

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries rallied on Thursday after CPI release that showed that US December inflation grinded lower @ 6.5% y/y in line with consensus (Nov: 7.1%). Bonds also gained further ground following a solid 30-year bond auction FedSpeak event which saw officials Harper and Bullard make hawkish comments saw little impact on bonds. The curve shifted lower as overall benchmark yields ended between 7-12bps lower across. **The benchmark UST 2Y yield fell 7bps to 4.15% whilst the much-watched UST 10Y rallied with yields ending 10bps lower at 3.44%.** The Treasury's \$18b 30-year bond auction saw stellar bidding metrics on a BTC ratio of 2.45X (previous six auction average: 2.36X) and awarded 3.585% (previous auction: 3.513%). Swaps pricing referencing Fed meetings are now reflecting a downshift in rate hikes with a potential 25bps hike in the next FOMC meeting in February. Meanwhile, expect some attention to shift to the University of Michigan sentiment indices later tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.15	-7
5-yr UST	3.54	-12
10-yr UST	3.44	-10
30-yr UST	3.58	-10

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.54	0	3.60	-1
5-yr	3.79	0	3.81	0
7-yr	3.98	1	4.05	0
10-yr	3.97	1	4.08	0
15-yr	4.24	-1	4.22	0
20-yr	4.28	-2	4.40	0
30-yr	4.52	0	4.61	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.72	0
3-yr	3.63	0
5-yr	3.72	1
7-yr	3.85	1
10-yr	3.98	2

Source : Bloomberg

### MGS/GII

- Local govies closed mixed-to-stronger on Thursday with GII holding out better generally. Overall benchmark MGS/GII yields saw smaller deviations, closing between -2 to +1bps across, amid the 27% drop in secondary market volume @RM3.88b. **The benchmark 5Y MGS 11/27 closed within 1bps lower at 3.79% whilst the 10Y MGS 7/32 edged 1bps higher at 3.97%.** Interest was seen in the off-the-run 23's, 49's and benchmarks that included 3Y MGS, 5Y MGS, 7Y GII, 10Y MGS/GII. Meanwhile, expect attention to shift to the 15Y MGS auction today.

### Corp Bonds/Sukuk

- On Thursday, Corporate Bonds/Sukuk saw decent activity with interest seen mainly across the GG-AA part of the curve. Overall secondary market volume more than halved to RM299m with total trades above RM500k maintaining at ~29. DANA dominated the govt-guaranteed space with several mid-to-longer tenured bonds i.e.; DANA 2/33 and 2/44 bonds, exchanging hands. Whilst DANA 9/30, 11/33, 4/37, 8/42 and 9/45 declined between 13-39bps compared to previous-done levels between 4.14-4.57% area, the 9/49 tranche rose 7bps instead to 4.67%. Utility giant TNB 8/38 and 6/43 edged 1-2 bps lower to close at 4.67% and 4.76% each whereas TNB Western spiked 79bps to 4.74%. In the AA-space, UEM Sunrise 3/24 jumped 15bp higher to 4.87%. Meanwhile, the banking/finance saw CIMB Group 29NC24 move 5bps lower at 4.21% whilst BPMB settled 14bps lower at 4.26%.

### Upcoming Government Bond Tender

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

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.752	742	2.969	01/11/2023	-22
MGS	04/23	3.027	67	3.075	01/10/2023	-5
MGS	06/24	3.410	163	3.388	01/11/2023	2
MGS	07/24	3.420	71	3.480	01/11/2023	-6
MGS	09/24	3.447	20	3.482	01/10/2023	-4
MGS	03/25	3.540	130	3.542	01/11/2023	0
MGS	09/25	3.597	55	3.620	01/11/2023	-2
MGS	04/26	3.723	39	3.700	01/10/2023	2
MGS	11/26	3.704	10	3.677	01/11/2023	3
MGS	05/27	3.820	13	3.807	01/11/2023	1
MGS	11/27	3.791	670	3.795	01/11/2023	0
MGS	06/28	3.898	83	3.898	01/11/2023	0
MGS	04/29	3.977	166	3.969	01/11/2023	1
MGS	08/29	4.015	48	4.024	01/11/2023	-1
MGS	04/30	3.912	20	3.922	01/11/2023	-1
MGS	04/31	4.072	24	4.044	01/11/2023	3
MGS	07/32	3.971	274	3.957	01/11/2023	1
MGS	04/33	4.134	5	4.133	01/11/2023	0
MGS	11/33	4.080	20	4.110	01/11/2023	-3
MGS	07/34	4.205	21	4.176	01/11/2023	3
MGS	05/35	4.202	4	4.191	01/11/2023	1
MGS	04/37	4.235	15	4.245	01/11/2023	-1
MGS	05/40	4.357	46	4.335	01/11/2023	2
MGS	10/42	4.283	4	4.302	01/11/2023	-2
MGS	07/48	4.535	5	4.516	01/11/2023	2
MGS	06/50	4.519	112	4.514	01/11/2023	0
GII	05/23	3.075	116	2.928	01/10/2023	15
GII	05/24	3.484	1	3.495	01/04/2023	-1
GII	10/25	3.599	70	3.607	01/11/2023	-1
GII	09/26	3.733	1	3.705	01/11/2023	3
GII	07/27	3.802	9	3.798	01/09/2023	0
GII	09/27	3.809	22	3.808	01/11/2023	0
GII	10/28	3.939	111	3.949	01/11/2023	-1
GII	07/29	4.049	370	4.050	01/11/2023	0
GII	10/30	4.111	21	4.048	01/11/2023	6
GII	10/32	4.079	278	4.083	01/11/2023	0
GII	06/33	4.105	20	4.218	12/21/2022	-11
GII	08/33	4.101	20	4.102	01/11/2023	0
GII	07/36	4.283	6	4.282	01/11/2023	0
GII	03/38	4.222	2	4.222	01/11/2023	0
GII	09/39	4.269	1	4.202	01/11/2023	7
			<u>3878</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*
Bank Pembangunan Malaysia Berhad	09/29	GG	4.260	10	4.401	12/23/2022	-14	30
DanaInfra Nasional Berhad	09/30	GG	4.138	20	4.273	09/05/2022	-14	17
DanaInfra Nasional Berhad	11/33	GG	4.249	40	4.638	09/27/2022	-39	28
DanaInfra Nasional Berhad	04/37	GG	4.385	20	4.510	12/15/2022	-13	16
Malaysia Rail Link Sdn Berhad	09/40	GG	4.500	10	5.060	10/12/2022	-56	21
DanaInfra Nasional Berhad	08/42	GG	4.494	10	4.520	01/10/2023	-3	20
DanaInfra Nasional Berhad	09/45	GG	4.570	10	4.901	07/13/2022	-33	28
DanaInfra Nasional Berhad	09/49	GG	4.671	5	4.600	01/27/2022	7	38
Amanat Lebuhraya Rakyat Berhad	10/25	AAA	4.115	10	4.239	12/22/2022	-12	57
Telekom Malaysia Berhad	11/25	AAA	4.041	1	4.398	12/02/2022	-36	50
Westports Malaysia Sdn Berhad	04/26	AAA	4.065	10	4.396	11/22/2022	-33	52
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/29	AAA	4.384	5	4.429	01/03/2023	-4	42
TNB Western Energy Berhad	07/31	AAA	4.742	10	3.950	05/24/2021	79	76
Amanat Lebuhraya Rakyat Berhad	10/34	AAA	5.049	20	5.071	01/11/2023	-2	108
Tenaga Nasional Berhad	08/38	AAA	4.670	25	4.679	01/11/2023	-1	45
Tenaga Nasional Berhad	06/42	AAA	4.760	5	4.780	01/11/2023	-2	47
edotco Malaysia Sdn Berhad	09/32	AA+	4.489	20	4.479	01/06/2023	1	52
Genting RMTN Berhad	11/34	AA1	5.371	2	5.581	12/29/2022	-21	140
Fortune Premiere Sdn Berhad	10/25	AA	4.597	5	4.613	01/11/2023	-2	105
CIMB Group Holdings Berhad	09/29	AA	4.208	20	4.263	12/20/2022	-5	25
UEM Sunrise Berhad	03/24	AA-	4.872	20	4.725	11/25/2022	15	161
Konsortium KAJV Sdn Bhd	05/25	AA-	5.177	5	-	-	-	170
UEM Sunrise Berhad	09/25	AA-	5.401	2	5.225	12/20/2022	18	186
MY E.G. Services Berhad	11/27	AA-	5.848	1	5.848	01/11/2023	0	205
BGSM Management Sdn Berhad	12/23	AA3	3.857	10	3.909	12/16/2022	-5	59
AmBank (M) Berhad	10/32	A1	4.793	1	4.606	01/11/2023	19	82
Tropicana Corporation Berhad	10/25	A+	6.240	1	5.679	10/12/2022	56	270
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.868	1	4.743	01/11/2023	13	89
YNH Property Berhad	08/19	-	5.934	1	7.174	01/11/2023	-124	164
				<u>299</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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