Y, 5Y, 7Y and 20Y all attracted substantial interests. In the GII space, trades accounted for 20% of overall trades. As expected, new issuance of the 15.5-year inaugural sustainable GII 3/38, the first ESG bond issuance by the Malaysian government, stole the limelight. The RM4.5bn sale, which came in a tad lower than our projected RM5.0bn, was well received with a BTC of 2.38x at an average yield of 4.66%. The local bond space will likely remain under pressure given prevailing uncertainties and market jitters.

Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk softened further as investors preferred to stay on the sideline amid cautious market sentiments stoke by the recent market rout. Trading in the secondary market tapered off further to RM144m (prior RM157m), with the bulk of the trading interests centered on the AAA-AA part of the curve. AA-rated Benih '25 and RHBIB '27 dominated with RM30m and RM20m changed hands respectively. AAA-rated Sarawak PetChem '32 nd '35 also saw a combined RM20m transacted, at 5.03% and 5.18% respectively. There were also a number of finance names being traded, including AmBank Islamic '28, Affin '32 and CIMB '16 with thin volume. DANA '36 was the only GG paper traded, last closed at 4.87% (+58ps).

Upcoming Government Bond Tender

Nil

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 03/23	2.87	118	2.90	28/9/2022	-4
MGS 04/23	2.92	269	2.96	28/9/2022	-4
MGS 08/23	3.11	44	3.04	28/9/2022	6
MGS 06/24	3.61	109	3.63	28/9/2022	-2
MGS 07/24	3.64	152	3.59	28/9/2022	6
MGS 09/24	3.65	48	3.68	28/9/2022	-3
MGS 03/25	3.77	136	3.82	28/9/2022	-5
MGS 09/25	3.86	44	3.90	28/9/2022	-4
MGS 04/26	3.95	1	3.97	27/9/2022	-2
MGS 07/26	4.05	32	4.05	28/9/2022	1
MGS 11/26	4.02	18	4.11	28/9/2022	-9
MGS 03/27	4.14	2	3.85	20/9/2022	30
MGS 05/27	4.14	21	4.19	28/9/2022	-5
MGS 11/27	4.06	156	4.20	28/9/2022	-14
MGS 06/28	4.33	52	4.45	28/9/2022	-12
MGS 04/29	4.37	164	4.41	28/9/2022	-4
MGS 08/29	4.41	75	4.42	28/9/2022	-1
MGS 04/30	4.50	5	4.48	26/9/2022	2
MGS 04/31	4.48	90	4.52	28/9/2022	-4
MGS 06/31	4.51	10	4.60	28/9/2022	-9
MGS 07/32	4.43	136	4.42	28/9/2022	1
MGS 04/33	4.69	164	4.73	28/9/2022	-4
MGS 11/33	4.65	63	4.75	28/9/2022	-10
MGS 07/34	4.71	50	4.80	28/9/2022	-8
MGS 05/35	4.77	7	4.87	28/9/2022	-10
MGS 04/37	4.71	67	4.77	28/9/2022	-5
MGS 06/38	4.88	41	4.90	28/9/2022	-2
MGS 05/40	4.91	19	4.95	28/9/2022	-5
MGS 10/42	4.89	30	4.90	28/9/2022	-1
MGS 03/46	4.97	18	4.75	26/9/2022	22
MGS 07/48	4.99	4	5.05	28/9/2022	-6
MGS 06/50	4.96	48	5.04	28/9/2022	-8
GII 05/23	3.03	1	2.97	28/9/2022	6
GII 07/23	3.11	10	2.79	1/9/2022	32
GII 11/23	3.11	24	3.13	28/9/2022	-1
GII 05/24	3.63	2	3.75	28/9/2022	-12
GII 10/24	3.71	2	3.68	28/9/2022	3
GII 08/25	3.82	2	3.81	28/9/2022	1
GII 10/25	3.77	57	3.81	28/9/2022	-4
GII 09/26	4.11	0	4.07	28/9/2022	4
GII 07/27	4.19	1	4.26	28/9/2022	-7
GII 09/27	4.09	10	4.27	28/9/2022	-18
GII 10/28	4.43	77	4.41	28/9/2022	2
GII 07/29	4.38	20	4.46	28/9/2022	-9
GII 10/30	4.50	11	4.57	28/9/2022	-7
GII 10/32	4.53	21	4.61	28/9/2022	-8
GII 07/36	4.74	9	4.87	28/9/2022	-13
GII 03/38	4.66	160	-	-	-
GII 09/39	5.00	121	4.69	28/9/2022	30
GII 09/41	4.86	0	4.95	28/9/2022	-8
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*	
Danainfra Nasional Berhad	10/36	GG	4.87	10	4.30	14/2/2022	58	18
Toyota Capital Malaysia Sdn Berhad	10/24	AAA	4.24	10	3.81	4/4/2022	43	67
Small Medium Enterprise Development Bank Malaysia Berhad	08/25	AAA	4.22	5	4.00	6/9/2022	22	49
Telekom Malaysia Berhad	05/28	AAA	4.58	10	4.53	28/9/2022	5	28
Sarawak Petchem Sdn Berhad	07/32	AAA	5.03	10	4.65	25/8/2022	38	60
Sarawak Petchem Sdn Berhad	07/35	AAA	5.18	10	4.91	12/8/2022	27	48
GENM Capital Berhad	03/27	AA1	4.98	1	5.21	27/9/2022	-23	78
Fortune Premiere Sdn Berhad	03/23	AA	3.67	7	3.52	8/7/2022	15	57
Benih Restu Berhad	06/25	AA2	4.35	30	4.00	1/9/2022	35	62
RHB Investment Bank Berhad	10/27	AA2	3.23	20	3.23	15/9/2022	0	-97
RHB Investment Bank Berhad	10/32	AA2	4.42	1			442	0
Tropicana Corporation Berhad	06/23	A+	3.87	1	5.97	27/9/2022	-210	77
DRB-Hicom Berhad	12/29	A+	5.61	1	5.65	26/9/2022	-5	120
Projek Smart Holdings Sdn Berhad	09/25	A1	5.33	10			533	161
AmBank Islamic Berhad	10/28	A1	3.94	13	3.83	15/9/2022	10	-36
Affin Bank Berhad	07/32	A1	4.32	0	4.32	28/9/2022	0	-11
CIMB Group Holdings Berhad	05/16	A1	3.86	1	3.90	23/8/2022	-5	-95
YNH Property Berhad	08/19	-	6.53	6	6.62	28/9/2022	-9	173
				<u>144</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Chailease Berjaya Credit Sdn Bhd	Preliminary rating on proposed RM1.0 billion Medium-Term Notes (MTN) Programme	AA <sub>(cg)</sub> / Stable	Assigned

Source: RAM, MARC

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