

Global Markets Research













Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended Tuesday mixed with very little catalyst, save for the general concern over expanding UST supply. Earlier, bonds were seen reeling after the Fed delivered a hawkish pause last week in what is seen as an aggressive rate hike campaign. The curve was slightly steeper as benchmark yields ended lower on the front end (-1bps) and higher at the longer end (+2bps). **Both the UST 2Y and much-watched UST 10Y yields settled within 1bps from prior day's close at 5.12% and 4.54% each.** The US Treasury's 2Y note auction witnessed average bidding metrics with BTC ratio coming in at 2.73x (previous six auction average: 2.77x) and awarded at 5.085% (previous auction: 5.024%). The threat of a government shutdown coupled with Moody's warning of a potential negative impact on ratings saw many investors sidelined. Meanwhile, expect some attention to shift to the final release of 2Q2023 GDP numbers tomorrow, along with jobless claims data as at 23rd September.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.12	0
5-yr UST	4.61	-1
10-yr UST	4.54	0
30-yr UST	4.68	2

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.58	 1	3.58	 -1	
5-yr	3.76	 6	3.82	 5	
7-yr	3.86	 0	3.88	 0	
10-yr	3.98	 -2	4.01	 1	
15-yr	4.17	 2	4.10	 0	
20-yr	4.30	 1	4.33	 9	
30-yr	4.46	 1	4.50	 1	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	1
3-yr	3.76	0
5-yr	3.88	0
7-yr	4.00	0
10-yr	4.13	2

Source : Bloomberg

MGS/GII

- Local govies reversed prior day's gains and drifted mostly weaker on Tuesday, taking cue from higher IRS mid-levels. Overall benchmark MGS/GII yields ended mostly higher between 0-6bps across (save for the 3Y GII and 10Y MGS); amid a sharp 34% jump in secondary market volume to RM1.56b. **The 5Y benchmark MGS 4/28 yield spiked 6bps to 3.76% whilst the 10Y MGS 11/33 edged 2bps lower instead 3.98%.** Interest was mainly seen in the off-the-run 23's, 29's, 34's and benchmark 10Y MGS. GII transactions rose to form 45% of overall trades. Meanwhile, expect attention to shift to the 5Y GII auction today.

Corp Bonds/Sukuk

- On Tuesday, the Corporate Bonds/Sukuk space continued to see strong activity with trades mainly seen across the GG-AA part of the curve. Overall yields mostly rose on a higher print of 46 names; despite a 28% decline in secondary market volume @ RM881m. Govt-guaranteed GOVCO 24's ended 8-10bps lower compared to previous-done levels between 3.39-50%. The long-end DANA 52's jumped 13-21bpd higher instead to 4.53-54% levels. AAA-rated PET Sarawak 11/27 closed unchanged at 4.08% on RM120m worth of nominal trades. The AA-space saw energy-related bonds BGSM 12/23 bonds climb 5bps to 3.84% whereas MALAKOFF 30-31's ended 2-5bps higher between 5.11-14% area. Meanwhile, the banking/finance space saw PUBLIC 4/25 bonds decline 14bps to 3.71% whilst MAYBANK 31NC26 fell 34bps to 4.15%.

Upcoming Government Bond Tender

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

Daily Trades: Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	06/24	3.284	3	3.287	25/09/2023	0
MGS	03/25	3.366	3	3.392	25/09/2023	-3
MGS	09/25	3.465	19	3.476	25/09/2023	-1
MGS	07/26	3.580	1	3.571	25/09/2023	1
MGS	11/26	3.586	64	3.589	22/09/2023	0
MGS	05/27	3.699	5	3.586	25/09/2023	11
MGS	06/28	3.802	55	3.784	25/09/2023	2
MGS	04/29	3.884	7	3.847	25/09/2023	4
MGS	08/29	3.932	177	3.875	25/09/2023	6
MGS	07/32	4.007	24	4.003	25/09/2023	0
MGS	04/33	4.010	30	4.022	25/09/2023	-1
MGS	11/33	3.975	163	3.992	25/09/2023	-2
MGS	07/34	4.053	128	4.070	25/09/2023	-2
MGS	05/35	4.107	40	4.118	25/09/2023	-1
MGS	04/37	4.170	15	4.158	25/09/2023	1
MGS	06/38	4.171	61	4.151	22/09/2023	2
MGS	05/40	4.251	13	4.236	25/09/2023	2
MGS	10/42	4.295	2	4.287	25/09/2023	1
MGS	03/46	4.404	10	4.387	25/09/2023	2
MGS	06/50	4.461	30	4.351	25/09/2023	11
MGS	03/53	4.460	7	4.450	25/09/2023	1
GII	11/23	3.103	190	3.121	20/09/2023	-2
GII	08/24	3.342	50	3.349	22/09/2023	-1
GII	09/26	3.580	7	3.589	25/09/2023	-1
GII	06/27	3.464	12	3.651	25/09/2023	-19
GII	09/27	3.731	50	3.720	22/09/2023	1
GII	07/28	3.820	60	3.746	22/09/2023	7
GII	10/28	3.810	34	3.735	20/09/2023	8
GII	07/29	3.876	30	3.827	25/09/2023	5
GII	10/32	4.006	102	4.000	25/09/2023	1
GII	03/38	4.104	80	4.104	25/09/2023	0
GII	09/39	4.250	33	4.224	25/09/2023	3
GII	08/43	4.332	20	4.238	25/09/2023	9
GII	11/49	4.494	10	4.387	25/09/2023	11
GII	05/52	4.501	30	4.487	25/09/2023	1
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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*
GovCo Holdings Berhad	02/24	GG	3.392	60	3.495	10/08/2023	-10	9
GovCo Holdings Berhad	09/24	GG	3.506	30	3.588	14/09/2022	-8	21
Lembaga Pembiayaan Perumahan Sektor Awam	08/27	GG	3.792	50	-	-	-	15
DanaInfra Nasional Berhad	08/29	GG	3.899	10	3.818	15/09/2023	8	10
Prasarana Malaysia Berhad	03/31	GG	3.988	10	4.038	29/03/2023	-5	11
DanaInfra Nasional Berhad	11/34	GG	4.139	80	4.819	28/04/2022	-68	14
DanaInfra Nasional Berhad	04/39	GG	4.270	10	4.189	12/09/2023	8	12
DanaInfra Nasional Berhad	09/50	GG	4.509	20	4.279	23/05/2023	23	23
DanaInfra Nasional Berhad	04/52	GG	4.532	10	4.400	18/09/2023	13	25
DanaInfra Nasional Berhad	10/52	GG	4.540	20	4.330	22/05/2023	21	26
Toyota Capital Malaysia Sdn Berhad	01/24	AAA	3.527	20	3.532	11/09/2023	0	23
Public Bank Berhad	04/25	AAA	3.708	10	3.850	01/09/2022	-14	28
Aman Sukuk Berhad	05/26	AAA	3.918	10	2.999	12/08/2021	92	34
Projek Lebuhraya Usahasama Berhad	01/27	AAA	4.038	20	-	-	-	46
Amanat Lebuhraya Rakyat Berhad	10/27	AAA	4.086	10	3.999	13/09/2023	9	44
Petroleum Sarawak Exploration & Production Sdn Berhad	11/27	AAA	4.082	120	4.078	22/08/2023	0	44
Amanat Lebuhraya Rakyat Berhad	10/28	AAA	4.157	20	4.028	24/08/2023	13	43
Pengurusan Air Selangor Sdn Berhad	07/29	AAA	4.140	4	4.039	12/06/2023	10	34
Pengerang LNG (Two) Sdn Berhad	10/29	AAA	4.163	5	4.019	22/08/2023	14	36
Projek Lebuhraya Usahasama Berhad	01/31	AAA	4.200	5	4.439	12/04/2023	-24	32
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/31	AAA	4.179	30	4.099	20/09/2023	8	26
Amanat Lebuhraya Rakyat Berhad	10/31	AAA	4.337	20	4.198	15/08/2023	14	42
Sarawak Energy Berhad	12/32	AAA	4.235	10	4.230	25/09/2023	0	28
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.299	50	4.229	10/08/2023	7	35
Sarawak Energy Berhad	07/33	AAA	4.244	20	4.244	25/09/2023	0	25
Danum Capital Berhad	02/34	AAA	4.199	10	4.118	29/08/2023	8	20
Sarawak Energy Berhad	08/35	AAA	4.311	11	4.221	13/09/2023	9	32
GENM Capital Berhad	08/25	AA1	4.530	10	4.474	24/08/2023	6	110
Malayan Banking Berhad	01/31	AA1	4.149	20	4.487	08/12/2022	-34	27
Celcom Networks Sdn Berhad	08/24	AA+	3.568	1	3.745	25/07/2023	-18	27
reNIKOLA Solar II Sdn Berhad	09/34	AA2	4.825	5	-	-	-	83
SP Setia Berhad	04/29	AA	4.278	10	4.349	23/06/2023	-7	48
BGSM Management Sdn Berhad	12/23	AA3	3.836	10	3.784	18/07/2023	5	54
Malayan Banking Berhad	02/17	AA3	4.148	1	4.159	22/09/2023	-1	-13
MY E.G. Services Berhad	08/26	AA-	4.837	1	4.653	25/09/2023	18	126
Point Zone (M) Sdn Berhad	03/27	AA-	4.053	20	4.106	14/07/2023	-5	48
MMC Port Holdings Sdn Berhad	04/29	AA-	4.317	10	4.289	21/09/2023	3	51
Johor Port Berhad	10/29	AA-	4.266	10	4.258	21/08/2023	1	46
Malakoff Power Berhad	12/30	AA-	5.107	15	5.058	21/09/2023	5	123
Malakoff Power Berhad	12/31	AA-	5.138	15	5.119	17/08/2023	2	122
Point Zone (M) Sdn Berhad	03/33	AA-	4.358	20	4.370	25/09/2023	-1	40
Sunsuria Berhad	12/25	A+	5.059	1	5.561	12/07/2023	-50	163
Cypark Renewable Energy Sdn Berhad	09/20	-	6.630	1	6.630	21/09/2023	0	235
Bank Muamalat Malaysia Berhad	09/22	BBB	6.120	57	-	-	-	184
				881				

* The 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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