

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw a pullback on Thursday following weakness seen in Bunds and hawkish ECB comments. Some impact in bonds was also partly felt due to better-than-expected initial jobless claims and mixed Philadelphia Fed business outlook estimates. The curve shifted higher as overall benchmark yields closed up between 4-6bps across save for the long bond. **Both benchmarks i.e; UST 2Y and UST 10Y yields rose 4bps each to 4.13% and 3.42%.** Treasury's \$17b of 10-year TIPS auction saw strong bidding metrics on a BTC ratio of 2.79x (the highest since 2019) and awarded at 1.22% (the lowest result since July last year). TIPS have become cheaper than nominal bonds in recent months due to easing inflationary conditions and expectations. Elsewhere, Treasury Secretary Yellen is expected to introduce "extraordinary measures to prevent the US govt from defaulting on its debt as it climbed to ~\$31.4 trillion; crossing the threshold set by Congress more than a year ago. These may include the suspension of reinvestment of government securities Investment Fund (G Fund).

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.13	4
5-yr UST	3.50	6
10-yr UST	3.42	4
30-yr UST	3.59	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.30	-19	3.35	-19
5-yr	3.52	-22	3.52	-22
7-yr	3.73	-19	3.81	-18
10-yr	3.89	-3	3.86	-20
15-yr	3.97	-16	4.09	-5
20-yr	4.07	-22	4.31	-5
30-yr	4.35	-10	4.39	-16

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.50	-15
3-yr	3.36	-18
5-yr	3.40	-24
7-yr	3.53	-22
10-yr	3.65	-22

Source : Bloomberg

MGS/GII

- The bond party continued on Thursday as local govies outperformed; taking cue from the rather surprising MPC decision to stay pat on the OPR which is currently at 2.75%. Strong receiving interest caused IRS yields to move lower as BNM hinted that full and meaningful impact by the cumulative past OPR adjustments have yet to be felt, given the lag effects of monetary policy on the economy. Overall benchmark MGS/GII yields plunged between 3-22bps lower across, amid a massive doubling in market volume to RM11.7b. **The benchmark 5Y MGS 11/27 yield rallied the most with yields ending 22bps lower at 3.52% whilst the 10Y MGS 7/32 ended 3bps down at 3.89%.** Interest was mainly seen in off-the-run 23's (almost 14% of overall volume), 28's and also benchmark 3Y GII, 5Y MGS, 7Y MGS/GII, 10Y MGS/GII. Meanwhile, expect attention to shift to the December CPI data release at noon today.

Corp Bonds/Sukuk

- On Thursday, Corporate Bonds/Sukuk saw solid activity with interest seen across the GG to single-A part of the curve. Overall secondary market volume almost doubled to RM841m with total trades (above RM500k) registering 53; as yields ended mostly mixed-to-lower again. Govt-guaranteed trades were aplenty. PRASA 3/35 and LPPSA 3/36 settled 15-23bps lower between 4.24-36%. AAA-rated PLUS 30 recorded the highest volume of RM130m; edging 1bps up at 4.44% whilst PLUS 32 eased 2bps lower to 4.56%. In the AA-space, energy-related bonds TADAU 7/23 jumped 33bps to 4.25% whereas toll-operator BESRAYA 7/28 declined 27bps to 4.65%. Meanwhile, the banking/finance space was relatively active with MAYBANK 29NC24 closing unchanged at 4.01% whilst its 2117NC24 perps rose 3bps to 4.27%.

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	2.777	1627	2.999	18/01/2023	-22
MGS	06/24	3.253	199	3.402	18/01/2023	-15
MGS	07/24	3.222	171	3.339	18/01/2023	-12
MGS	09/24	3.300	124	3.461	18/01/2023	-16
MGS	03/25	3.303	410	3.491	18/01/2023	-19
MGS	09/25	3.335	12	3.615	18/01/2023	-28
MGS	04/26	3.431	110	3.618	18/01/2023	-19
MGS	07/26	3.421	2	3.659	18/01/2023	-24
MGS	11/26	3.438	51	3.634	18/01/2023	-20
MGS	05/27	3.588	19	3.702	18/01/2023	-11
MGS	11/27	3.522	874	3.738	18/01/2023	-22
MGS	06/28	3.784	11	3.836	18/01/2023	-5
MGS	04/29	3.730	678	3.923	18/01/2023	-19
MGS	08/29	3.885	190	3.975	18/01/2023	-9
MGS	04/30	3.857	5	3.919	18/01/2023	-6
MGS	04/31	3.818	204	4.028	18/01/2023	-21
MGS	07/32	3.894	1023	3.928	18/01/2023	-3
MGS	04/33	3.976	130	4.071	18/01/2023	-9
MGS	07/34	4.009	24	4.134	18/01/2023	-13
MGS	05/35	4.077	110	4.202	18/01/2023	-13
MGS	04/37	4.066	167	4.224	18/01/2023	-16
MGS	06/38	3.973	726	4.132	18/01/2023	-16
MGS	05/40	4.284	8	4.283	18/01/2023	0
MGS	10/42	4.065	124	4.280	18/01/2023	-22
MGS	09/43	4.310	60	4.345	13/01/2023	-4
MGS	06/50	4.347	2	4.445	18/01/2023	-10
GII	05/23	2.720	1	3.133	17/01/2023	-41
GII	05/24	3.212	65	3.377	18/01/2023	-17
GII	08/24	3.201	180	3.581	18/01/2023	-38
GII	10/24	3.324	1	3.479	18/01/2023	-16
GII	08/25	3.467	1	3.593	18/01/2023	-13
GII	10/25	3.349	512	3.543	18/01/2023	-19
GII	03/26	3.441	121	3.581	18/01/2023	-14
GII	09/26	3.602	10	3.593	18/01/2023	1
GII	07/27	3.687	30	3.698	18/01/2023	-1
GII	09/27	3.516	273	3.739	18/01/2023	-22
GII	10/28	3.746	200	3.881	18/01/2023	-14
GII	07/29	3.814	1051	3.990	18/01/2023	-18
GII	10/30	3.864	1	4.000	18/01/2023	-14
GII	10/32	3.856	1445	4.052	18/01/2023	-20
GII	06/33	3.989	90	4.087	18/01/2023	-10
GII	08/33	3.942	190	4.072	18/01/2023	-13
GII	07/36	4.000	40	4.140	18/01/2023	-14
GII	08/37	4.084	80	4.204	13/01/2023	-12
GII	03/38	4.091	180	4.139	18/01/2023	-5
GII	09/41	4.307	101	4.362	18/01/2023	-5
GII	11/49	4.398	10	4.510	11/01/2023	-11
GII	05/52	4.387	100	4.550	18/01/2023	-16
			<u>11743</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Lembaga Pembiayaan Perumahan Sektor Awam	03/28	GG	3.919	10	3.727	10/02/2022	19	36
Lembaga Pembiayaan Perumahan Sektor Awam	04/28	GG	3.959	10	2.600	18/08/2020	136	40
Bank Pembangunan Malaysia Berhad	09/29	GG	4.130	10	4.260	12/01/2023	-13	35
Prasarana Malaysia Berhad	03/31	GG	4.100	10	4.273	13/12/2022	-17	31
DanaInfra Nasional Berhad	10/33	GG	4.151	10	4.329	01/09/2022	-18	35
Prasarana Malaysia Berhad	03/35	GG	4.259	60	4.491	15/09/2022	-23	46
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.240	20	4.389	09/12/2022	-15	22
DanaInfra Nasional Berhad	04/37	GG	4.286	10	4.385	12/01/2023	-10	27
Prasarana Malaysia Berhad	08/37	GG	4.255	20			426	24
DanaInfra Nasional Berhad	04/39	GG	4.315	5	4.510	16/08/2022	-19	30
DanaInfra Nasional Berhad	09/39	GG	4.335	5	4.291	13/09/2021	4	32
Prasarana Malaysia Berhad	02/40	GG	4.349	10	4.488	21/03/2022	-14	33
Cagamas Berhad	05/23	AAA	3.463	35	3.463	15/11/2022	0	23
Cagamas Berhad	09/23	AAA	2.693	20			269	-54
Aman Sukuk Berhad	10/23	AAA	3.684	40	2.854	07/04/2022	83	46
Projek Lebuhraya Usahasama Berhad	01/25	AAA	4.002	4	4.061	16/01/2023	-6	69
Pengurusan Air SPV Berhad	06/25	AAA	3.947	10	2.867	30/07/2021	108	63
DiGi Telecommunications Sdn Berhad	12/25	AAA	3.970	10	3.989	13/01/2023	-2	61
Cagamas Berhad	11/27	AAA	4.049	15	4.132	13/01/2023	-8	49
Public Islamic Bank Berhad	12/27	AAA	4.423	5	4.048	06/01/2023	38	87
Amanat Lebuhraya Rakyat Berhad	10/28	AAA	4.380	5	4.530	10/01/2023	-15	68
Tenaga Nasional Berhad	06/29	AAA	4.190	5	4.351	04/01/2023	-16	49
Pengurusan Air Selangor Sdn Berhad	07/29	AAA	4.298	10	4.358	18/01/2023	-6	52
Projek Lebuhraya Usahasama Berhad	01/30	AAA	4.438	130	4.430	17/01/2023	1	66
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.560	20	4.579	18/01/2023	-2	76
Infracap Resources Sdn Berhad	04/36	AAA	4.808	16	4.909	20/12/2022	-10	79
GENM Capital Berhad	07/28	AA1	4.999	20	4.900	18/01/2023	10	144
Malayan Banking Berhad	01/29	AA1	4.006	15	4.008	10/01/2023	0	30
Public Islamic Bank Berhad	10/29	AA1	4.149	30	4.256	27/10/2022	-11	37
Kuala Lumpur Kepong Berhad	03/37	AA1	4.727	25	4.736	18/01/2023	-1	71
SP Setia Berhad	06/28	AA	4.675	2	5.039	08/11/2022	-36	112
Tanjung Bin Power Sdn Berhad	08/27	AA2	4.521	9	3.989	23/12/2021	53	97
RHB Bank Berhad	01/33	AA2	4.357	2	-	-	-	55
Malaysia Airport Holdings Berhad	12/14	AA2	4.976	3	5.013	10/01/2023	-4	80
UEM Sunrise Berhad	10/23	AA-	4.732	2	4.765	21/12/2022	-3	150
SAJ Capital Sdn Berhad	01/24	AA-	4.210	10	4.321	10/11/2022	-11	98
Konsortium KAJV Sdn Bhd	05/25	AA-	4.625	1	4.627	16/01/2023	0	131
MMC Corporation Berhad	03/28	AA-	4.918	6	4.936	13/01/2023	-2	136
Point Zone (M) Sdn Berhad	03/29	AA-	4.678	5	4.664	18/01/2023	1	98
Pelabuhan Tanjung Pelepas Sdn Berhad	08/30	AA-	4.851	10	4.428	10/03/2022	42	106
Malaysian Resources Corporation Berhad	10/31	AA-	5.709	2	5.763	10/06/2022	-5	191
Country Garden Real Estate Sdn Berhad	03/23	AA3	5.697	12	5.378	20/07/2022	32	247
Tadau Energy Sdn Berhad	07/23	AA3	4.246	10	3.921	01/09/2022	33	102
Exsim Capital Resources Berhad	03/26	AA3	5.615	6	4.996	29/03/2022	62	226
Tanjung Bin Energy Sdn Berhad	03/26	AA3	5.492	20	5.714	20/12/2022	-22	213
AEON Credit Service (M) Berhad	02/27	AA3	4.461	25	4.748	02/12/2022	-29	98
Golden Assets International Finance Limited	04/27	AA3	4.554	3	6.032	11/11/2022	-148	108
Besraya (M) Sdn Berhad	07/28	AA3	4.648	10	4.913	28/09/2022	-27	95
PONSB Capital Berhad	12/28	AA3	4.678	10	4.759	10/01/2023	-8	98
Malayan Banking Berhad	02/17	AA3	4.272	20	4.243	19/12/2022	3	9
Tropicana Corporation Berhad	10/25	A+	6.192	2	7.117	18/01/2023	-93	283
Tropicana Corporation Berhad	05/27	A+	6.230	44	6.250	15/09/2022	-2	275
AmBank (M) Berhad	10/32	A1	4.673	1	4.604	18/01/2023	7	87
Affin Islamic Bank Berhad	10/17	A3	4.510	2	4.526	09/01/2023	-2	33
WCT Holdings Berhad	03/19	A	6.201	30	6.285	04/08/2022	-8	202
				841				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Widad Concession Sdn Bhd	RM310 mil Sukuk Wakalah Facility (2022/2040)	AA1/Stable	Reaffirmed
Poseidon ABS Berhad	RM218.0 mil First Tranche Senior Class A Medium-Term Notes under a RM3.5 bil asset-backed MTN program	AA2/Stable	Assigned

Source: RAM, MARC

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