

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.18	6
5-yr UST	3.62	7
10-yr UST	3.50	6
30-yr UST	3.64	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.34	3	3.37	-2
5-yr	3.51	3	3.52	-4
7-yr	3.66	-3	3.81	0
10-yr	3.73	0	3.87	-1
15-yr	3.98	0	4.02	2
20-yr	4.15	-1	4.12	-6
30-yr	4.30	1	4.36	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.42	-3
3-yr	3.36	3
5-yr	3.50	5
7-yr	3.58	2
10-yr	3.69	3

Source : Bloomberg

Upcoming Government Bond Tender

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

US Treasuries

- US Treasuries lost ground in a rather volatile session following a string of US economic data that included stronger than forecast 4Q2022 GDP figures and a further decline in jobless claims which hit a 9-month low. The curve shifted higher as overall benchmark yields closed higher between 5-7bps across. **Both benchmarks i.e.; UST 2Y and UST 10Y yields jumped 6bps higher to 4.18% and 3.50% each.** Treasury's \$35b of 7-year note auction saw strong demand with dealers getting a record low allocation as BTC ratio notched 2.69x (previous six auction average: 2.51x) and awarded at 3.517% (previous auction: 3.599%). Meanwhile, demand for the Fed's overnight reverse repo facility fell to its lowest levels since June. The recent surge in T-bill supply has led to a decline in the usage of the abovementioned facility. Elsewhere, expect attention tonight to shift to the release of the Fed's preferred indicator of inflation for December i.e.; PCE and University of Michigan Sentiment indices.

MGS/GII

- Local govies closed mixed on Thursday with MGS slightly weaker and GII surprisingly more resilient despite intermittent profit-taking activities. Some impact was seen from higher IRS levels as well. Overall benchmark MGS/GII yields settled mostly mixed i.e. between -4 to +3bps across, amid a 32% jump in market volume to RM5.09b. **The benchmark 5Y MGS 11/27 yield closed 3bps higher at 3.51% whilst the 10Y MGS 7/32 settled unchanged at 3.73%.** Interest was mainly seen in off-the-run 23's and also benchmark 3Y MGS/GII, 10Y GII. Meanwhile, expect attention to shift to the new issuance of 5Y GII today.

Corp Bonds/Sukuk

- On Thursday, Corporate Bonds/Sukuk saw increased secondary market activity as investors returned from the long Chinese Lunar New Year break; with interest seen across the curve. Overall secondary market volume spiked 49% to RM516m; as yields ended mostly mixed-to-lower again. Govt-guaranteed trades were mainly dominated by DANAINFRA bonds. DANA 10/23 saw the largest transacted amounts of RM60m traded with yields ending 10bps lower at 3.38%. The long-end DANA 52's moved 18-31bps lower compared to previous-done levels at 4.52% levels. AAA-rated BAKUN 8/25 ended 20bps lower at 3.99% whereas CAGAMAS 11/27 eased 3bps lower at 4.02%. In the AA-space, FORTUNE Premier 23 and 25 ended 7bps lower at 3.67% and 4.37% each, whilst UEM Sunrise 4/25 declined 4bps to 5.16%. Meanwhile, the banking/finance space was relatively quiet.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.783	534	2.696	01/25/2023	9
MGS	04/23	2.834	150	2.802	01/25/2023	3
MGS	08/23	2.993	32	2.977	01/25/2023	2
MGS	06/24	3.213	59	3.186	01/20/2023	3
MGS	07/24	3.218	12	3.220	01/25/2023	0
MGS	09/24	3.228	3	3.234	01/25/2023	-1
MGS	03/25	3.343	730	3.316	01/25/2023	3
MGS	09/25	3.383	44	3.343	01/25/2023	4
MGS	11/26	3.409	95	3.493	01/25/2023	-8
MGS	05/27	3.490	12	3.489	01/25/2023	0
MGS	11/27	3.512	356	3.479	01/25/2023	3
MGS	06/28	3.619	87	3.701	01/25/2023	-8
MGS	04/29	3.664	578	3.691	01/25/2023	-3
MGS	08/29	3.763	29	3.746	01/25/2023	2
MGS	04/30	3.770	65	3.779	01/20/2023	-1
MGS	04/31	3.778	86	3.798	01/25/2023	-2
MGS	06/31	3.816	24	3.812	01/20/2023	0
MGS	07/32	3.734	204	3.734	01/25/2023	0
MGS	04/33	3.942	106	3.887	01/25/2023	6
MGS	07/34	3.937	7	3.932	01/25/2023	0
MGS	05/35	4.025	150	4.015	01/25/2023	1
MGS	04/37	4.047	10	4.039	01/25/2023	1
MGS	06/38	3.975	150	3.973	01/25/2023	0
MGS	05/40	4.148	73	4.131	01/25/2023	2
MGS	10/42	4.146	4	4.157	01/25/2023	-1
MGS	06/50	4.297	7	4.286	01/25/2023	1
GII	05/23	3.027	13	2.785	01/25/2023	24
GII	07/23	2.860	11	2.915	01/25/2023	-6
GII	11/23	3.100	11	3.272	01/20/2023	-17
GII	10/25	3.373	540	3.390	01/25/2023	-2
GII	03/26	3.446	70	3.456	01/25/2023	-1
GII	09/26	3.437	50	3.455	01/25/2023	-2
GII	09/27	3.521	22	3.563	01/25/2023	-4
GII	07/29	3.808	156	3.809	01/25/2023	0
GII	10/30	3.812	22	3.842	01/25/2023	-3
GII	10/32	3.868	336	3.880	01/25/2023	-1
GII	03/38	4.023	10	4.003	01/25/2023	2
GII	09/41	4.123	28	4.188	01/25/2023	-6
GII	11/49	4.383	210	4.303	01/20/2023	8
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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	10/23	GG	3.379	60	3.475	12/22/2022	-10	21
Danainfra Nasional Berhad	11/25	GG	3.556	10	3.866	01/06/2023	-31	22
Prasarana Malaysia Berhad	09/32	GG	4.065	30	-	-	-	32
Prasarana Malaysia Berhad	12/32	GG	4.035	20	4.269	01/06/2023	-23	29
Danainfra Nasional Berhad	11/34	GG	4.110	10	4.460	09/08/2022	-35	36
Danainfra Nasional Berhad	04/35	GG	4.120	10	3.960	09/15/2021	16	37
Danainfra Nasional Berhad	10/36	GG	4.179	10	4.871	09/29/2022	-69	20
Lembaga Pembiayaan Perumahan Sektor Awam	03/46	GG	4.459	20	4.725	08/18/2022	-27	31
Danainfra Nasional Berhad	05/46	GG	4.428	20	-	-	-	28
Danainfra Nasional Berhad	04/52	GG	4.519	10	4.819	12/06/2022	-30	37
Danainfra Nasional Berhad	08/52	GG	4.519	10	4.699	01/13/2023	-18	37
Danainfra Nasional Berhad	11/52	GG	4.520	10	4.829	12/28/2022	-31	37
Danum Capital Berhad	06/25	AAA	3.896	10	4.101	12/29/2022	-21	64
Small Medium Enterprise Development Bank Malaysia	08/25	AAA	3.850	5	3.897	01/25/2023	-5	52
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/25	AAA	3.985	10	4.189	12/14/2022	-20	65
Small Medium Enterprise Development Bank Malaysia	07/26	AAA	3.966	2	4.280	12/05/2022	-31	55
DiGi Telecommunications Sdn Berhad	09/26	AAA	4.037	4	4.355	12/13/2022	-32	63
Bank Simpanan Nasional Berhad	10/26	AAA	4.068	2	4.232	01/05/2023	-16	66
Cagamas Berhad	11/27	AAA	4.020	10	4.049	01/19/2023	-3	51
Public Islamic Bank Berhad	12/27	AAA	4.318	10	4.423	01/19/2023	-11	81
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.160	40	-	-	-	65
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.200	5	4.138	01/25/2023	6	69
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.451	5	4.560	01/19/2023	-11	72
Tenaga Nasional Berhad	08/38	AAA	4.499	10	4.653	01/16/2023	-15	52
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.779	5	5.300	09/21/2022	-52	63
Celcom Networks Sdn Berhad	08/24	AA+	3.885	10	3.875	01/25/2023	1	63
Fortune Premiere Sdn Berhad	03/23	AA	3.670	10	3.742	01/18/2023	-7	50
Fortune Premiere Sdn Berhad	09/25	AA	4.369	10	4.441	01/20/2023	-7	104
Imtiaz Sukuk II Berhad	04/26	AA2	4.146	2	4.728	11/09/2022	-58	81
Konsortium KAJV Sdn Bhd	05/23	AA-	4.807	5	4.856	01/18/2023	-5	163
UEM Sunrise Berhad	05/23	AA-	4.454	10	4.504	12/21/2022	-5	128
Konsortium KAJV Sdn Bhd	05/24	AA-	5.106	16	-	-	-	193
AZRB Capital Sdn Berhad	12/24	AA-	5.007	9	5.085	01/13/2023	-8	175
Guan Chong Berhad	12/27	AA-	4.798	20	5.097	10/06/2022	-30	129
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	4.658	10	4.989	10/06/2022	-33	104
MMC Port Holdings Sdn Berhad	04/32	AA-	4.948	10	5.099	01/04/2023	-15	121
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	4.216	10	4.272	01/05/2023	-6	104
Bermaz Auto Berhad	12/23	AA3	4.254	3	4.251	01/25/2023	0	108
UEM Sunrise Berhad	04/25	AA-	5.157	30	5.198	10/26/2022	-4	190
Affin Islamic Bank Berhad	12/27	AA3	4.472	2	4.473	01/25/2023	0	97
DRB-Hicom Berhad	12/24	A+	4.429	20	4.558	01/05/2023	-13	443
Tropicana Corporation Berhad	09/19	A	7.162	1	7.916	01/25/2023	-75	301
				516				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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