

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.22	-3
5-yr UST	3.66	-7
10-yr UST	3.54	-8
30-yr UST	3.67	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.54	-1	3.61	0
5-yr	3.80	2	3.81	2
7-yr	3.97	-1	4.05	1
10-yr	3.96	2	4.08	0
15-yr	4.25	2	4.22	-2
20-yr	4.30	2	4.40	4
30-yr	4.51	0	4.61	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.71	5
3-yr	3.62	0
5-yr	3.70	1
7-yr	3.84	3
10-yr	3.96	2

Source : Bloomberg

Upcoming Government Bond Tender

Re-issue of RM3.0b 15Y MGS 6/38 on Friday, 13th January 2023

US Treasuries

- US Treasuries recovered to post gains on Wednesday following a solid 10-year note auction with further support from large block-buying. The rally in gilts was an added factor as well. The curve reversed to end flatter as overall benchmark yields ended between 3-8bps lower across, led by the longer ends. **The benchmark UST 2Y yield eased 3bps to 4.22% whilst the much-watched UST 10Y rallied the most with yields ending 8bps lower at 3.54%.** The Treasury's \$32b 10-year note auction saw strong bidding metrics on a BTC ratio of 2.53X (previous six auction average: 2.37X) and awarded 3.575% (previous auction: 3.625%). Elsewhere, the World Bank warned that global economic growth risked slipping this year. Meanwhile, expect attention to shift to the all-important inflation data for December tonight with consensus expecting a lower print than the +7.1% y/y notched prior month.

MGS/GII

- Local govies closed mixed again on Wednesday with the belly pressured slightly. Overall benchmark MGS/GII yields saw smaller deviations, closing between -2 to +4bps across, amid a 12% increase in secondary market volume @ RM5.32b. **Both the benchmarks 5Y MGS 11/27 and 10Y MGS 7/32 edged 2bps higher at 3.80% and 3.96% respectively.** Interest was seen in the off-the-run 23's, 49's and many benchmarks that included 3Y MGS/GII, 5Y MGS, 7Y GII, 10Y MGS/GII and the 30Y GII (which was main contributor to overall GII transactions that formed 56% of overall trades). Separately, foreign holdings of MYR government bonds rose by RM2.71b in December to RM226.2b (end-Nov: RM223.5b). Meanwhile, expect attention to shift to the auction of 15Y MGS tomorrow.

Corp Bonds/Sukuk

- On Wednesday, Corporate Bonds/Sukuk saw an active session with interest seen mainly across the GG-AA part of the curve. Overall secondary market volume eased 11% to RM655m with trades above RM500k falling to 26. Govt-guaranteed DANA 2/33 and 2/44 saw yields plunge 55-66bps sharply compared to previous-done levels to 4.25% and 4.54% each on strong demand. Toll-operator, PLUS dominated the AAA-rated space with the 2033 tranche trading for the 2nd time in the secondary market; closing 8bps lower at 4.58%. PLUS 34-37 recorded their maiden trades closing between 4.73-89% area. AMANAT Lebuhraya (ALRB) however rose 3bps to 5.07%. In the AA-space, JEP 12/25 fell 8bps to 4.52%. Meanwhile, the banking/finance saw several odd-lot transactions in CIMB Thai, AmBank, AFFIN perps and UOB bonds. MBSB closed unchanged at 4.74% with RM21m worth of bonds exchanging hands.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.969	226	2.930	10/01/2023	4
MGS	08/23	3.079	6	3.200	10/01/2023	-12
MGS	06/24	3.388	56	3.411	10/01/2023	-2
MGS	07/24	3.480	25	3.430	10/01/2023	5
MGS	03/25	3.542	176	3.546	10/01/2023	0
MGS	07/25	3.678	50	3.638	10/01/2023	4
MGS	09/25	3.620	9	3.597	10/01/2023	2
MGS	07/26	3.692	40	3.676	10/01/2023	2
MGS	11/26	3.677	16	3.697	10/01/2023	-2
MGS	03/27	3.794	19	3.758	10/01/2023	4
MGS	05/27	3.807	3	3.791	10/01/2023	2
MGS	11/27	3.795	314	3.770	10/01/2023	2
MGS	06/28	3.898	92	3.887	10/01/2023	1
MGS	09/28	3.936	60	4.082	30/11/2022	-15
MGS	04/29	3.969	74	3.979	10/01/2023	-1
MGS	08/29	4.024	96	3.963	10/01/2023	6
MGS	04/30	3.922	21	3.907	10/01/2023	2
MGS	04/31	4.044	153	4.025	10/01/2023	2
MGS	06/31	4.011	51	4.014	10/01/2023	0
MGS	07/32	3.957	557	3.937	10/01/2023	2
MGS	04/33	4.133	49	4.094	10/01/2023	4
MGS	11/33	4.110	20	4.066	10/01/2023	4
MGS	07/34	4.176	51	4.140	10/01/2023	4
MGS	05/35	4.191	73	4.182	10/01/2023	1
MGS	04/37	4.245	11	4.222	10/01/2023	2
MGS	06/38	4.212	11	4.227	10/01/2023	-2
MGS	05/40	4.335	16	4.343	10/01/2023	-1
MGS	10/42	4.302	8	4.280	10/01/2023	2
MGS	09/43	4.352	6	4.450	10/01/2023	-10
MGS	03/46	4.370	2	4.532	10/01/2023	-16
MGS	07/48	4.516	5	4.516	10/01/2023	0
MGS	06/50	4.514	52	4.519	10/01/2023	0
GII	07/23	3.190	300	3.177	05/01/2023	1
GII	10/23	3.168	1	3.233	10/01/2023	-6
GII	11/23	3.178	88	3.226	10/01/2023	-5
GII	10/24	3.546	1	3.463	10/01/2023	8
GII	10/25	3.607	776	3.604	10/01/2023	0
GII	09/26	3.705	117	3.827	07/12/2022	-12
GII	09/27	3.808	5	3.785	10/01/2023	2
GII	10/28	3.949	3	3.931	09/01/2023	2
GII	07/29	4.050	600	4.042	10/01/2023	1
GII	10/30	4.048	20	4.026	10/01/2023	2
GII	10/32	4.083	267	4.079	10/01/2023	0
GII	08/33	4.102	64	4.137	04/01/2023	-3
GII	11/34	4.130	64	4.159	10/01/2023	-3
GII	07/36	4.282	128	4.282	10/01/2023	0
GII	03/38	4.222	22	4.218	09/01/2023	0
GII	09/39	4.202	3	4.218	10/01/2023	-2
GII	09/41	4.401	20	4.362	10/01/2023	4
GII	05/47	4.572	30	4.646	09/01/2023	-7
GII	11/49	4.510	40	4.550	10/01/2023	-4
GII	05/52	4.607	424	4.618	10/01/2023	-1
			<u>5321</u>			

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*	
Prasarana Malaysia Berhad	12/30	GG	4.189	10	4.219	20/12/2022	-3	22
DanaInfra Nasional Berhad	02/33	GG	4.250	10	4.799	25/10/2022	-55	29
DanaInfra Nasional Berhad	02/44	GG	4.539	10	5.196	28/04/2022	-66	25
Berjaya Land Berhad	12/24	AAA	4.440	10	3.542	21/02/2022	90	96
Cagamas Berhad	11/25	AAA	4.007	v	4.450	28/10/2022	-44	47
Sarawak Petchem Sdn Berhad	07/28	AAA	4.300	20	4.319	10/01/2023	-2	42
Sarawak Petchem Sdn Berhad	07/29	AAA	4.359	20	4.479	16/12/2022	-12	41
Sarawak Petchem Sdn Berhad	07/30	AAA	4.420	20	4.452	06/01/2023	-3	45
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.579	65	4.659	10/01/2023	-8	62
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.726	50	-	-	-	76
Amanat Lebuhraya Rakyat Berhad	10/34	AAA	5.071	30	5.040	04/01/2023	3	111
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.777	80	-	-	-	81
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.837	70	-	-	-	61
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.888	220	-	-	-	66
Tenaga Nasional Berhad	08/38	AAA	4.679	20	4.960	21/12/2022	-28	45
Tenaga Nasional Berhad	06/42	AAA	4.780	5	4.800	10/01/2023	-2	49
Genting Capital Berhad	06/27	AA1	4.859	1	4.999	03/01/2023	-14	117
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.325	0	4.556	09/01/2023	-23	36
Fortune Premiere Sdn Berhad	10/25	AA	4.613	9	4.609	10/01/2023	0	108
Southern Power Generation Sdn Berhad	04/25	AA-	4.263	5	4.263	10/01/2023	0	79
Jimah East Power Sdn Berhad	12/25	AA-	4.523	10	4.606	08/06/2022	-8	99
MY E.G. Services Berhad	11/27	AA-	5.848	1	5.848	10/01/2023	0	204
Perbadanan Kemajuan Pertanian Negeri Pahang (fka L	10/26	AA3	5.377	4	4.160	02/11/2020	122	169
CIMB Thai Bank Public Company Limited	07/31	AA3	4.852	2	4.842	09/01/2023	1	87
AmBank (M) Berhad	10/32	A1	4.606	1	4.676	10/01/2023	-7	64
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.743	21	4.743	10/01/2023	0	77
Affin Bank Berhad	07/18	A3	4.817	0	4.812	06/01/2023	0	53
YNH Property Berhad	08/19	-	7.174	2	7.173	10/01/2023	0	289
				<u>655</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Dar Al Arkan Real Estate Development Company	Corporate credit ratings	From A3/P2/Stable to A3/P2/Positive	Outlook revised

Source: RAM, MARC

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