

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended weaker on Wednesday, reacting to the Fed's just released "hawkish-hold." The central bank kept key Federal Funds Rate unchanged at 5.25-5.50% amid signals from Fed Chair Powell and officials a possible restrictive policy may signal a higher-for-longer rate stance. The curve bear-flattened as overall benchmark yields jumped higher between 2-8bps across with yields seen at the highest levels since 2007. **The UST 2Y yield spiked the most by 8bps to 5.18% whilst the much-watched UST 10Y rose 5bps to 4.41%.** Fed-dated OIS is now currently pricing a 37% probability of a 25bps rate hike in the next FOMC meeting in November. USTs lost further ground after the Fed's latest dot plot showed that officials expect fewer rate cuts next year. Meanwhile, expect some attention to shift to the jobless claims report as at 16<sup>th</sup> September along with existing home sales for August later tonight.

##### MGS/GII

- Local govies saw no reprieve and continued to drift weaker on Wednesday on some nervousness ahead of the FOMC meeting. Overall benchmark MGS/GII yields ended higher between 0-3bps across amid a near three-fold jump in secondary market volume to RM3.17b. **The 5Y benchmark MGS 4/28 yield edged 1bps up at 3.69% whilst the 10Y benchmark MGS 11/33 rose another 3bps to 3.94%.** Interest was mainly seen in the off-the-run 25's, 29-32's and benchmarks 15Y MGS. GII transactions fell to form 27% of overall trades. Meanwhile, expect attention to shift to the 30Y MGS auction today followed by the August inflation data release tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.18	8
5-yr UST	4.59	7
10-yr UST	4.41	5
30-yr UST	4.45	2

MGS			GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.55	<div><div></div></div> 3	3.57	<div><div></div></div> 2
5-yr	3.69	<div><div></div></div> 1	3.74	<div><div></div></div> 3
7-yr	3.83	<div><div></div></div> 3	3.87	<div><div></div></div> 2
10-yr	3.94	<div><div></div></div> 3	3.95	<div><div></div></div> 2
15-yr	4.12	<div><div></div></div> 2	4.07	<div><div></div></div> 3
20-yr	4.23	<div><div></div></div> 3	4.29	<div><div></div></div> 2
30-yr	4.33	<div><div></div></div> 0	4.41	<div><div></div></div> 0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.69	0
3-yr	3.76	1
5-yr	3.88	4
7-yr	4.01	4
10-yr	4.13	4

Source : Bloomberg

#### Upcoming Government Bond Tender

Re-opening of RM3.5b + RM1.5b (private placement) of 30Y MGS 3/53 on Thursday, 21<sup>st</sup> of September 2023

#### Corp Bonds/Sukuk

- On Wednesday, the Corporate Bonds/Sukuk space again saw secondary market appetite sharply lower instead with interest mainly seen across the GG-AA part of the curve. Overall yields closed mostly mixed on a sharply lower print of 19 names; amid the plunge in secondary market volume from prior day's RM1.21b to a mere RM279m. The long-end govt-guaranteed PRASA 47-48's rose 4-8bps compared to previous-done levels to 4.36-37% area. AAA-rated TNB 36-37's however closed 1-3bps lower instead between 4.25-27% whilst SPETCHEM 30 and 37 edged 1bps up at 4.11% and 4.40%. each. The AA-space saw PMETAL 8/25 and 9/30 settle 0-2bps higher at 3.99% and 4.25% respectively. Meanwhile, the banking/finance space was relatively quiet with OSK 9/33 declining 5bps to 4.54%.

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.305	89	3.263	19/09/2023	4
MGS	07/24	3.336	1	3.261	19/09/2023	7
MGS	03/25	3.389	226	3.342	15/09/2023	5
MGS	09/25	3.436	2	3.390	18/09/2023	5
MGS	04/26	3.547	2	3.415	14/09/2023	13
MGS	07/26	3.547	60	3.517	19/09/2023	3
MGS	11/26	3.548	6	3.522	19/09/2023	3
MGS	11/27	3.649	40	3.623	19/09/2023	3
MGS	04/28	3.686	30	3.674	18/09/2023	1
MGS	06/28	3.730	13	3.720	19/09/2023	1
MGS	04/29	3.824	110	3.774	18/09/2023	5
MGS	08/29	3.856	341	3.799	19/09/2023	6
MGS	04/30	3.829	96	3.798	19/09/2023	3
MGS	04/31	3.933	435	3.909	19/09/2023	2
MGS	06/31	3.908	99	3.898	19/09/2023	1
MGS	07/32	3.968	182	3.917	19/09/2023	5
MGS	04/33	3.943	37	3.888	15/09/2023	6
MGS	11/33	3.935	110	3.904	19/09/2023	3
MGS	07/34	4.010	8	4.006	19/09/2023	0
MGS	05/35	4.063	11	4.030	19/09/2023	3
MGS	04/37	4.110	6	4.084	19/09/2023	3
MGS	06/38	4.124	385	4.108	19/09/2023	2
MGS	05/40	4.250	10	4.186	19/09/2023	6
MGS	10/42	4.234	21	4.201	19/09/2023	3
MGS	03/46	4.374	3	4.330	19/09/2023	4
MGS	06/50	4.270	1	4.220	19/09/2023	5
GII	10/23	3.119	20	3.060	12/09/2023	6
GII	11/23	3.121	45	3.030	19/09/2023	9
GII	09/26	3.570	180	3.553	19/09/2023	2
GII	07/27	3.672	81	3.636	18/09/2023	4
GII	09/27	3.656	1	3.645	18/09/2023	1
GII	07/28	3.739	66	3.712	19/09/2023	3
GII	10/28	3.735	4	3.718	19/09/2023	2
GII	07/29	3.828	20	3.790	15/09/2023	4
GII	09/30	3.868	30	3.844	19/09/2023	2
GII	10/30	3.956	240	3.851	19/09/2023	11
GII	10/32	3.948	67	3.931	19/09/2023	2
GII	03/38	4.074	20	4.045	19/09/2023	3
GII	08/43	4.291	70	4.272	19/09/2023	2
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## 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*
Prasarana Malaysia Berhad	09/47	GG	4.364	20	4.319	08/09/2023	14
Prasarana Malaysia Berhad	01/48	GG	4.369	10	4.290	17/08/2023	14
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.868	40	3.908	14/06/2023	47
Malaysia Airport Holdings Berhad	11/27	AAA	3.969	5	3.950	19/09/2023	36
DiGi Telecommunications Sdn Berhad	05/30	AAA	4.060	5	4.049	21/08/2023	24
Sarawak Petchem Sdn Berhad	07/30	AAA	4.108	40	4.098	19/09/2023	29
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/31	AAA	4.099	10	4.170	19/06/2023	24
Tenaga Nasional Berhad	11/36	AAA	4.249	10	4.279	29/08/2023	13
Tenaga Nasional Berhad	06/37	AAA	4.268	10	4.279	30/08/2023	15
Sarawak Petchem Sdn Berhad	07/37	AAA	4.399	20	4.389	19/09/2023	28
YTL Power International Berhad	08/38	AA1	4.459	30	4.469	19/09/2023	34
Press Metal Aluminium Holdings Berhad	08/25	AA2	3.993	10	3.988	13/09/2023	60
Press Metal Aluminium Holdings Berhad	09/30	AA2	4.349	15	4.328	18/09/2023	53
OSK Rated Bond Sdn Berhad	09/33	AA	4.535	10	4.586	13/09/2023	61
MY E.G. Services Berhad	08/26	AA-	5.136	1	5.129	19/09/2023	160
Point Zone (M) Sdn Berhad	03/29	AA-	4.089	15	4.081	19/09/2023	39
Point Zone (M) Sdn Berhad	03/33	AA-	4.310	25	4.328	14/09/2023	42
Solarvest Holdings Berhad	09/26	A1	5.406	1	5.314	18/09/2023	187
Hong Leong Bank Berhad	11/17	A1	4.388	2	4.150	06/09/2023	24
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\* spread versus nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Celcom Networks Sdn Bhd	Sukuk Murabahah programme of RM5.0 billion	from AA +IS/Stable to AAA IS/Stable	Rating upgraded
Konsortium ProHAWK Sdn Bhd	Konsortium ProHAWK Sdn Bhd	From/Negative to AA2/StableAA2	Outlook upgraded
IGB REIT Capital Sdn Bhd	RM1.2 bil Second Tranche MTN. This is the second issuance under the Issuer's RM5.0 bil MTN Programme	AAA/Stable	Affirmed

Source: RAM, MARC

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