

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended Thursday stronger following strong 2Q2023 revised GDP print with consumer spending turning out to be weaker-than-expected. Earlier in the week, bonds were seen reeling since the Fed delivered a hawkish pause in what is seen as an aggressive rate hike campaign. The curve steepened as benchmark yields ended lower between 2-7bps across. **The UST 2Y yield declined the most by 7bps to 5.12% whilst the much-watched UST 10Y eased 3bps to 4.58%.** The US Treasury's 7Y note auction witnessed weak bidding metrics with BTC ratio coming in at 2.47x (previous six auction average: 2.53x) and awarded at 4.673% (previous auction: 4.212%). Meanwhile, time is drawing near for US lawmakers to avoid a government shutdown. Expect attention to shift to the Fed's preferred inflation indicator - August PCE numbers and University of Michigan sentiment indices tonight.















MGS/GII

- Local govies were better-bid on Wednesday, partly-influenced by lower IRS mid-levels. Overall benchmark MGS/GII yields ended mostly lower between 0-12 bps across (save for the 7Y MGS/GII and 20Y MGS); amid a sharp 86% jump in secondary market volume to RM2.86b. **The 5Y benchmark MGS 4/28 yield rallied with yields ending 7bps lower at 3.69% whilst the 10Y MGS 11/33 was unchanged at 3.98%.** Interest was mainly seen in the off-the-run 25's, 29's, and benchmark 7y, 10Y GII. GII transactions jumped to form 51% of overall trades. The 5Y GII 7/28 auction saw decent bidding metrics on a BTC ratio of 1.954x and awarded at 3.808%, with interest mainly from inter-banks, pension funds and asset management companies. Meanwhile, the economic calendar remains light until 2nd October next week when the PMI manufacturing numbers for September are released.

Corp Bonds/Sukuk

- On Wednesday the Corporate Bonds/Sukuk space continued to see strong activity with trades mainly seen across the GG to single-A part of the curve. Overall yields mostly rose on a higher print of 49 names; amid a 64% jump in secondary market volume @ RM1.45b. Govt-guaranteed GOVCO 9/24s closed unchanged compared to previous-done levels at 3.51%. AAA-rated SEB dominated on RM160m worth of nominal trades. The 2032-2033 tranches closed unchanged at 4.24% levels whilst SEB 33, 35 and 36 ended mixed on yields between -20 to +12bps to close at 4.27% and 4.34%. The AA-space saw MMC 4/32 ease 4bps to 4.50%. Meanwhile, the banking/finance space saw MAYBANK 30NC25 bonds jump 11bps to 4.12% whilst MUAMALAT 2122NC28 perps spiked 19bps to 6.31%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	5.12	-7
5-yr UST	4.62	-7
10-yr UST	4.58	-3
30-yr UST	4.70	-2

MGS			GII*			
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)		
3-yr	3.53		-5	3.58		0
5-yr	3.69		-7	3.80		-2
7-yr	3.88		1	3.90		2
10-yr	3.98		0	4.01		0
15-yr	4.14		-3	4.10		0
20-yr	4.31		1	4.33		-1
30-yr	4.34		-12	4.50		0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	-1
3-yr	3.75	0
5-yr	3.86	-2
7-yr	3.98	-2
10-yr	4.11	-2

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	3.214	8	3.284	26/09/2023	-7
MGS	07/24	3.408	2	3.281	25/09/2023	13
MGS	09/24	3.335	16	3.330	25/09/2023	0
MGS	03/25	3.397	207	3.366	26/09/2023	3
MGS	09/25	3.446	13	3.465	26/09/2023	-2
MGS	04/26	3.541	10	3.564	22/09/2023	-2
MGS	07/26	3.532	29	3.580	26/09/2023	-5
MGS	11/26	3.568	33	3.586	26/09/2023	-2
MGS	05/27	3.662	21	3.699	26/09/2023	-4
MGS	11/27	3.708	71	3.710	26/09/2023	0
MGS	04/28	3.687	171	3.759	26/09/2023	-7
MGS	06/28	3.771	67	3.802	26/09/2023	-3
MGS	08/29	3.884	218	3.932	26/09/2023	-5
MGS	04/30	3.877	54	3.862	25/09/2023	1
MGS	04/31	2.442	32	3.991	26/09/2023	-155
MGS	06/31	3.989	30	3.984	22/09/2023	0
MGS	07/32	3.990	54	4.007	26/09/2023	-2
MGS	04/33	4.016	12	4.010	26/09/2023	1
MGS	11/33	3.975	13	3.975	26/09/2023	0
MGS	07/34	4.047	34	4.053	26/09/2023	-1
MGS	05/35	5.257	8	4.107	26/09/2023	115
MGS	04/37	4.144	19	4.170	26/09/2023	-3
MGS	06/38	4.137	10	4.171	26/09/2023	-3
MGS	05/40	4.253	45	4.251	26/09/2023	0
MGS	10/42	4.308	71	4.295	26/09/2023	1
MGS	09/43	4.370	60	4.358	26/09/2023	1
MGS	07/48	4.426	1	4.415	25/09/2023	1
MGS	06/50	4.468	33	4.461	26/09/2023	1
MGS	03/53	4.336	70	4.460	26/09/2023	-12
GII	10/23	3.192	5	3.119	20/09/2023	7
GII	11/23	3.177	23	3.103	26/09/2023	7
GII	08/24	3.312	80	3.342	26/09/2023	-3
GII	10/24	3.307	1	3.410	22/09/2023	-10
GII	08/25	3.416	1	3.435	25/09/2023	-2
GII	03/26	3.536	1	3.525	25/09/2023	1
GII	09/26	3.580	47	3.580	26/09/2023	0
GII	09/27	3.718	7	3.731	26/09/2023	-1
GII	07/28	3.799	1020	3.820	26/09/2023	-2
GII	10/28	3.800	2	3.810	26/09/2023	-1
GII	07/29	3.885	37	3.876	26/09/2023	1
GII	09/30	3.897	5	3.875	25/09/2023	2
GII	10/32	4.006	142	4.006	26/09/2023	0
GII	07/36	4.135	8	4.020	14/09/2023	12
GII	03/38	4.100	30	4.104	26/09/2023	0
GII	09/39	4.250	9	4.250	26/09/2023	0
GII	09/41	4.300	11	4.303	22/09/2023	0
GII	08/43	4.325	1	4.332	26/09/2023	-1
GII	11/49	4.286	3	4.494	26/09/2023	-21
GII	05/52	4.501	20	4.501	26/09/2023	0
			<u>2860</u>			

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	09/24	GG	3.505	280	3.506	26/09/2023	0	21
DanaInfra Nasional Berhad	03/27	GG	3.728	20	3.598	25/05/2023	13	15
Prasarana Malaysia Berhad	09/27	GG	3.768	10	3.679	13/09/2023	9	12
DanaInfra Nasional Berhad	06/31	GG	3.989	40	3.909	31/07/2023	8	7
DanaInfra Nasional Berhad	11/33	GG	4.109	50	3.969	05/09/2023	14	12
DanaInfra Nasional Berhad	03/34	GG	4.104	10	4.098	10/07/2023	1	12
Prasarana Malaysia Berhad	01/38	GG	4.219	30	4.150	07/08/2023	7	7
Prasarana Malaysia Berhad	01/44	GG	4.380	30	4.419	28/03/2023	-4	10
DanaInfra Nasional Berhad	08/52	GG	4.540	20	4.360	08/05/2023	18	26
DanaInfra Nasional Berhad	11/52	GG	4.545	10	4.449	09/08/2023	10	27
TM Technology Services Sdn Berhad (fka Webe Digital Sd	03/24	AAA	3.624	40	3.591	06/09/2023	3	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/25	AAA	3.753	7	3.719	30/08/2023	3	32
Pengurusan Air SPV Berhad	02/26	AAA	4.029	10	3.848	18/09/2023	18	60
Johor Corporation	06/27	AAA	4.457	10	4.423	21/09/2023	3	81
Sarawak Petchem Sdn Berhad	07/27	AAA	4.058	20	3.957	08/09/2023	10	41
Danga Capital Berhad	01/28	AAA	3.986	10	3.876	12/09/2023	11	34
Amanat Lebuhraya Rakyat Berhad	10/29	AAA	4.196	10	4.214	25/09/2023	-2	39
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	4.297	25	4.289	22/09/2023	1	41
Amanat Lebuhraya Rakyat Berhad	10/31	AAA	4.333	15	4.337	26/09/2023	0	42
Sarawak Energy Berhad	12/32	AAA	4.238	10	4.235	26/09/2023	0	29
Sarawak Energy Berhad	07/33	AAA	4.239	120	4.244	26/09/2023	0	25
Sarawak Petchem Sdn Berhad	07/33	AAA	4.299	10	4.248	18/09/2023	5	31
Sarawak Energy Berhad	11/33	AAA	4.268	10	4.149	14/09/2023	12	28
Sarawak Energy Berhad	08/35	AAA	4.339	10	4.311	26/09/2023	3	35
Sarawak Energy Berhad	04/36	AAA	4.344	10	4.548	21/02/2023	-20	19
TNB Power Generation Sdn Berhad	06/42	AAA	4.448	10	4.359	27/07/2023	9	17
YTL Power International Berhad	10/24	AA1	3.947	9	3.926	05/09/2023	2	65
Malayan Banking Berhad	10/30	AA1	4.120	10	4.014	21/09/2023	11	23
YTL Power International Berhad	08/38	AA1	4.528	10	4.459	20/09/2023	7	37
Sime Darby Property Berhad	08/28	AA+	4.098	20	4.033	18/09/2023	6	38
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA	3.994	5	4.055	07/06/2023	-6	56
OSK Rated Bond Sdn Berhad	09/30	AA	4.486	1	4.458	18/09/2023	3	60
CIMB Group Holdings Berhad	11/30	AA	4.129	10	4.048	08/08/2023	8	24
Pujian Bayu Sdn Berhad	07/30	AA3	4.134	60	4.178	25/08/2023	-4	25
Malayan Banking Berhad	02/17	AA3	4.270	44	4.148	26/09/2023	12	-1
MY E.G. Services Berhad	08/26	AA-	5.141	1	4.653	25/09/2023	49	157
Johor Port Berhad	10/27	AA-	4.158	4	4.120	18/09/2023	4	51
Eco World Capital Berhad	08/28	AA-	4.500	20	4.521	07/09/2023	-2	78
Johor Port Berhad	10/29	AA-	4.269	3	4.266	26/09/2023	0	47
Point Zone (M) Sdn Berhad	03/32	AA-	4.328	40	4.319	25/09/2023	1	41
MMC Port Holdings Sdn Berhad	04/32	AA-	4.499	45	4.538	27/07/2023	-4	55
Hong Leong Bank Berhad	11/17	A1	4.085	1	4.026	26/09/2023	6	-19
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.609	20	5.608	25/07/2023	0	196
Alliance Bank Malaysia Berhad	10/35	A2	5.136	1	4.985	18/09/2023	15	115
Eco World Capital Assets Berhad	08/24	-	4.657	1	4.679	25/09/2023	-2	136
Imtiaz Sukuk II Berhad	10/26	AA2	4.050	60	-	-	-	47
UEM Sunrise Berhad	09/28	AA2	4.820	5	-	-	-	110
Imtiaz Sukuk II Berhad	10/28	AA2	4.150	145	-	-	-	43
Bank Muamalat Malaysia Berhad	09/22	BBB	6.310	107	6.120	26/09/2023	19	203
			1447					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Muamalat Malaysia Berhad	Sukuk Wakalah Programme of up to RM5.0 billion consisting of		
	Senior Sukuk Wakalah	A+ IS/Stable	Assigned
	Tier-2 Subordinated Sukuk Wakalah	A- IS/Stable	Assigned
reNIKOLA Solar II Sdn Bhd	Additional Tier-1 Sukuk Wakalah	BBB IS/Stable	Assigned
	RM390 mil ASEAN Green SRI Sukuk Programme (2023/2041)	AA2/Stable	Assigned
IJM Land Berhad	RM2.0 bil Perpetual Sukuk Programme.	A2(s)/Stable	Affirmed

Source: RAM, MARC

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