

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries spiraled downwards on Monday following a surge in September manufacturing gauge and some hawkish FedSpeak. Bonds were also dented due to lack of demand following the evaporation of flight to safety mode as lawmakers from Washington averted a federal shutdown; coupled with some unwinding from previous month-end buying. Overall benchmark yields ended higher between 6-11bps across. **The UST 2Y yield jumped 6bps higher at 5.11% whilst the much-watched UST 10Y spiked 11bps to 4.68%; the highest since 2007.** Meanwhile, Fed-dated OIS nevertheless maintained a 31% probability of a 25bps rate hike in November's FOMC meeting with peak terminal rates of ~5.46% in January 2024. Expect attention to shift to private payroll processor i.e.; ADP employment numbers and ISM services index for September tomorrow.

MGS/GII

- Local govies saw cautious trading with minor deviation in the front-ends and belly on Monday amid fresh YTD low for MYR against the greenback. Overall benchmark MGS/GII yields ended mostly mixed between -1 to +4bps across (save for the odd-lot trade seen in the 20Y GII) amid the halving of secondary market volume to RM2.08b. **Both the 5Y benchmark MGS 4/28 and 10Y MGS 11/33 yields settled within 1bps higher at 3.72% and 3.97% each.** Interest was mainly seen in the off-the-run 24's, 29's and benchmark 3Y GII. GII transactions fell to form 24% of overall trades. Meanwhile, the economic calendar remains relatively light for the week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.11	6
5-yr UST	4.71	10
10-yr UST	4.68	11
30-yr UST	4.79	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.56	0	3.61	1
5-yr	3.72	0	3.79	0
7-yr	3.88	0	3.92	-1
10-yr	3.97	0	4.03	3
15-yr	4.17	2	4.12	0
20-yr	4.32	1	4.20	-13
30-yr	4.44	4	4.48	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.67	0
3-yr	3.76	0
5-yr	3.90	3
7-yr	4.02	3
10-yr	4.13	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw better investor interest. Overall yields mostly mixed on a higher print of 20 names; amid a slight increase of 9% in secondary market volume @ RM607m. Govt-guaranteed DANA dominated trades. The 11/40 and 11/42 tranches registered RM400m in nominal trades; with the former plunging 31bps compared to previous-done levels to 4.34%, whilst the later rose 11bps instead to 4.39%. AAA-rated JOHCORP 6/27 edged 1bps lower at 4.45% whereas SEB 27-28's closed mixed on yields at between 3.92-97. The AA-space saw PTP 8/25 move 5bps higher to 4.04%. Meanwhile, the banking/finance space was quiet with odd-lot trades exchanging hands in PUBLIC Islamic and Alliance Bank bonds.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.209	242	3.239	29/09/2023	-3
MGS	07/24	3.194	12	3.301	29/09/2023	-11
MGS	09/24	3.338	97	3.325	29/09/2023	1
MGS	03/25	3.402	9	3.366	29/09/2023	4
MGS	09/25	3.472	26	3.457	29/09/2023	2
MGS	04/26	3.558	4	3.545	29/09/2023	1
MGS	07/26	3.558	20	3.562	29/09/2023	0
MGS	11/26	3.551	10	3.580	29/09/2023	-3
MGS	05/27	3.684	16	3.675	29/09/2023	1
MGS	11/27	3.729	2	3.700	29/09/2023	3
MGS	04/28	3.715	5	3.712	29/09/2023	0
MGS	06/28	3.798	13	3.763	29/09/2023	4
MGS	04/29	3.869	55	3.844	29/09/2023	3
MGS	08/29	3.929	147	3.886	29/09/2023	4
MGS	04/30	3.875	2	3.878	29/09/2023	0
MGS	04/31	3.976	78	3.955	29/09/2023	2
MGS	06/31	3.995	3	3.962	29/09/2023	3
MGS	07/32	3.972	36	3.963	29/09/2023	1
MGS	04/33	4.048	22	4.009	29/09/2023	4
MGS	11/33	3.973	5	3.973	29/09/2023	0
MGS	07/34	4.082	2	4.054	29/09/2023	3
MGS	05/35	4.140	24	4.112	29/09/2023	3
MGS	04/37	4.169	11	4.153	29/09/2023	2
MGS	06/38	4.168	81	4.146	29/09/2023	2
MGS	05/40	4.120	6	4.251	29/09/2023	-13
MGS	10/42	4.323	25	4.313	29/09/2023	1
MGS	09/43	4.361	3	4.364	29/09/2023	0
MGS	03/46	4.370	10	4.440	29/09/2023	-7
MGS	06/50	4.441	18	4.437	29/09/2023	0
MGS	03/53	4.442	113	4.406	29/09/2023	4
GII	10/24	3.355	10	3.370	29/09/2023	-2
GII	08/25	3.401	97	3.420	29/09/2023	-2
GII	10/25	3.471	1	3.455	29/09/2023	2
GII	03/26	3.578	16	3.548	29/09/2023	3
GII	09/26	3.607	122	3.597	29/09/2023	1
GII	09/27	3.724	10	3.707	29/09/2023	2
GII	07/28	3.793	185	3.790	29/09/2023	0
GII	10/28	3.854	58	3.844	29/09/2023	1
GII	12/28	3.848	30	3.830	29/09/2023	2
GII	09/30	3.915	30	3.928	29/09/2023	-1
GII	10/30	3.928	8	3.933	29/09/2023	0
GII	10/32	4.029	51	3.996	29/09/2023	3
GII	06/33	4.020	100	4.008	29/09/2023	1
GII	07/36	4.126	40	4.137	29/09/2023	-1
GII	08/37	4.133	40	4.128	29/09/2023	0
GII	03/38	4.118	10	4.116	29/09/2023	0
GII	08/43	4.197	140	4.328	29/09/2023	-13
GII	05/47	4.460	30	4.330	29/09/2023	13
GII	11/49	4.497	3	4.494	29/09/2023	0
			2076			

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	02/33	GG	4.078	40	4.035	18/04/2023	4	13
DanaInfra Nasional Berhad	11/40	GG	4.339	200	4.650	19/09/2022	-31	18
DanaInfra Nasional Berhad	11/42	GG	4.389	200	4.278	14/09/2023	11	10
DanaInfra Nasional Berhad	04/43	GG	4.390	20	4.288	13/09/2023	10	10
Amanat Lebuhraya Rakyat Berhad	10/26	AAA	4.046	10	4.097	01/03/2023	-5	47
Sarawak Energy Berhad	01/27	AAA	3.916	10	3.805	19/09/2023	11	34
Johor Corporation	06/27	AAA	4.448	10	4.457	27/09/2023	-1	80
Sarawak Energy Berhad	07/28	AAA	3.978	5	4.050	30/06/2023	-7	25
Manjung Island Energy Berhad	11/31	AAA	4.288	5	4.199	15/06/2023	9	36
YTL Corporation Berhad	04/31	AA1	4.438	10	4.538	28/08/2023	-10	51
Public Islamic Bank Berhad	07/32	AA1	4.135	1	4.139	13/09/2023	0	18
Press Metal Aluminium Holdings Berhad	09/30	AA2	4.408	10	4.349	20/09/2023	6	51
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA	4.044	20	3.994	27/09/2023	5	62
Exsim Capital Resources Berhad	06/27	AA3	5.427	15	5.490	12/06/2023	-6	178
MY E.G. Services Berhad	08/26	AA-	5.118	1	5.141	27/09/2023	-2	154
Johor Port Berhad	10/27	AA-	4.158	20	4.158	27/09/2023	0	51
Sinar Kamiri Sdn Berhad	01/31	AA-	5.328	10	5.888	04/08/2022	-56	143
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.606	20	5.609	27/09/2023	0	196
Alliance Bank Malaysia Berhad	10/35	A2	4.727	1	5.136	27/09/2023	-41	74
YNH Property Berhad	08/19	-	8.085	1	5.291	21/09/2023	279	379
					607			

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sime Darby Plantation Berhad	Corporate credit rating	AAA/Stable/P1	Affirmed
	Perpetual Subordinated Sukuk Programme rating of up to RM3.0 billion	AA IS/Stable	Affirmed
AMMB Holdings Berhad (AMMB)	Long-term corporate credit rating	From AA3/P1 to AA2/P1	Rating Upgraded
	Long-term financial institution ratings	From AA3/P1 to AA2/P1	Rating Upgraded
AmBank Berhad	Financial Institution Rating	From AA3/P1 to AA2/Stable/P1	Rating Upgraded
	RM7.0b Senior Notes Issuance Programme (2010/2040)	From AA3/P1 to AA2/Stable	Rating Upgraded
	RM4.0b Tier-2 Subordinated Notes Programme (2013/2043)	AA3/Stable	Assigned
	Proposed RM8.0b Subordinated Notes Programme	A2/Stable	Assigned
	Proposed RM8.0b Tier-2 Subordinated Notes Programme		
AmBank Islamic Berhad	Financial Institution Rating	From AA3/P1 to AA2/Stable/P1	Rating Upgraded
	RM3.0b Senior Sukuk Musyarakah Programme (2010/2040)	From AA3/Stable to AA2/Stable	Rating Upgraded
	RM3.0b Subordinated Sukuk Musyarakah Programme (2014/2044)	From AA3/Stable to AA2/Stable	Rating Upgraded

Source: RAM, MARC

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