

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries took a breather from the Fed-induced selloff earlier when policy makers remained steadfast on a higher rates for longer rhetoric. UST rebounded and pushed yields down from 16-year highs, down 4-6bps across the curve on Friday. **The UST 2Y yield lost 4bps to 5.11% whilst the much-watched UST 10Y shed 6bps to 4.43%.** Despite hawkish Fed speaks from Fed Collins, Bowman and Daly signaling more rate hike(s) are not off the table, Fed-dated OIS is pricing in only a 20% probability of a 25bps rate hike in the next FOMC meeting in November with peak terminal rate expectations of ~5.45% in December. Meanwhile, expect some attention to shift to the release of Chicago and Dallas Fed activity indices tonight.

MGS/GII

- Local govies saw the front-ends supported last Friday, but the belly and long-ends were generally pressured despite IRS yields drifting lower instead. Overall benchmark MGS/GII yields ended between -1 to +4bps (save for the odd-lots seen in the ultra-long MGS and GII); amid the huge jump in secondary market volume from RM1.85b to RM4.86b. **The 5Y benchmark MGS 4/28 yield edged 1bps lower at 3.70% whilst the 10Y benchmark MGS 11/33 rose 3bps instead to 4.01%.** Interest was mainly seen in the off-the-run 24-25's, 32-33's and benchmarks 3Y GII, 5Y MGS/GII, 10Y MGS. GII transactions sustained to form 28% of overall trades.

Corp Bonds/Sukuk

- Last Friday, the Corporate Bonds/Sukuk space witnessed better secondary market appetite with trades mainly seen across the GG-AA part of the curve. Overall yields closed mostly higher on a lower print of 24 names; amid a 39% jump in secondary market volume @ RM397m. The sole govt-guaranteed bond trade consisted of LPPSA 8/29 which jumped 16bps compared to previous-done levels at 3.92%. AAA-rated toll operator, ALRB 30 and 32 closed 4-14bps higher at 4.29% levels whilst telco bonds DIGI 5/30 edged 2bps up at 4.08%. The AA-space saw GAMUDA Land 25, 27 and 28 move 2-6bps higher to between 4.02-22% area. Meanwhile, the banking/finance space saw OSK Rated Bond 4/31 plunge 30bps to 4.47% whilst several odd-lot trades were seen exchanging hands in MAYBANK and Hong Leong Bank perps.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.11	-4
5-yr UST	4.56	-6
10-yr UST	4.43	-6
30-yr UST	4.53	-5

MGS			GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.57	-1	3.59	-1
5-yr	3.70	-1	3.75	1
7-yr	3.89	4	3.94	4
10-yr	4.01	3	4.02	3
15-yr	4.15	2	4.12	4
20-yr	4.31	1	4.33	0
30-yr	4.48	9	4.40	-10

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	-2
3-yr	3.77	0
5-yr	3.87	-2
7-yr	4.01	-1
10-yr	4.12	-1

Source : Bloomberg

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	06/24	3.281	120	3.246	21/09/2023	4
MGS	09/24	3.327	121	3.300	21/09/2023	3
MGS	03/25	3.434	117	3.364	21/09/2023	7
MGS	09/25	3.477	262	3.481	21/09/2023	0
MGS	04/26	3.564	7	3.547	20/09/2023	2
MGS	11/26	3.589	132	3.564	21/09/2023	2
MGS	05/27	3.692	31	3.633	21/09/2023	6
MGS	11/27	3.694	15	3.675	21/09/2023	2
MGS	04/28	3.699	160	3.711	21/09/2023	-1
MGS	06/28	3.767	312	3.767	21/09/2023	0
MGS	04/29	3.864	35	3.852	21/09/2023	1
MGS	08/29	3.881	49	3.910	21/09/2023	-3
MGS	04/30	3.890	72	3.846	21/09/2023	4
MGS	04/31	3.974	358	3.967	21/09/2023	1
MGS	06/31	3.984	149	3.960	21/09/2023	2
MGS	07/32	4.003	166	3.989	21/09/2023	1
MGS	04/33	4.028	232	4.009	21/09/2023	2
MGS	11/33	4.005	569	3.976	21/09/2023	3
MGS	07/34	4.035	130	4.070	21/09/2023	-4
MGS	05/35	4.091	20	4.063	20/09/2023	3
MGS	04/37	4.163	32	4.110	20/09/2023	5
MGS	06/38	4.151	33	4.130	21/09/2023	2
MGS	05/40	4.250	133	4.185	21/09/2023	7
MGS	10/42	4.308	52	4.301	21/09/2023	1
MGS	03/46	4.394	40	4.367	21/09/2023	3
MGS	07/48	4.400	1	4.341	18/09/2023	6
MGS	06/50	4.458	98	4.423	21/09/2023	4
MGS	03/53	4.475	48	4.384	21/09/2023	9
GII	08/24	3.349	60	3.351	21/09/2023	0
GII	10/24	3.410	30	3.306	18/09/2023	10
GII	08/25	3.422	2	3.420	19/09/2023	0
GII	10/25	3.515	40	3.405	19/09/2023	11
GII	03/26	3.587	5	3.525	21/09/2023	6
GII	09/26	3.589	197	3.597	21/09/2023	-1
GII	07/27	3.664	12	3.672	20/09/2023	-1
GII	09/27	3.720	20	3.656	20/09/2023	6
GII	07/28	3.746	400	3.739	20/09/2023	1
GII	09/30	3.937	66	3.901	21/09/2023	4
GII	10/30	3.940	40	3.948	21/09/2023	-1
GII	10/32	4.020	92	3.987	21/09/2023	3
GII	08/33	3.967	40	3.892	15/09/2023	8
GII	08/37	4.180	40	4.052	11/09/2023	13
GII	03/38	4.118	110	4.074	20/09/2023	4
GII	09/41	4.303	5	4.233	19/09/2023	7
GII	05/47	4.514	50	4.229	19/09/2023	29
GII	05/52	4.400	155	4.501	21/09/2023	-10
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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*
Lembaga Pembiayaan Perumahan Sektor Awam	08/29	GG	3.919	80	3.759	27/04/2023	16	13
Pengurusan Air SPV Berhad	06/27	AAA	4.050	10	3.901	13/09/2023	15	41
Pengurusan Air SPV Berhad	09/27	AAA	4.061	5	4.019	21/06/2023	4	43
Malaysia Airport Holdings Berhad	11/27	AAA	3.998	40	3.969	20/09/2023	3	36
Tenaga Nasional Berhad	11/28	AAA	4.073	5	4.009	24/08/2023	6	35
Pengurusan Air SPV Berhad	10/29	AAA	4.261	15	4.101	15/06/2023	16	48
Petroleum Sarawak Exploration & Production Sdn Berhad	11/29	AAA	4.169	10	4.104	08/09/2023	6	38
DiGi Telecommunications Sdn Berhad	05/30	AAA	4.084	20	4.060	20/09/2023	2	24
Tenaga Nasional Berhad	08/30	AAA	4.211	10	4.099	18/09/2023	11	36
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	4.289	30	4.149	11/08/2023	14	44
Amanat Lebuhraya Rakyat Berhad	10/32	AAA	4.291	15	4.248	19/09/2023	4	37
Sarawak Petchem Sdn Berhad	07/37	AAA	4.429	10	4.399	20/09/2023	3	28
Tenaga Nasional Berhad	08/40	AAA	4.441	1	4.393	21/09/2023	5	29
GENM Capital Berhad	05/30	AA1	4.990	1	5.081	25/08/2023	-9	114
Sime Darby Property Berhad	12/27	AA+	4.059	30	4.071	24/08/2023	-1	42
ORIX Credit Malaysia Sdn Berhad	03/25	AA2	4.080	20	-	-	-	65
OSK Rated Bond Sdn Berhad	04/31	AA	4.468	30	4.768	04/04/2023	-30	58
Gamuda Land (T12) Sdn Berhad	08/25	AA3	4.023	15	3.972	31/07/2023	5	59
Perbadanan Kemajuan Negeri Selangor	03/26	AA3	4.628	15	4.599	05/09/2023	3	120
Gamuda Land (T12) Sdn Berhad	10/27	AA3	4.170	20	4.107	21/09/2023	6	53
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.226	10	4.203	13/09/2023	2	51
Malayan Banking Berhad	02/17	AA3	4.159	1	4.230	18/09/2023	-7	-11
Hong Leong Bank Berhad	11/17	A1	3.937	4	4.388	20/09/2023	-45	-33
DRB-Hicom Berhad	12/29	A+	5.152	1	5.152	18/09/2023	0	137
			397					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Segi Astana Sdn Bhd	RM415.0 million ASEAN Green Medium-Term Notes (MTN)	From A+/Negative to AA-/Negative	Rating upgraded
Zamarad Assets Berhad	Tranche 2, 3, 5 (Class A and B)	AAA/Stable	Affirmed
	Tranche 8 Class A Sukuk Murabahah	AAA/Stable	Affirmed
	Tranche Class B Sukuk Murabahah	AA2/Stable	Affirmed
Glacier Assets Berhad	RM555 mil Senior Notes under the RM800 mil Asset-Backed Medium-Term Notes Facility	AAA/Stable	Affirmed
Starbright Capital Berhad	RM665 mil Medium-Term Notes (the Notes) under RM700 mil Asset-Backed Medium-Term Notes Facility	AAA/Stable	Affirmed
Swirl Assets Berhad	RM595 mil Senior Notes under RM700 mil Asset-Backed Medium-Term Notes Facility	AAA/Stable	Affirmed
Malaysia Building Society Berhad	Corporate credit ratings	A2/Stable/P1	Affirmed
	Senior Sukuk Wakalah	A2/Stable	Affirmed
	Tier-2 Sukuk	A3/Stable	Affirmed
	Additional Tier-1 Capital Sukuk Wakalah	BBB2/Stable	Affirmed
	Tranche 2 Structured Covered Sukuk	AAA/Stable	Affirmed
	Tranche 3 Structured Covered Sukuk	From AA1/Stable to AAA/Stable	Upgraded
Malaysian Industrial Development Finance Berhad	Corporate credit ratings	From A1/P1/Negative to A2/P1/Stable	Downgraded
MIDF Amanah Investment Bank Berhad	Corporate credit ratings	From A1/P1 to A2/P1	Downgraded

Source: RAM, MARC

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