

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended slightly stronger on Monday save for the front-end which closed a tad weaker due to higher oil prices and a perceived hawkish Fed in the upcoming FOMC meeting. The session was nevertheless muted in the absence of other catalysts. The curve shifted was flatter as overall benchmark yields closed between -3 to +2bps across. **The UST 2Y yield edged 2bps up again at 5.05% ~ close to its high of 5.07% level seen in March and August; whilst the much-watched UST 10Y eased 3bps to 4.30%.** The stronger-than-expected US economic data including elevated inflation numbers and strong retail sales coupled with rising oil prices will keep investors on the lookout for signs from the Fed once it concludes its policy meeting and press conference thereafter. Meanwhile, expect some attention to shift to peripheral data covering housing starts and building permits later tonight followed by the FOMC meeting on Wednesday night.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.05	2
5-yr UST	4.45	-2
10-yr UST	4.30	-3
30-yr UST	4.39	-3

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.52	<div><div></div></div> 2	3.55	<div><div></div></div> -1	
5-yr	3.67	<div><div></div></div> 3	3.69	<div><div></div></div> 0	
7-yr	3.81	<div><div></div></div> 3	3.81	<div><div></div></div> 0	
10-yr	3.87	<div><div></div></div> -2	3.93	<div><div></div></div> 2	
15-yr	4.10	<div><div></div></div> 3	4.06	<div><div></div></div> 3	
20-yr	4.21	<div><div></div></div> 2	4.26	<div><div></div></div> 0	
30-yr	4.30	<div><div></div></div> 0	4.37	<div><div></div></div> 0	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.69	2
3-yr	3.74	3
5-yr	3.84	2
7-yr	3.96	1
10-yr	4.08	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies generally started the week on a weaker note, influenced by higher IRS mid-levels with more action returning to MGS. Overall benchmark MGS/GII yields ended mostly higher between 0-3bps across (save for the 3Y GII and 10Y MGS), amid a 39% drop in secondary market volume to RM1.76b. **The 5Y benchmark MGS 4/28 yield rose 3bps to 3.67% whilst the 10Y benchmark MGS 11/33 edged 2bps lower instead at 3.87%.** Interest was mainly seen in the off-the-run 29's and benchmarks 7Y, 10Y GII, 15Y MGS. GII transactions fell sharply to form 23% of overall trades. Expect attention to shift to the release of August trade data today followed by the important FOMC meeting tomorrow.

Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw secondary market appetite diminish slightly with interest seen mainly across the GG to single-A part of the curve. Overall yields closed mostly mixed on a higher print of 40 names; despite the 36% drop in secondary market volume @ RM456m. DANA dominated the GG-space with the 2028 tranches climbing 4bps compared to previous-done levels to 3.74% levels. DANA 30-31's and the 4/37 tranche ended 0-4bps higher between 3.85-93% and 4.15% respectively. AAA-rated TNB 8/30 edged 2bps down at 4.10%. The AA-space saw toll-operator DUKE 8/37 plunge 56bps to 5.49%; compared to its last done levels in July 2022, whilst JOHPORT 10/27 edged 1bps lower at 4.12%. Meanwhile, in the banking/finance space, Bank ISLAM 31NC 26 moved 4bps lower to 4.26% whereas the 2021NC27 perps inched 1bps lower to 4.72%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.264	29	3.266	14/09/2023	0
MGS	07/24	3.262	2	3.240	15/09/2023	2
MGS	09/24	3.287	2	3.275	15/09/2023	1
MGS	09/25	3.390	5	3.378	15/09/2023	1
MGS	07/26	3.517	30	3.499	15/09/2023	2
MGS	11/27	3.622	40	3.624	15/09/2023	0
MGS	04/28	3.674	11	3.643	14/09/2023	3
MGS	06/28	3.721	53	3.716	15/09/2023	0
MGS	09/28	3.687	10	3.601	09/08/2023	9
MGS	04/29	3.774	2	3.769	15/09/2023	0
MGS	08/29	3.770	209	3.761	15/09/2023	1
MGS	04/30	3.810	226	3.779	13/09/2023	3
MGS	04/31	3.942	89	3.909	15/09/2023	3
MGS	06/31	3.901	30	3.866	15/09/2023	3
MGS	07/32	3.909	30	3.900	15/09/2023	1
MGS	11/33	3.872	52	3.895	15/09/2023	-2
MGS	07/34	3.977	14	3.977	15/09/2023	0
MGS	06/38	4.099	293	4.073	15/09/2023	3
MGS	05/40	4.195	10	4.172	15/09/2023	2
MGS	10/42	4.208	12	4.185	15/09/2023	2
MGS	09/43	4.276	70	4.262	15/09/2023	1
MGS	03/46	4.320	105	4.303	12/09/2023	2
MGS	07/48	4.341	1	4.292	12/09/2023	5
MGS	06/50	4.368	22	4.286	15/09/2023	8
GII	10/24	3.306	1	3.270	14/09/2023	4
GII	08/25	3.469	13	3.373	15/09/2023	10
GII	03/26	3.517	44	3.539	13/09/2023	-2
GII	09/26	3.553	64	3.561	15/09/2023	-1
GII	07/27	3.636	10	3.612	15/09/2023	2
GII	09/27	3.645	1	3.623	13/09/2023	2
GII	10/28	3.698	4	3.719	14/09/2023	-2
GII	10/30	3.875	1	3.864	15/09/2023	1
GII	10/32	3.935	214	3.919	15/09/2023	2
GII	03/38	4.056	5	4.027	14/09/2023	3
GII	05/47	4.356	50	4.213	15/09/2023	14
GII	11/49	4.431	1	4.274	15/09/2023	16
			<u>1756</u>			

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	02/28	GG	3.740	10	3.699	25/07/2023	4	16
DanaInfra Nasional Berhad	05/28	GG	3.739	5	3.699	25/07/2023	4	9
Prasarana Malaysia Berhad	10/28	GG	3.765	10	3.754	07/09/2023	1	12
DanaInfra Nasional Berhad	01/30	GG	3.845	100	3.848	15/09/2023	0	11
DanaInfra Nasional Berhad	10/31	GG	3.929	5	3.884	05/09/2023	4	10
DanaInfra Nasional Berhad	04/37	GG	4.148	10	4.126	15/09/2023	2	5
Malaysia Rail Link Sdn Berhad	07/41	GG	4.300	2	4.269	03/07/2023	3	11
DanaInfra Nasional Berhad	04/52	GG	4.400	40	4.590	10/03/2023	-19	21
Cagamas Berhad	09/24	AAA	3.722	5	3.739	13/09/2023	-2	45
Pengurusan Air SPV Berhad	02/26	AAA	3.848	5	3.831	28/07/2023	2	46
Tenaga Nasional Berhad	08/30	AAA	4.099	30	4.119	13/07/2023	-2	31
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.198	10	4.200	14/09/2023	0	37
Sarawak Petchem Sdn Berhad	07/33	AAA	4.248	4	4.248	15/09/2023	0	35
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.289	10	4.420	13/06/2023	-13	39
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.689	10	4.722	15/03/2023	-3	50
Sabah Development Bank Berhad	07/26	AA1	5.226	1	4.450	06/09/2023	78	172
YTL Corporation Berhad	04/29	AA1	4.259	10	4.477	14/07/2023	-22	53
Sime Darby Property Berhad	08/28	AA+	4.033	30	4.048	30/08/2023	-1	38
Press Metal Aluminium Holdings Berhad	09/30	AA2	4.328	20	-	-	-	54
SP Setia Berhad	06/28	AA	4.177	10	4.168	15/09/2023	1	53
SP Setia Berhad	06/30	AA	4.299	10	4.279	15/09/2023	2	51
OSK Rated Bond Sdn Berhad	09/30	AA	4.458	5	4.490	13/09/2023	-3	67
CIMB Thai Bank Public Company Limited	07/31	AA3	4.676	1	4.500	06/07/2023	18	85
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/37	AA-	5.489	30	6.049	08/07/2022	-56	139
Malayan Banking Berhad	02/17	AA3	4.230	1	4.158	15/09/2023	7	4
Konsortium KAJV Sdn Bhd	05/25	AA-	4.340	2	5.004	24/08/2023	-66	95
Johor Port Berhad	10/27	AA-	4.120	20	4.130	07/09/2023	-1	54
MY E.G. Services Berhad	11/27	AA-	5.306	1	5.848	13/01/2023	-54	172
MMC Corporation Berhad	03/28	AA-	4.437	2	4.436	12/09/2023	0	79
Sunsuria Berhad	10/25	A+	5.613	1	6.070	13/10/2022	-46	222
DRB-Hicom Berhad	12/29	A+	5.152	1	5.247	11/09/2023	-9	142
Solarvest Holdings Berhad	09/26	A1	5.314	3	5.406	15/09/2023	-9	181
Bank Islam Malaysia Berhad	11/31	A1	4.257	40	4.297	11/09/2023	-4	43
Affin Bank Berhad	07/32	A1	4.808	1	4.966	15/09/2023	-16	95
MCIS Insurance Berhad	12/31	A2	5.116	1	4.408	12/09/2023	71	129
Alliance Bank Malaysia Berhad	10/35	A2	4.985	1	4.779	08/09/2023	21	109
Tropicana Corporation Berhad	06/24	A	6.861	1	6.630	27/07/2023	23	359
Bank Islam Malaysia Berhad	08/21	A3	4.716	10	4.725	12/09/2023	-1	53
Eco World Capital Assets Berhad	08/24	-	5.582	1	5.565	24/08/2023	2	231
AEON Credit Service (M) Berhad	12/14	-	6.170	1	5.825	04/08/2023	35	198
				456				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TIME dotCom Berhad	RM1 bil Islamic Medium-Term Notes Programme (2017/2037)	AA2/Stable	Affirmed

Source: RAM, MARC

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