

## Global Markets Research















### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries took a beating on Monday following continued expectations that the Fed will keep interest rates high; coupled with future supply of new bonds to stem mounting federal government deficits. Bonds were also impacted by concerns over the upcoming deadline later this week for passing of a short-term spending package to allow the government to function. The curve steepened as overall benchmark yields ended higher between 1-13bps across. **The UST 2Y yield edged 1bps up at 5.13% whilst the much-watched UST 10Y spiked 10bps to 4.54%.** The consequences of a shutdown may cause the erosion of confidence and may impact key economic data releases. Fed-dated OIS is now currently pricing a 19% probability of a 25bps rate hike in the next FOMC meeting in November. Meanwhile, expect some attention to shift to peripheral data releases covering new home sales and business conditions indices.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.13	1
5-yr UST	4.62	6
10-yr UST	4.54	10
30-yr UST	4.65	13

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.57		0	3.59	
5-yr	3.70		0	3.77	
7-yr	3.86		-3	3.88	
10-yr	3.99		-1	4.00	
15-yr	4.15		0	4.10	
20-yr	4.29		-2	4.24	
30-yr	4.45		-2	4.49	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	0
3-yr	3.76	-1
5-yr	3.88	1
7-yr	4.00	-1
10-yr	4.11	-1

Source : Bloomberg

##### MGS/GII

- Local govies saw better bids especially across the belly and longer-ends on Monday, taking cue from lower IRS mid-levels. Overall benchmark MGS/GII yields ended mostly mixed-to-lower between -6 to +9bps across amid massive drop in secondary market volume to a mere RM1.16b. **Both the 5Y benchmark MGS 4/28 and MGS 11/33 yields closed unchanged at 3.70% and 4.01% each.** Interest was mainly seen in the ultra-benchmarks i.e.; 3Y, 30Y MGS. GII transactions formed 31% of overall trades.

##### Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw strong secondary market appetite with trades mainly seen across the GG to single-A part of the curve. Overall yields closed mostly higher on a higher print of 36 names; amid a three-fold jump in secondary market volume @ RM1.23b. The govt-guaranteed PRASA 31, 35 and 40 rose 9-10bps compared to previous-done levels at 3.99%, 4.15% and 4.29% each. AAA-rated SEB 32-33's notched RM190m worth of nominal trades with yields climbing 11bps to 4.23-34% levels. The AA-space saw edotco 9/27 move 6bps higher to 4.05% whilst Exsim Capital 3/26 was well bid, resulting in a 25bps plunge to 5.30%. Meanwhile, the banking/finance space saw PUBLIC 29NC24 decline 7bps to 3.70% whereas MAYBANK 31NC26 jumped 8bps instead to 4.13%.

#### Upcoming Government Bond Tender

Re-opening of RM5.0b of 5Y GII 7/28 on Wednesday, 27<sup>th</sup> of September 2023

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.287	87	3.281	22/09/2023	1
MGS	07/24	3.281	10	3.336	20/09/2023	-5
MGS	09/24	3.330	73	3.327	22/09/2023	0
MGS	03/25	3.392	31	3.434	22/09/2023	-4
MGS	09/25	3.476	19	3.477	22/09/2023	0
MGS	07/26	3.571	111	3.573	22/09/2023	0
MGS	04/28	3.699	50	3.699	22/09/2023	0
MGS	06/28	3.784	2	3.767	22/09/2023	2
MGS	04/29	3.847	5	3.864	22/09/2023	-2
MGS	08/29	3.875	1	3.881	22/09/2023	-1
MGS	04/30	3.862	40	3.890	22/09/2023	-3
MGS	04/32	4.001	1	3.881	15/09/2023	12
MGS	07/32	4.003	54	4.003	22/09/2023	0
MGS	04/33	4.022	25	4.028	22/09/2023	-1
MGS	11/33	3.992	4	4.005	22/09/2023	-1
MGS	07/34	4.070	48	4.035	22/09/2023	4
MGS	05/35	4.118	8	4.091	22/09/2023	3
MGS	04/37	4.158	44	4.163	22/09/2023	0
MGS	05/40	4.236	7	4.250	22/09/2023	-1
MGS	10/42	4.287	3	4.308	22/09/2023	-2
MGS	07/48	4.415	2	4.400	22/09/2023	1
MGS	06/50	4.351	2	4.458	22/09/2023	-11
MGS	03/53	4.450	171	4.475	22/09/2023	-2
GII	10/25	3.495	6	3.515	22/09/2023	-2
GII	03/26	3.525	2	3.587	22/09/2023	-6
GII	09/26	3.589	77	3.589	22/09/2023	0
GII	06/27	3.651	20	3.602	21/06/2023	5
GII	07/28	3.769	10	3.746	22/09/2023	2
GII	07/29	3.827	5	3.828	20/09/2023	0
GII	09/30	3.875	60	3.937	22/09/2023	-6
GII	10/32	4.000	40	4.020	22/09/2023	-2
GII	06/33	4.009	5	3.914	15/09/2023	10
GII	08/33	3.961	65	3.967	22/09/2023	-1
GII	03/38	4.104	60	4.118	22/09/2023	-1
GII	09/39	4.224	1	4.211	21/09/2023	1
GII	08/43	4.238	1	4.328	21/09/2023	-9
GII	05/52	4.487	10	4.400	22/09/2023	9
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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*
Lembaga Pembiayaan Perumahan Sektor Awam	09/28	GG	3.847	10	3.743	13/09/2023	10	14
Prasarana Malaysia Berhad	02/31	GG	3.987	20	3.898	28/08/2023	9	12
Prasarana Malaysia Berhad	02/35	GG	4.145	20	4.046	12/09/2023	10	17
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.179	20	4.089	03/08/2023	9	4
Prasarana Malaysia Berhad	02/40	GG	4.294	60	4.209	08/09/2023	9	15
Danum Capital Berhad	06/29	AAA	4.088	40	4.138	17/02/2023	-5	30
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	4.214	10	4.088	19/09/2023	13	43
UniTapah Sdn Berhad	06/31	AAA	4.328	1	4.989	22/08/2017	-66	42
Sarawak Petchem Sdn Berhad	07/32	AAA	4.293	50	4.199	19/09/2023	9	36
Amanat Lebuhraya Rakyat Berhad	10/32	AAA	4.371	20	4.291	22/09/2023	8	44
Sarawak Energy Berhad	12/32	AAA	4.230	20	4.118	30/08/2023	11	29
Sarawak Energy Berhad	07/33	AAA	4.244	170	4.138	12/09/2023	11	27
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.368	50	4.279	30/08/2023	9	40
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.402	50	4.299	30/08/2023	10	26
Tenaga Nasional Berhad	08/38	AAA	4.416	40	4.374	24/08/2023	4	28
Sabah Development Bank Berhad	07/24	AA1	5.143	2	5.195	21/09/2023	-5	185
Sabah Development Bank Berhad	04/26	AA1	4.701	2	4.655	01/08/2023	5	113
GENM Capital Berhad	07/28	AA1	4.709	1	4.939	21/09/2023	-23	100
Public Bank Berhad	07/29	AA1	3.697	40	3.768	15/08/2023	-7	-9
Malayan Banking Berhad	08/31	AA1	4.129	40	4.052	08/09/2023	8	23
edotco Malaysia Sdn Berhad	09/27	AA+	4.053	40	3.996	18/07/2023	6	41
Exsim Capital Resources Berhad	03/26	AA3	5.296	80	5.544	12/09/2023	-25	187
Pujian Bayu Sdn Berhad	07/31	AA3	4.240	20	4.227	25/08/2023	1	34
MY E.G. Services Berhad	08/26	AA-	4.653	61	5.136	21/09/2023	-48	108
MY E.G. Services Berhad	11/27	AA-	5.090	1	5.306	18/09/2023	-22	145
Point Zone (M) Sdn Berhad	03/29	AA-	4.139	30	4.089	20/09/2023	5	43
Point Zone (M) Sdn Berhad	03/32	AA-	4.319	10	4.358	04/08/2023	-4	42
Point Zone (M) Sdn Berhad	03/33	AA-	4.370	20	4.310	20/09/2023	6	43
Quantum Solar Park (Semenanjung) Sdn Berhad	10/34	AA-	4.742	3	4.799	26/01/2022	-6	77
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/39	AA-	5.672	50	5.626	19/09/2023	5	153
Solarvest Holdings Berhad	09/26	A1	4.870	1	5.406	20/09/2023	-54	130
MCIS Insurance Berhad	12/31	A2	5.216	1	4.455	21/09/2023	76	131
Eco World Capital Assets Berhad	08/24	-	4.679	1	5.582	18/09/2023	-90	139
Maxis Broadband Sdn Berhad	08/32	-	4.786	40	-	-	479	85
George Kent (Malaysia) Berhad	03/26	A+	5.210	100	5.236	11/08/2023	-3	164
DRB-Hicom Berhad	12/29	A+	5.363	110	5.152	22/09/2023	21	158
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\* The spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Pertanian Malaysia Berhad (Agrobank)	financial institution (FI) rating	AAA/Stable	Affirmed

Source: RAM, MARC

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