

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to sink on Tuesday amid the slow but sure dissipating low interest rates expectations in the long-term; coupled with the stronger-than expected JOLTS report (i.e.; US job openings) from the US Labor Department. The latest sign of economic resilience hit bonds and seemed to have dented investors' confidence. The curve bear-steepened as overall benchmark yields ended higher again between 6-11bps across. **The UST 2Y yield rose 5bps higher to 5.15% whilst the much-watched UST 10Y spiked 12bps to 4.80%; the highest since 2007.** Choppy price action was also due to several large futures block trades throughout the session. Expect attention to shift to private payroll processor i.e.; ADP employment numbers and ISM services index for September tonight.

MGS/GII

- Local govies continued to tread cautiously but ended weaker on Tuesday; with MGS bearing the brunt of selling amid weakness seen in MYR. Overall benchmark MGS/GII yields ended higher between 0-9bps across (save for the odd-lot trade seen in the 20Y GII) amid a 9% decrease in secondary market volume @ RM1.90b. **The 5Y benchmark MGS 4/28 yield jumped 5bps higher to 3.76% whilst the 10Y MGS 11/33 rose 4bps to 4.01%.** Interest was mainly seen in the off-the-run 29's and benchmark 5Y GII, 10Y MGS, 15Y MGS. GII transactions spiked to form 44% of overall trades. Meanwhile, expect some attention to shift to the upcoming 20Y MGS auction tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.15	5
5-yr UST	4.80	9
10-yr UST	4.80	12
30-yr UST	4.92	13

MGS			GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.62	<div><div></div></div> 6	3.70	<div><div></div></div> 9
5-yr	3.76	<div><div></div></div> 5	3.81	<div><div></div></div> 2
7-yr	3.93	<div><div></div></div> 6	3.92	<div><div></div></div> 0
10-yr	4.01	<div><div></div></div> 4	4.04	<div><div></div></div> 1
15-yr	4.22	<div><div></div></div> 5	4.17	<div><div></div></div> 5
20-yr	4.31	<div><div></div></div> -1	4.20	<div><div></div></div> 0
30-yr	4.48	<div><div></div></div> 4	4.51	<div><div></div></div> 3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	1
3-yr	3.76	0
5-yr	3.90	0
7-yr	4.04	2
10-yr	4.15	2

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM3.5b + RM2.0b (private placement) of 20Y MGS 10/42 on Thursday, 5th of October 2023

Corp Bonds/Sukuk

- On Tuesday, the Corporate Bonds/Sukuk space saw decent investor interest. Overall yields mostly mixed-to-higher on a higher print of 27 names; despite a 23% drop in secondary market volume to RM470m. The long-end govt-guaranteed DANA 9/50 edged 1bps up compared to previous-done levels whereas the 2/51 tranche spiked 19bps instead, with both closing at 4.52% each. AAA-rated SEB 4/31 jumped 12bps higher to 4.17% whereas TNB Western 33-34's ended 11-12bps higher between 4.70-74%. The AA-space saw TADAU 7/30 move 6bps lower at 4.65% whilst UEM Sunrise 24's rallied with yields ending 20-28bps lower between 4.35-37%. Meanwhile, the banking/finance space saw Bank Muamalat 2122NC28 perps decline 15bps to 6.16% whereas CIMB Group 30NC25 edged 1bps lower at 4.12%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.325	130	3.209	02/10/2023	12
MGS	07/24	3.330	11	3.194	02/10/2023	14
MGS	09/24	3.316	6	3.338	02/10/2023	-2
MGS	03/25	3.401	26	3.402	02/10/2023	0
MGS	09/25	3.470	34	3.472	02/10/2023	0
MGS	04/26	3.575	2	3.558	02/10/2023	2
MGS	07/26	3.618	17	3.558	02/10/2023	6
MGS	11/26	3.601	1	3.551	02/10/2023	5
MGS	03/27	3.663	5	3.637	02/10/2023	3
MGS	11/27	3.721	2	3.729	02/10/2023	-1
MGS	04/28	3.764	2	3.715	02/10/2023	5
MGS	06/28	3.814	20	3.798	02/10/2023	2
MGS	04/29	3.897	184	3.869	02/10/2023	3
MGS	08/29	3.932	130	3.929	02/10/2023	0
MGS	04/30	3.931	22	3.875	02/10/2023	6
MGS	04/31	3.995	3	3.976	02/10/2023	2
MGS	06/31	4.019	7	3.995	02/10/2023	2
MGS	07/32	4.032	26	3.972	02/10/2023	6
MGS	04/33	4.061	18	4.048	02/10/2023	1
MGS	11/33	4.010	144	3.973	02/10/2023	4
MGS	07/34	4.100	11	4.082	02/10/2023	2
MGS	05/35	4.144	1	4.140	02/10/2023	0
MGS	04/37	4.180	3	4.169	02/10/2023	1
MGS	06/38	4.219	231	4.168	02/10/2023	5
MGS	05/40	4.313	2	4.120	02/10/2023	19
MGS	10/42	4.312	1	4.323	02/10/2023	-1
MGS	03/46	4.469	1	4.370	02/10/2023	10
MGS	07/48	4.483	6	4.413	29/09/2023	7
MGS	06/50	4.491	10	4.441	02/10/2023	5
MGS	03/53	4.477	6	4.442	02/10/2023	4
GII	10/24	3.420	16	3.355	02/10/2023	6
GII	08/25	3.436	6	3.401	02/10/2023	4
GII	03/26	3.565	12	3.578	02/10/2023	-1
GII	09/26	3.695	1	3.607	02/10/2023	9
GII	07/28	3.813	330	3.793	02/10/2023	2
GII	10/28	3.854	126	3.854	02/10/2023	0
GII	10/30	4.000	71	3.928	02/10/2023	7
GII	10/32	4.038	78	4.029	02/10/2023	1
GII	06/33	4.063	109	4.020	02/10/2023	4
GII	08/33	4.050	10	3.989	29/09/2023	6
GII	08/37	4.216	20	4.133	02/10/2023	8
GII	03/38	4.166	12	4.118	02/10/2023	5
GII	05/52	4.512	50	4.484	29/09/2023	3
			<u>1902</u>			

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*
Prasarana Malaysia Berhad	09/24	GG	3.423	90	3.193	01/04/2022	23	12
DanaInfra Nasional Berhad	11/25	GG	3.574	20	3.480	25/07/2023	9	14
Prasarana Malaysia Berhad	09/37	GG	4.239	30	4.160	19/09/2023	8	3
Prasarana Malaysia Berhad	12/38	GG	4.279	30	4.245	29/09/2023	3	7
DanaInfra Nasional Berhad	09/50	GG	4.520	20	4.509	26/09/2023	1	19
DanaInfra Nasional Berhad	02/51	GG	4.520	10	4.332	25/05/2023	19	19
Pengurusan Air Selangor Sdn Berhad	07/29	AAA	4.138	10	4.140	26/09/2023	0	29
Sarawak Energy Berhad	04/31	AAA	4.166	50	4.049	17/08/2023	12	21
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.199	10	4.118	14/09/2023	8	24
TNB Western Energy Berhad	01/33	AAA	4.698	10	4.578	23/08/2023	12	71
Petroleum Sarawak Exploration & Production Sdn Berhad	02/33	AAA	4.408	10	4.498	04/07/2023	-9	42
TNB Western Energy Berhad	01/34	AAA	4.738	10	4.626	15/06/2023	11	72
GENM Capital Berhad	07/28	AA1	4.936	1	4.906	29/09/2023	3	119
Johor Port Berhad	10/29	AA	4.287	30	4.269	27/09/2023	2	44
Pelabuhan Tanjung Pelepas Sdn Berhad	06/30	AA	4.318	10	4.308	04/07/2023	1	38
OSK Rated Bond Sdn Berhad	09/30	AA	4.486	2	4.486	29/09/2023	0	54
CIMB Group Holdings Berhad	11/30	AA	4.123	20	4.129	27/09/2023	-1	18
Tadau Energy Sdn Berhad	07/30	AA3	4.647	15	4.709	17/03/2022	-6	70
UEM Sunrise Berhad	03/24	AA-	4.347	10	4.550	13/09/2023	-20	104
UEM Sunrise Berhad	04/24	AA-	4.367	10	4.647	08/08/2023	-28	106
MY E.G. Services Berhad	08/26	AA-	5.314	1	5.118	02/10/2023	20	172
Affin Bank Berhad	07/32	A1	4.565	1	4.808	18/09/2023	-24	58
Affin Bank Berhad	06/18	A3	4.795	1	4.716	21/09/2023	8	46
Sinar Kamiri Sdn Berhad	01/35	AA-	5.578	10	6.382	14/11/2022	-80	156
Sime Darby Property Berhad	08/26	AA+	4.028	10	4.001	25/08/2023	3	43
Sime Darby Property Berhad	08/28	AA+	4.109	30	4.098	27/09/2023	1	37
Bank Muamalat Malaysia Berhad	09/22	BBB	6.161	20	6.310	27/09/2023	-15	183
				470				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
ORIX Leasing Malaysia Berhad	RM500 mil Medium Term Notes (MTN) Programme (2016/2031)	AA2/Stable	Affirmed
ORIX Credit Malaysia Sdn Bhd	RM1.5 bil MTN Programme (2021/2051)	AA2/Stable	Affirmed
	RM500 mil Commercial Papers Programme (2020/2027)	P1	Affirmed

Source: RAM, MARC

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