

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker on Thursday reversing gains seen post-August core inflation data release two nights ago. Choppy price action ensued following ECB's surprised policy rate-hike to an all-time high of 4.00% and President Lagarde's press conference. Bonds were also dented by August retail sales and headline PPI numbers that beat estimates. The curve shifted higher as overall benchmark yields climbed 4bps across. **Both the 2Y UST and much-watched UST 10Y yields rose 4bps to 5.01% and 4.29% each.** Fed-dated OIS pricing currently reflects the near-certainty of rates staying pat at next week's FOMC meeting with a lower 32% probability of a 25bps rate hike instead in November's meeting. Meanwhile, expect attention to shift to peripheral data covering the University of Michigan sentiment indices tonight.

MGS/GII

- Local govies continued recover to post modest gains on Thursday from the positive rub-off effects of UST movements yesterday morning post-August inflation data release. Overall benchmark MGS/GII yields ended lower between 0-2bps across (save for the 15Y GII), amid a two-third drop in secondary market volume to a mere RM903m, the lowest YTD. **The 5Y benchmark MGS 4/28 yield edged 1bps down to 3.64% whilst the 10Y benchmark MGS 11/33 moved 2bps lower at 3.88%.** Interest was mainly seen in the off-the-run 24-25's and 32's. GII transactions fell to form 24% of overall trades. Expect bonds to trade cautiously ahead of the important FOMC meeting next week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.01	4
5-yr UST	4.42	4
10-yr UST	4.29	4
30-yr UST	4.38	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50		3.54	-1
5-yr	3.64	-1	3.69	0
7-yr	3.78	0	3.81	0
10-yr	3.88	-2	3.91	0
15-yr	4.07	0	4.03	1
20-yr	4.19	-2	4.25	-3
30-yr	4.30	-1	4.37	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.66	-1
3-yr	3.68	-1
5-yr	3.76	-3
7-yr	3.89	-1
10-yr	4.03	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- On Wednesday, Corporate Bonds/Sukuk space however continued to see strong appetite in the secondary market with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed on a lower print of 28 names; amid a 51% jump in secondary market volume @ RM1.03b. The longer-end govt-guaranteed LPPSA 4/39 and PRASA 8/42 bonds dominated the sector with RM430m worth of nominal trades; closing unchanged compared to previous-done levels at 4.19% and 4.27% each. AAA-rated utility-provider, PASB 6/27 bonds edged 2bps down at 3.90% whilst SEB 11/33 inched 1bps higher to 4.15%. The AA-space saw SPSETIA 28 and 30 bonds saw demand with the former closing 23bps lower at 4.18% whilst the later edged 1bps lower at 4.30%. Meanwhile, in the banking/finance space, BPMB 6/31 declined 5bps to 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	3.266	106	3.269	13/09/2023	0
MGS	03/25	3.354	125	3.364	13/09/2023	-1
MGS	09/25	3.400	45	3.406	13/09/2023	-1
MGS	04/26	3.415	1	3.466	13/09/2023	-5
MGS	11/27	3.598	45	3.588	13/09/2023	1
MGS	06/28	3.690	7	3.700	13/09/2023	-1
MGS	04/29	3.789	1	3.788	13/09/2023	0
MGS	08/29	3.765	17	3.752	13/09/2023	1
MGS	04/31	3.850	1	3.858	12/09/2023	-1
MGS	07/32	3.864	129	3.857	13/09/2023	1
MGS	11/33	3.876	40	3.898	13/09/2023	-2
MGS	07/34	3.965	23	4.013	13/09/2023	-5
MGS	06/38	4.074	38	4.075	13/09/2023	0
MGS	10/42	4.191	79	4.212	13/09/2023	-2
MGS	06/50	4.215	2	4.322	13/09/2023	-11
MGS	03/53	4.295	30	4.307	13/09/2023	-1
GII	11/23	3.082	25	3.082	13/09/2023	0
GII	10/24	3.270	5	3.304	11/09/2023	-3
GII	09/26	3.540	28	3.552	13/09/2023	-1
GII	10/28	3.719	4	3.682	12/09/2023	4
GII	07/29	3.791	20	3.746	12/09/2023	4
GII	09/30	3.812	10	3.814	13/09/2023	0
GII	06/33	3.902	10	3.903	12/09/2023	0
GII	08/33	3.895	5	3.880	12/09/2023	2
GII	10/35	3.994	10	3.994	13/09/2023	0
GII	07/36	4.020	3	4.035	13/09/2023	-2
GII	03/38	4.027	24	4.021	12/09/2023	1
GII	08/43	4.245	73	4.276	13/09/2023	-3
			903			

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	11/35	GG	4.074	100	4.149	03/07/2023	-8	19
Perbadanan Tabung Pendidikan Tinggi Nasional	03/37	GG	4.124	10	4.194	07/07/2023	-7	5
Lembaga Pembiayaan Perumahan Sektor Awam	08/38	GG	4.167	50	4.230	13/04/2023	-6	9
Prasarana Malaysia Berhad	12/38	GG	4.174	20	4.194	17/08/2023	-2	10
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.187	170	4.184	05/09/2023	0	11
Prasarana Malaysia Berhad	08/42	GG	4.274	260	4.274	13/09/2023	0	9
DanaInfra Nasional Berhad	11/42	GG	4.278	10	4.658	21/12/2022	-38	9
DanaInfra Nasional Berhad	02/44	GG	4.305	10	4.539	11/01/2023	-23	12
Lembaga Pembiayaan Perumahan Sektor Awam	03/46	GG	4.369	30	4.459	26/01/2023	-9	18
Lembaga Pembiayaan Perumahan Sektor Awam	08/52	GG	4.470	60	-	-	-	28
Impian Ekspresi Sdn Berhad	11/23	AAA	4.035	4	4.162	27/06/2023	-13	77
Cagamas Berhad	06/28	AAA	3.984	10	3.980	28/06/2023	0	36
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.118	40	4.168	24/07/2023	-5	31
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.200	20	4.098	09/08/2023	10	39
Sarawak Energy Berhad	11/33	AAA	4.149	20	4.147	13/09/2023	0	27
Sarawak Petchem Sdn Berhad	07/34	AAA	4.298	10	4.528	08/03/2023	-23	42
Infracap Resources Sdn Berhad	04/36	AAA	4.381	20	4.399	15/08/2023	-2	31
YTL Power International Berhad	08/35	AA1	4.369	10	-	-	-	49
Celcom Networks Sdn Berhad	08/27	AA+	4.000	30	4.023	22/08/2023	-2	43
SP Setia Berhad	06/28	AA	4.177	45	4.410	28/06/2023	-23	55
SP Setia Berhad	06/30	AA	4.297	70	4.310	04/09/2023	-1	52
MTT Shipping Sdn Berhad	08/26	AA3	4.933	5	4.678	29/08/2023	26	144
Gamuda Berhad	11/29	AA3	4.129	2	4.128	21/08/2023	0	41
UEM Sunrise Berhad	05/26	AA-	5.068	10	5.065	19/05/2023	0	157
MY E.G. Services Berhad	08/26	AA-	5.141	1	5.139	12/09/2023	0	165
Point Zone (M) Sdn Berhad	03/33	AA-	4.328	10	4.349	28/08/2023	-2	48
Solarvest Holdings Berhad	09/26	A1	5.314	1	5.308	12/09/2023	1	182
YNH Property Berhad	08/19	-	5.313	1	8.958	08/09/2023	-365	112
				1028				

* spread versus 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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