

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries advanced further on Wednesday on the back of soft economic data covering retail sales, producer prices and industrial production that may cause the Fed to re-think its continuing rate hike measures earlier than expected. The curve shifted sharply lower as overall benchmark yields closed between 12-18bps across. **The benchmark UST 2Y yield fell 12bps to 4.08% whilst the much-watched UST 10Y rallied the most with yields ending 18bps lower at 2bps at 3.37%.** Treasury's \$12b of 20-year bond auction saw strong bidding metrics on BTC ratio of 2.83x (previous six auction average: 2.57x) and awarded at 3.678% (previous auction: 3.935%). Elsewhere, total foreign holdings of USTs rose in November to ~\$7.27 trillion following a 2-month pullback. Japan's holdings rose by \$17.8b to \$1.08 trillion while China's stockpile fell for the 3<sup>rd</sup> straight month by \$7.8b to \$870b. Expect some attention to shift to housing starts and jobless claims later tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.08	-12
5-yr UST	3.44	-18
10-yr UST	3.37	-18
30-yr UST	3.54	-12

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	-4	3.54	-5
5-yr	3.74	-5	3.74	-6
7-yr	3.92	-4	3.99	-4
10-yr	3.93	-6	4.05	-2
15-yr	4.13	-1	4.14	-4
20-yr	4.28	-1	4.36	-3
30-yr	4.45	-5	4.55	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.65	-7
3-yr	3.54	-9
5-yr	3.63	-6
7-yr	3.75	-8
10-yr	3.87	-8

Source : Bloomberg

### MGS/GII

- Local govies rallied strongly on Wednesday led by strong receiving interest in IRS which caused yields to close sharply lower on mids. Overall benchmark MGS/GII yields settled lower between 1-6bps across, amid a further 33% jump in market volume @ RM5.29b. **The benchmark 5Y MGS 11/27 yield fell 5bps lower to 3.74% whilst the 10Y MGS 7/32 rallied with yields ending 6bps lower at 3.93%.** Interest was mainly seen in off-the-run 23's, 28's and also benchmark 5Y MGS, 7Y MGS/GII, 10Y MGS/GII. Meanwhile, expect attention to shift to the important MPC meeting today; for which we are pencilling-in a 25bps rate hike.

### Corp Bonds/Sukuk

- On Tuesday, Corporate Bonds/Sukuk saw activity peter-off slightly with interest mainly centred along the AAA-AA part of the curve. Overall secondary market volume more than halved to RM449m with total trades above 500k registering 35; as yields ended mostly mixed-to-lower. The sole govt-guaranteed trade consisted of DANA 2/29 which fell 45bps compared to previous-done levels at 4.08%. AAA-rated Amanat Lebuhraya (ALRB) 29 and 33 closed 9-14bps lower at 4.57% and 4.85% each. In the AA-space, toll-operator ANIH 26 and 27 also saw yields end 10-37bps lower at 4.43% and 4.53% each. BGSM 12/23 bonds closed unchanged at 3.86% whereas the 8/25 tranche eased 3bps to 4.19%. Meanwhile, the banking/finance space turned quiet with standard lot trades seen only in SABAH Dev 6/23; which moved a massive 77bps lower to 4.36%.

### Upcoming Government Bond Tender

Nil

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.999	554	3.033	17/01/2023	-3
MGS	04/23	2.790	29	2.992	16/01/2023	-20
MGS	08/23	3.003	111	3.033	17/01/2023	-3
MGS	06/24	3.402	61	3.403	17/01/2023	0
MGS	07/24	3.339	3	3.410	17/01/2023	-7
MGS	03/25	3.491	63	3.529	17/01/2023	-4
MGS	07/25	3.607	130	3.579	17/01/2023	3
MGS	09/25	3.615	131	3.587	17/01/2023	3
MGS	04/26	3.618	30	3.637	17/01/2023	-2
MGS	07/26	3.659	1	3.635	17/01/2023	2
MGS	11/26	3.634	18	3.656	17/01/2023	-2
MGS	05/27	3.702	114	3.816	16/01/2023	-11
MGS	11/27	3.738	648	3.786	17/01/2023	-5
MGS	06/28	3.836	24	3.888	17/01/2023	-5
MGS	04/29	3.923	305	3.959	17/01/2023	-4
MGS	08/29	3.975	44	3.989	17/01/2023	-1
MGS	04/30	3.919	51	3.952	17/01/2023	-3
MGS	04/31	4.028	33	4.043	17/01/2023	-2
MGS	07/32	3.928	397	3.984	17/01/2023	-6
MGS	04/33	4.071	4	4.105	17/01/2023	-3
MGS	07/34	4.134	2	4.163	16/01/2023	-3
MGS	05/35	4.202	37	4.201	17/01/2023	0
MGS	04/37	4.224	59	4.210	17/01/2023	1
MGS	06/38	4.132	170	4.144	17/01/2023	-1
MGS	05/40	4.283	97	4.345	16/01/2023	-6
MGS	10/42	4.280	58	4.287	17/01/2023	-1
MGS	06/50	4.445	15	4.496	17/01/2023	-5
GII	05/24	3.377	10	3.463	17/01/2023	-9
GII	10/24	3.479	26	3.539	16/01/2023	-6
GII	08/25	3.593	1	3.617	16/01/2023	-2
GII	10/25	3.543	388	3.594	17/01/2023	-5
GII	03/26	3.581	136	3.608	17/01/2023	-3
GII	09/26	3.593	40	3.632	13/01/2023	-4
GII	07/27	3.698	90	3.809	16/01/2023	-11
GII	09/27	3.739	170	3.800	17/01/2023	-6
GII	10/28	3.881	41	3.919	17/01/2023	-4
GII	07/29	3.990	611	4.033	17/01/2023	-4
GII	10/30	4.000	15	4.049	17/01/2023	-5
GII	10/32	4.052	319	4.074	17/01/2023	-2
GII	06/33	4.087	30	4.099	17/01/2023	-1
GII	08/33	4.072	20	4.090	17/01/2023	-2
GII	07/36	4.140	11	4.283	17/01/2023	-14
GII	03/38	4.139	20	4.178	16/01/2023	-4
GII	09/41	4.362	111	4.393	17/01/2023	-3
GII	05/52	4.550	60	4.578	13/01/2023	-3
			5286			

## 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	02/29	GG	4.080	20	4.530	22/06/2022	-45	21
Telekom Malaysia Berhad	08/23	AAA	3.634	30	3.680	16/12/2022	-5	37
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/24	AAA	4.335	10	4.582	14/10/2022	-25	87
Danum Capital Berhad	02/25	AAA	3.988	10	3.914	16/08/2022	7	53
Glacier Assets Berhad	03/27	AAA	4.741	10	4.989	10/05/2022	-25	108
Johor Corporation	06/27	AAA	4.660	14	4.916	20/12/2022	-26	100
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.199	10	4.211	17/01/2023	-1	45
Pengurusan Air Selangor Sdn Berhad	07/29	AAA	4.358	10	4.438	09/09/2022	-8	42
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	4.568	10	4.709	21/12/2022	-14	63
Sarawak Energy Berhad	06/30	AAA	4.329	10	4.520	22/04/2022	-19	39
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.579	30	4.560	17/01/2023	2	63
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	4.850	20	4.940	16/01/2023	-9	90
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.699	10	-	-	-	75
Amanat Lebuhraya Rakyat Berhad	10/35	AAA	5.099	20	-	-	-	96
YTL Power International Berhad	03/23	AA1	3.976	6	4.002	16/01/2023	-3	71
Sabah Development Bank Berhad	06/23	AA1	4.360	10	5.130	10/01/2023	-77	109
Sabah Credit Corporation	06/23	AA1	3.871	70	-	-	-	60
YTL Power International Berhad	05/27	AA1	4.710	10	4.878	05/01/2023	-17	105
United Overseas Bank (Malaysia) Berhad	08/30	AA1	4.268	15	4.268	13/01/2023	0	33
Kuala Lumpur Kepong Berhad	03/37	AA1	4.736	10	4.849	10/01/2023	-11	60
Fortune Premiere Sdn Berhad	03/23	AA	3.742	1	3.706	01/11/2022	4	48
Anih Berhad	11/26	AA	4.432	10	4.801	01/11/2022	-37	78
VS Capital Management Sdn Berhad	09/27	AA	4.623	10	4.791	05/01/2023	-17	87
Anih Berhad	11/27	AA	4.530	10	4.628	25/04/2022	-10	78
Press Metal Aluminium Holdings Berhad	10/24	AA2	4.049	10	4.115	06/01/2023	-7	59
Konsortium KAJV Sdn Bhd	05/23	AA-	4.856	2	5.355	05/01/2023	-50	159
UEM Sunrise Berhad	06/23	AA-	4.534	5	4.521	13/01/2023	1	127
Farm Fresh Berhad (fka The Holstein Milk Company S)	05/26	AA-	4.530	10	4.977	10/11/2022	-45	101
BGSM Management Sdn Berhad	12/23	AA3	3.859	10	3.857	12/01/2023	0	59
IJM Corporation Berhad	10/24	AA3	4.115	10	3.754	26/04/2022	36	65
BGSM Management Sdn Berhad	08/25	AA3	4.191	10	4.216	17/01/2023	-3	68
Affin Islamic Bank Berhad	12/27	AA3	4.474	3	4.474	17/01/2023	0	72
Point Zone (M) Sdn Berhad	03/29	AA-	4.664	20	4.999	02/11/2022	-34	80
Tropicana Corporation Berhad	10/25	A+	7.117	1	6.240	12/01/2023	88	360
YNH Property Berhad	08/19	-	6.584	2	7.137	17/01/2023	-55	230
				<u>449</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Alpha Circle Sdn Bhd	Outstanding RM55 million Junior Sukuk remains at CIS	C IS	Affirmed
Malayan Cement Berhad	Senior Sukuk	From B IS/negative to C IS	Downgraded
Kedah Cement Sdn Bhd	RM5.0 bil Sukuk Murabahah Programme (2022/2052)	AA3/Stable/P1	Reaffirmed
YTL Power International Berhad	Sukuk Wakalah Programme (2017/2024)	AA3/Stable/P1	Reaffirmed
YTL Power International Berhad	RM5 bil Medium-Term Notes Programme (2011/2036)	From AA1/Negative AA1/Stable	Outlook upgraded
YTL Corporation Berhad	RM2.5 bil Sukuk Murabahah Facility (2017/2027)	From AA1/Negative AA1/Stable	Outlook upgraded
YTL Corporation Berhad	RM2 bil Medium-Term Notes (MTN) Programme (2013/2038)	From AA1/Negative to AA1/Stable	Outlook upgraded

## FIXED INCOME

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	RM5 bil Commercial Papers Programme and MTN Programme (2019/2044)	From AA1/P1/Negative to AA1/P1/Stable	Outlook upgraded
IJM Land Berhad	RM2.0 bil Perpetual Sukuk Programme	A2(s)/Stable	Reaffirmed
IJM Corporation Berhad	RM3 bil Sukuk Murabahah Programme	AA3/Stable	Reaffirmed
UEM Group Berhad	RM2.2 bil Islamic Medium Term Notes (IMTN) Programme (2012/2042)	AA2/Stable	Reaffirmed

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Source: RAM, MARC

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