

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to trend weaker and succumbed to a lack of buying support last Friday despite various cross-currents throughout last week. Higher oil prices and weaker European rates also impacted bonds. Nevertheless, the lower print in University of Michigan sentiment indices helped pare some losses before closing. The curve shifted higher with overall benchmark yields climbed between 2-5bps across. **The UST 2Y yield edged 2bps up at 5.03% whilst the much-watched UST 10Y jumped 5bps higher to 4.33%.** Fed-dated OIS pricing currently reflects the near-certainty of rates staying pat at this week's FOMC meeting with a lower 30% probability of a 25bps rate hike instead in November's meeting. Meanwhile, expect attention to shift to the important FOMC meeting on Wednesday night.

MGS/GII

- Local govies generally drifted sideways last Friday before closing slightly weaker, led by higher IRS mid-levels. Action was seen centered more on GII rather than MGS. Overall benchmark MGS/GII yields ended mostly higher between 0-2bps across (save for the 20Y MGS), amid a three-fold jump in secondary market volume to RM2.9b. **The 5Y benchmark MGS 4/28 yield was untraded at 3.64% whilst the 10Y benchmark MGS 11/33 edged 2bps higher at 3.88%.** Interest was mainly seen in the off-the-run 32s and benchmarks 3Y, 7Y, 10Y GII. GII transactions spiked to form 60% of overall trades. Meanwhile the economic calendar sees the release of August trade data tomorrow. Expect bonds to trade cautiously ahead of the important FOMC meeting on Wednesday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.03	2
5-yr UST	4.47	5
10-yr UST	4.33	5
30-yr UST	4.42	4

MGS			GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	0	3.56	2
5-yr	3.64	0	3.69	0
7-yr	3.78	0	3.81	0
10-yr	3.90	2	3.92	1
15-yr	4.07		4.03	0
20-yr	4.19	-1	4.26	1
30-yr	4.30	0	4.37	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.67	1
3-yr	3.72	3
5-yr	3.81	5
7-yr	3.95	5
10-yr	4.08	5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Last Friday, Corporate Bonds/Sukuk space continued to see strong appetite in the secondary market with interest seen mainly across the GG space followed by the AAA-AA part of the curve. Overall yields closed mostly mixed on a higher print of 37 names; amid a 30% drop in secondary market volume @ RM712m. Govt-guaranteed LPPSA 8/30 and 8/34 bonds registered RM150m worth of nominal trades; closing between -2 to +2bps compared to previous-done levels at 3.89% and 4.02% each. AAA-rated BAKUN 8/30 bonds jumped 9bps higher to 4.07%. The AA-space saw energy-related bonds YTL Power 5/27 decline 8bps to 4.09% whereas the 8/38 tranche closed unchanged at 4.47%. Meanwhile, in the banking/finance space, PUBLIC Islamic 12/27 eased 6bps to 3.91%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	3.240	1	3.246	13/09/2023	-1
MGS	09/24	3.275	3	3.287	14/09/2023	-1
MGS	03/25	3.342	40	3.354	14/09/2023	-1
MGS	09/25	3.378	14	3.400	14/09/2023	-2
MGS	07/26	3.499	30	3.497	13/09/2023	0
MGS	05/27	3.603	3	3.571	13/09/2023	3
MGS	11/27	3.624	11	3.598	14/09/2023	3
MGS	06/28	3.716	82	3.690	14/09/2023	3
MGS	04/29	3.769	22	3.789	14/09/2023	-2
MGS	08/29	3.761	38	3.765	14/09/2023	0
MGS	04/31	3.909	43	3.850	14/09/2023	6
MGS	06/31	3.866	1	3.849	13/09/2023	2
MGS	04/32	3.881	1	3.851	01/09/2023	3
MGS	07/32	3.900	316	3.864	14/09/2023	4
MGS	04/33	3.888	40	3.869	14/09/2023	2
MGS	11/33	3.895	140	3.876	14/09/2023	2
MGS	07/34	3.977	138	3.965	14/09/2023	1
MGS	05/35	4.037	2	4.020	13/09/2023	2
MGS	06/38	4.073	170	4.074	14/09/2023	0
MGS	05/40	4.172	10	4.150	14/09/2023	2
MGS	10/42	4.185	8	4.191	14/09/2023	-1
MGS	09/43	4.262	60	4.245	13/09/2023	2
MGS	06/50	4.286	1	4.215	14/09/2023	7
GII	11/23	3.028	25	3.082	14/09/2023	-5
GII	10/25	3.399	1	3.418	13/09/2023	-2
GII	09/26	3.561	250	3.540	14/09/2023	2
GII	07/28	3.689	203	3.689	13/09/2023	0
GII	07/29	3.790	51	3.791	14/09/2023	0
GII	10/30	3.864	4	3.862	12/09/2023	0
GII	10/32	3.919	799	3.909	13/09/2023	1
GII	06/33	3.914	30	3.902	14/09/2023	1
GII	08/33	3.892	2	3.895	14/09/2023	0
GII	10/35	3.993	40	3.994	14/09/2023	0
GII	09/41	4.241	170	4.245	12/09/2023	0
GII	08/43	4.260	150	4.245	14/09/2023	1
GII	11/49	4.274	1	4.361	13/09/2023	-9
			<u>2900</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*
DanaInfra Nasional Berhad	08/29	GG	3.818	5	3.803	26/07/2023	2	10
DanaInfra Nasional Berhad	01/30	GG	3.848	10	3.825	08/09/2023	2	13
Lembaga Pembiayaan Perumahan Sektor Awam	08/30	GG	3.885	100	3.900	11/04/2023	-2	11
Prasarana Malaysia Berhad	09/31	GG	3.904	10	-	-	-	9
Lembaga Pembiayaan Perumahan Sektor Awam	08/34	GG	4.018	50	3.999	09/08/2023	2	14
DanaInfra Nasional Berhad	04/35	GG	4.050	15	4.140	03/07/2023	-9	17
DanaInfra Nasional Berhad	05/36	GG	4.099	10	4.102	22/08/2023	0	3
DanaInfra Nasional Berhad	04/37	GG	4.126	145	4.104	08/09/2023	2	5
DanaInfra Nasional Berhad	04/37	GG	4.129	20	4.103	23/08/2023	3	5
DanaInfra Nasional Berhad	08/37	GG	4.139	30	4.106	25/07/2023	3	7
Prasarana Malaysia Berhad	09/37	GG	4.133	10	4.158	16/08/2023	-3	6
DanaInfra Nasional Berhad	06/38	GG	4.169	20	4.169	13/09/2023	0	9
Prasarana Malaysia Berhad	03/40	GG	4.214	20	4.540	16/12/2022	-33	14
Prasarana Malaysia Berhad	09/42	GG	4.269	10	4.270	17/08/2023	0	8
Lembaga Pembiayaan Perumahan Sektor Awam	11/43	GG	4.305	30	4.932	07/07/2022	-63	12
DanaInfra Nasional Berhad	02/44	GG	4.305	20	4.305	14/09/2023	0	12
DanaInfra Nasional Berhad	11/48	GG	4.358	40	4.298	16/08/2023	6	17
Public Islamic Bank Berhad	12/27	AAA	3.908	10	3.967	23/08/2023	-6	34
Malaysia Airport Holdings Berhad	12/28	AAA	4.003	5	4.032	27/07/2023	-3	37
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/30	AAA	4.069	20	3.984	06/09/2023	9	29
Sarawak Petchem Sdn Berhad	07/33	AAA	4.248	1	4.289	17/08/2023	-4	37
Sabah Development Bank Berhad	07/24	AA1	5.185	1	5.185	12/09/2023	0	192
YTL Power International Berhad	05/27	AA1	4.094	10	4.174	28/08/2023	-8	52
YTL Power International Berhad	08/38	AA1	4.469	30	4.469	12/09/2023	0	40
Sime Darby Property Berhad	08/30	AA+	4.132	10	4.198	30/08/2023	-7	36
Fortune Premiere Sdn Berhad	09/26	AA	4.216	1	4.236	30/08/2023	-2	72
SP Setia Berhad	06/28	AA	4.168	20	4.177	14/09/2023	-1	53
Cellco Capital Berhad	03/29	AA	4.769	10	5.385	06/07/2022	-62	105
SP Setia Berhad	06/30	AA	4.279	20	4.297	14/09/2023	-2	50
PONSB Capital Berhad	06/27	AA3	4.097	1	4.558	14/09/2023	-46	53
Gamuda Land (T12) Sdn Berhad	08/27	AA3	4.097	10	4.122	18/08/2023	-2	53
AEON Credit Service (M) Berhad	02/28	AA3	4.328	1	4.278	19/06/2023	5	76
IJM Corporation Berhad	08/30	AA3	4.279	10	4.798	02/02/2023	-52	50
Malayan Banking Berhad	02/17	AA3	4.158	4	4.147	05/09/2023	1	-3
Solarvest Holdings Berhad	09/26	A1	5.406	1	5.314	14/09/2023	9	191
Affin Bank Berhad	07/32	A1	4.966	2	4.396	12/09/2023	57	112
Affin Bank Berhad	06/18	A3	5.048	1	5.047	12/09/2023	0	86
				712				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cenergi SEA Berhad	Corporate credit ratings	From A1/Stable/P1 to AA3/Stable/P1	Upgraded
	RM1.5 bil Senior Sukuk/Subordinated Perpetual Sukuk Programme (2021/2121)		
	Senior Sukuk	From A1/Stable to AA3/Stable	Upgraded
	Subordinated Perpetual Sukuk	From A3/Stable to A2/Stable	Upgraded

Source: RAM, MARC

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