

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.13	-2
5-yr UST	3.55	-3
10-yr UST	3.44	-1
30-yr UST	3.60	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.32	0	3.39	2
5-yr	3.48	-3	3.56	4
7-yr	3.69	2	3.81	-2
10-yr	3.73	1	3.88	0
15-yr	3.97	0	4.00	-1
20-yr	4.16	2	4.19	0
30-yr	4.29	5	4.36	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.46	0
3-yr	3.33	0
5-yr	3.45	1
7-yr	3.56	0
10-yr	3.66	0

Source : Bloomberg

Upcoming Government Bond Tender

New Issuance of RM5.0b, 5Y GII 7/28 on Friday, 27th January, 2023

US Treasuries

- US Treasuries were seen pivoted around the 10-year sector in choppy trading, with some curve-steepening bias rubbing-off from Bank of Canada's signal for a plausible rate-hike pause following its latest 25bps rate hike coupled with strong sales in 5-year note futures. The curve was slightly steeper as overall benchmark yields closed lower between 1-3bps across. **The benchmark UST 2Y yield eased 2bps at 4.13% whilst the UST 10Y edged 1bps lower at 3.44%.** Treasury's \$43b of 5-year note auction saw another round of solid demand whilst keeping the January auction momentum going as BTC ratio notched 2.64x (previous six auction average: 2.39x) and awarded at 3.53% (previous auction: 3.743%). The auction benefited from earlier speculative net short positions. Meanwhile, expect markets to position themselves for a possible softer stance from the FOMC next week. Elsewhere, expect attention to shift to the release of advance 4Q2022 GDP data and latest jobless claims data tonight.

MGS/GII

- Government bonds generally endured profit-taking activities on Wednesday despite starting well on the first trading day of the Year of the Rabbit. MGS were slightly pressured in the belly and long-ends whilst GII similarly experienced some weakness in the front-ends. Overall benchmark MGS/GII yields settled mostly mixed-to-higher i.e.; between -3 to +5bps across, amid a further pullback of about 44% in market volume to RM3.87b. **The benchmark 5Y MGS 11/27 yield closed 3bps lower at 3.48% whilst the 10Y MGS 7/32 edged 1bps higher instead at 3.73%.** Interest was mainly seen in off-the-run 23's 's and also benchmark 3Y MGS/GII, 5Y, 10Y MGS. Meanwhile, expect attention to shift to the new issuance of 5Y GII on Friday.

Corp Bonds/Sukuk

- On Wednesday, Corporate Bonds/Sukuk saw activity improve as investors returned from the long Chinese Lunar New Year break; with interest seen across the curve. Overall secondary market volume was decent; rising 13% to RM346m; as yields ended mostly mixed-to-lower again. Govt-guaranteed trades consisted solely of DANAINFRA bonds. DANA 2/29 and 11/32 tranches ended 16-18bps lower compared to previous-done levels at 3.90% and 4.03% each. AAA-rated DANUM 2/35 saw yields plunge 44bps lower to 4.55%. In the AA-space, energy-related bonds that were traded included BGSM, MALAKOFF and UITM Solar. BGSM 8/27 declined 9bps to 4.31% whereas MALAKOFF 12/29 eased 6bps to 5.00%. UITM Solar however spiked 61bps to 5.75%. Meanwhile, the banking/finance space was relatively active. SME 8/25 and BPMB 3/27 bonds rallied with yields closing 26-32bps lower at 3.90% and 4.16% respectively. Others that traded included SABAH Dev Bank and AmBank Islamic bank bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.696	536	2.816	20/01/2023	-12
MGS	04/23	2.802	50	2.851	20/01/2023	-5
MGS	08/23	2.977	14	3.003	18/01/2023	-3
MGS	09/24	3.234	3	3.181	20/01/2023	5
MGS	03/25	3.316	529	3.312	20/01/2023	0
MGS	09/25	3.343	130	3.335	20/01/2023	1
MGS	07/26	3.412	5	3.380	20/01/2023	3
MGS	11/26	3.493	47	3.441	20/01/2023	5
MGS	05/27	3.489	25	3.526	20/01/2023	-4
MGS	11/27	3.479	528	3.510	20/01/2023	-3
MGS	06/28	3.701	122	3.590	20/01/2023	11
MGS	04/29	3.691	40	3.674	20/01/2023	2
MGS	08/29	3.746	15	3.755	20/01/2023	-1
MGS	04/31	3.798	55	3.788	20/01/2023	1
MGS	07/32	3.734	202	3.723	20/01/2023	1
MGS	04/33	3.887	28	3.891	20/01/2023	0
MGS	07/34	3.932	21	4.026	20/01/2023	-9
MGS	05/35	4.015	78	4.049	20/01/2023	-3
MGS	06/38	3.973	67	3.973	20/01/2023	0
MGS	05/40	4.131	55	4.144	20/01/2023	-1
MGS	10/42	4.157	102	4.141	20/01/2023	2
MGS	03/46	4.208	1	4.270	20/01/2023	-6
MGS	06/50	4.286	47	4.239	20/01/2023	5
GII	05/23	2.785	1	2.922	20/01/2023	-14
GII	07/23	2.915	22	3.298	17/01/2023	-38
GII	10/24	3.263	1	3.280	20/01/2023	-2
GII	10/25	3.390	515	3.368	20/01/2023	2
GII	03/26	3.456	102	3.465	20/01/2023	-1
GII	09/26	3.455	40	3.470	20/01/2023	-2
GII	09/27	3.563	82	3.528	20/01/2023	4
GII	10/28	3.673	102	3.728	20/01/2023	-6
GII	07/29	3.809	150	3.825	20/01/2023	-2
GII	10/30	3.842	13	3.850	20/01/2023	-1
GII	10/32	3.880	20	3.876	20/01/2023	0
GII	07/36	3.978	28	4.054	20/01/2023	-8
GII	03/38	4.003	15	4.015	20/01/2023	-1
GII	09/39	4.210	32	4.256	20/01/2023	-5
GII	09/41	4.188	15	4.184	20/01/2023	0
GII	05/47	4.326	20	4.470	20/01/2023	-14
GII	05/52	4.362	10	4.355	20/01/2023	1
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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	3.899	10	4.080	18/01/2023	-18	29
DanaInfra Nasional Berhad	11/32	GG	4.034	20	4.198	13/01/2023	-16	30
DanaInfra Nasional Berhad	04/37	GG	4.155	20	4.210	20/01/2023	-5	18
DanaInfra Nasional Berhad	05/42	GG	4.345	20	4.638	30/03/2022	-29	19
DanaInfra Nasional Berhad	11/42	GG	4.361	10	-	-	-	21
DanaInfra Nasional Berhad	08/47	GG	4.450	5	-	-	-	30
Cagamas Berhad	08/23	AAA	3.606	10	2.378	16/08/2021	123	43
Small Medium Enterprise Development Bank Malaysia	08/25	AAA	3.897	10	4.219	29/09/2022	-32	59
Bank Pembangunan Malaysia Berhad	03/27	AAA	4.160	10	4.418	09/12/2022	-26	75
Projek Lebuh raya Usahasama Berhad	01/28	AAA	4.138	3	4.199	18/01/2023	-6	65
Cagamas Berhad	01/28	AAA	4.027	10	-	-	403	54
Danum Capital Berhad	02/35	AAA	4.549	20	4.993	14/11/2022	-44	81
Sabah Development Bank Berhad	04/23	AA1	4.145	20	4.212	20/12/2022	-7	97
Pengerang LNG (Two) Sdn Berhad	10/24	AA+	3.881	5	2.789	16/06/2021	109	62
Celcom Networks Sdn Berhad	08/24	AA+	3.875	5	3.950	04/01/2023	-8	61
Sabah Development Bank Berhad	02/26	AA1	4.894	16	4.907	20/06/2022	-1	159
WCT Holdings Berhad	03/23	AA-	4.655	11	4.812	09/12/2022	-16	148
UEM Sunrise Berhad	06/23	AA-	4.476	1	4.534	18/01/2023	-6	130
Malaysian Resources Corporation Berhad	08/23	AA-	4.768	3	4.796	20/01/2023	-3	159
UEM Sunrise Berhad	09/23	AA-	4.620	2	4.667	13/01/2023	-5	144
WCT Holdings Berhad	10/23	AA-	4.942	1	5.039	16/12/2022	-10	177
Sinar Kamiri Sdn Berhad	01/28	AA-	5.498	10	5.668	03/01/2023	-17	201
Malaysian Resources Corporation Berhad	10/28	AA-	5.438	10	5.680	29/06/2022	-24	183
Jimah East Power Sdn Berhad	12/31	AA-	5.158	2	4.698	11/03/2022	46	143
UMW Holdings Berhad	04/18	AA-	4.869	2	5.320	20/01/2023	-45	72
Jimah Energy Ventures Sdn Berhad	05/23	AA3	3.740	2	2.842	21/12/2021	90	56
Perbadanan Kemajuan Pertanian Negeri Pahang (fka L	10/23	AA3	4.797	12	3.976	29/03/2022	82	162
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn I	12/23	AA3	4.625	4	4.675	13/01/2023	-5	145
Bermaz Auto Berhad	12/23	AA3	4.251	8	4.304	13/01/2023	-5	107
BGSM Management Sdn Berhad	08/27	AA3	4.311	10	4.396	03/01/2023	-9	82
Affin Islamic Bank Berhad	12/27	AA3	4.473	1	4.473	20/01/2023	0	98
Malakoff Power Berhad	12/29	AA-	5.000	45	5.058	06/12/2022	-6	132
CIMB Thai Bank Public Company Limited	07/31	AA3	4.810	4	4.852	10/01/2023	-4	111
Tropicana Corporation Berhad	10/23	A+	5.616	1	4.559	16/12/2022	106	244
UiTM Solar Power Sdn Berhad	04/27	A+	5.754	10	5.139	29/08/2022	61	235
AmBank Islamic Berhad	10/28	A1	4.045	10	4.167	15/12/2022	-12	44
AmBank (M) Berhad	10/32	A1	4.555	2	4.555	20/01/2023	0	82
CIMB Group Holdings Berhad	05/16	A1	4.257	2	3.827	28/10/2022	43	11
DRB-Hicom Berhad	12/14	A-	5.704	1	5.705	20/01/2023	0	155
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Perbadanan Kemajuan Negeri Selangor (PKNS)	RM1.7 bil Islamic Medium-Term Notes Programme (2013/2033)	AA3/Stable	Reaffirmed
	RM1 bil Islamic Commercial Paper Programme (2021/2028)	P1	Reaffirmed
	RM3 bil Islamic Medium-Term Notes Programme (2021/2121)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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