

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries found modest bids with mild price action on the last day of September and 3rd quarter, following the Fed's preferred inflation indicator i.e.; August core PCE, which showed moderating gain. The data continues to confirm disinflation is on track and that the Fed is near the end of its current policy tightening cycle. Overall benchmark yields ended marginally lower between 0-1bps across. **The UST 2Y yield edged 1bps lower at 5.05% whilst the much-watched UST 10Y settled within 1bps lower from prior day's close at 4.57%.** Meanwhile, Fed-dated OIS nevertheless reveals current 32% probability of a 25bps rate hike in November's FOMC meeting. Elsewhere, the Fed's overnight reverse repo facility jumped to above \$1.5 trillion for the 1st time since 6th of September due to quarter-end portfolio activities. Expect attention tonight to shift to both PMI and ISM manufacturing data release for September later tonight.

MGS/GII

- Local govies saw MGS slightly pressured whereas GII closed mixed instead last Friday. IRS-mid levels however saw very little movements. Overall benchmark MGS/GII yields ended mostly mixed-to-higher between -2 to +7bps across (amid a sharp 60% jump in secondary market volume to RM4.59b). **The 5Y benchmark MGS 4/28 yield rose 3bps to 3.71% whilst the 10Y MGS 11/33 was unchanged at 3.97%.** Interest was mainly seen in the off-the-run 24-25's, 28-29's and benchmark 5y GII, 30Y MGS. GII transactions fell to form 24% of overall trades. Meanwhile, expect some attention to shift to the PMI manufacturing numbers for September later today.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.05	-1
5-yr UST	4.61	-1
10-yr UST	4.57	0
30-yr UST	4.70	0

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.56	<div><div></div></div> 3	3.60	<div><div></div></div> 2	
5-yr	3.71	<div><div></div></div> 3	3.79	<div><div></div></div> -1	
7-yr	3.88	<div><div></div></div> 0	3.93	<div><div></div></div> 3	
10-yr	3.97	<div><div></div></div> 0	4.00	<div><div></div></div> -1	
15-yr	4.15	<div><div></div></div> 1	4.12	<div><div></div></div> 2	
20-yr	4.31	<div><div></div></div> 0	4.33	<div><div></div></div> 0	
30-yr	4.41	<div><div></div></div> 7	4.48	<div><div></div></div> -2	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	0
3-yr	3.75	0
5-yr	3.87	1
7-yr	3.99	1
10-yr	4.11	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Last Friday, the Corporate Bonds/Sukuk space saw investors mainly sidelined and thus reluctant to take on fresh-positions during September month and quarter-end. Overall yields mostly rose on a sharply lower print of a mere 13 names; amid the two-third fall in secondary market volume @ RM557m. Govt-guaranteed bonds dominated with DANA 36's closing mixed on yields i.e.; between -3 to +6bps compared to previous-done levels to close at 4.16-18% levels. The longer-end PRASA 2/40 bonds closed 1bps lower at 4.29% whilst the 2/41 tranche fell 32bps instead to 4.32%. AAA-rated CAGAMAS 5/26 jumped 9bps higher to 3.90% whereas SEB 11/33 closed unchanged at 4.26%. The AA-space saw nil trades whilst the banking/finance space too saw very little action.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.239	408	3.214	27/09/2023	2
MGS	07/24	3.301	77	3.408	27/09/2023	-11
MGS	09/24	3.325	19	3.335	27/09/2023	-1
MGS	03/25	3.366	504	3.397	27/09/2023	-3
MGS	09/25	3.457	89	3.446	27/09/2023	1
MGS	04/26	3.545	44	3.541	27/09/2023	0
MGS	07/26	3.562	104	3.532	27/09/2023	3
MGS	11/26	3.580	28	3.568	27/09/2023	1
MGS	03/27	3.652	9	3.647	21/09/2023	1
MGS	05/27	3.675	9	3.662	27/09/2023	1
MGS	11/27	3.700	99	3.708	27/09/2023	-1
MGS	04/28	3.712	37	3.687	27/09/2023	3
MGS	06/28	3.763	235	3.771	27/09/2023	-1
MGS	09/28	3.817	1	3.787	26/09/2023	3
MGS	04/29	3.844	191	3.847	25/09/2023	0
MGS	08/29	3.886	214	3.884	27/09/2023	0
MGS	04/30	3.878	26	3.877	27/09/2023	0
MGS	04/31	3.955	124	2.442	27/09/2023	151
MGS	06/31	3.962	59	3.989	27/09/2023	-3
MGS	07/32	3.963	197	3.990	27/09/2023	-3
MGS	04/33	4.009	4	4.016	27/09/2023	-1
MGS	11/33	3.973	1	3.975	27/09/2023	0
MGS	07/34	4.054	23	4.047	27/09/2023	1
MGS	05/35	4.112	6	5.257	27/09/2023	-115
MGS	04/37	4.153	29	4.144	27/09/2023	1
MGS	06/38	4.146	149	4.137	27/09/2023	1
MGS	05/40	4.251	65	4.253	27/09/2023	0
MGS	10/42	4.313	37	4.308	27/09/2023	0
MGS	09/43	4.364	7	4.370	27/09/2023	-1
MGS	03/46	4.440	72	4.404	26/09/2023	4
MGS	07/48	4.413	13	4.426	27/09/2023	-1
MGS	06/50	4.437	72	4.468	27/09/2023	-3
MGS	03/53	4.406	410	4.336	27/09/2023	7
GII	11/23	3.100	149	3.177	27/09/2023	-8
GII	08/24	3.314	1	3.312	27/09/2023	0
GII	10/24	3.370	22	3.307	27/09/2023	6
GII	08/25	3.420	29	3.416	27/09/2023	0
GII	10/25	3.455	30	3.495	25/09/2023	-4
GII	03/26	3.548	62	3.536	27/09/2023	1
GII	09/26	3.597	29	3.580	27/09/2023	2
GII	07/27	3.709	2	3.701	27/09/2023	1
GII	09/27	3.707	100	3.718	27/09/2023	-1
GII	07/28	3.790	242	3.799	27/09/2023	-1
GII	10/28	3.844	11	3.800	27/09/2023	4
GII	12/28	3.830	2	3.870	22/09/2023	-4
GII	07/29	3.885	4	3.885	27/09/2023	0
GII	09/30	3.928	17	3.897	27/09/2023	3
GII	10/30	3.933	58	3.940	22/09/2023	-1
GII	10/32	3.996	123	4.006	27/09/2023	-1
GII	06/33	4.008	39	4.009	25/09/2023	0
GII	08/33	3.989	10	3.961	25/09/2023	3
GII	11/34	4.062	20	4.005	12/09/2023	6
GII	07/36	4.137	20	4.135	27/09/2023	0
GII	08/37	4.128	20	4.180	22/09/2023	-5
GII	03/38	4.116	12	4.100	27/09/2023	2
GII	09/39	4.212	22	4.250	27/09/2023	-4
GII	08/43	4.328	48	4.325	27/09/2023	0
GII	05/47	4.330	73	4.514	22/09/2023	-18
GII	11/49	4.494	46	4.286	27/09/2023	21
GII	05/52	4.484	40	4.501	27/09/2023	-2
			4590			

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*
DanaInfra Nasional Berhad	02/36	GG	4.159	20	4.191	29/09/2021	-3	18
DanaInfra Nasional Berhad	10/36	GG	4.178	5	4.119	16/08/2023	6	3
Prasarana Malaysia Berhad	12/38	GG	4.245	10	4.174	14/09/2023	7	9
Prasarana Malaysia Berhad	02/40	GG	4.285	10	4.294	25/09/2023	-1	13
Prasarana Malaysia Berhad	02/41	GG	4.319	10	4.640	20/09/2022	-32	17
DanaInfra Nasional Berhad	04/44	GG	4.410	200	-	-	-	13
Cagamas Berhad	09/24	AAA	3.670	90	-	-	-	37
Cagamas Berhad	05/26	AAA	3.895	40	3.805	25/07/2023	9	32
Cagamas Berhad	08/28	AAA	4.000	120	-	-	-	28
Amanat Lebuhraya Rakyat Berhad	10/28	AAA	4.177	20	4.157	26/09/2023	2	45
OSK Rated Bond Sdn Berhad	09/30	AAA	4.486	1	4.486	27/09/2023	0	60
Sarawak Energy Berhad	11/33	AAA	4.263	30	4.268	27/09/2023	0	28
TG Excellence Berhad	02/20	A+	6.084	1	7.301	19/09/2023	-122	180
				557				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Deutsche Bank (Malaysia) Berhad	Financial institution rating (FIR)	From AA1/Stable to AA1/Positive	Outlook upgraded

Source: RAM, MARC

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