

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were mixed in trading on Friday as the market took a breather from the rally this week, and the short end of the curve gave up some gains. Overall benchmark yields ended mixed between -3 and +5bps across, with the UST curve flattening. **The UST 2Y yield closed 5bps higher for the day at 4.89% while the benchmark UST 10Y was little changed at 4.44%.** Tonight sees the release of the US Leading Index for October, in a shortened working week ahead of the Thanksgiving holidays. The key drivers of the market this week will likely be the scheduled release of the Fed meeting minutes, as well as the preliminary US November PMIs.

MGS/GII

- Local govovies saw an active session on Friday following the rally in USTs the previous evening, even as Malaysia 3Q growth came in a touch higher than expected, matching the flash estimate released earlier. Overall benchmark MGS/GII yields closed mixed-to-lower between -11 to +11bps across, as secondary market volume doubled to RM3.49b. **The benchmark 5Y MGS 4/28 yield was lower by 3bps to 3.62% while the 10Y MGS 11/33 saw its yield decline by 1bps to 3.84%.** Interest was seen in the off-the-run 24's and 20Y MGS, and in the benchmark 10Y and 20Y GII, as well as the GII 9/26 and 10/32. GII transactions surged to constitute 53% of overall govvy trades. The attention shifts to the release of October trade data today, which is expected to show a lower rate of decline in both exports and imports.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space also saw an increase in interest in trading on Friday, as secondary market volumes rose by 45% over the previous session to RM 1.28b. Trades were focused mostly in the AAA segment of the market, with RM 905m, changing hands for the day in that space. In the gov-guaranteed universe, trading was led by LPPSA 10/38, with its yield declining by 4bps to 4.19% versus to previous-done levels. The AAA-space saw a trading debut for CAGA 11/28 which settled at 4.27% level. Trading was also seen in DANUM 5/25 and PASB 6/27, which settled at 3.82% and 4.02% respectively, an 11bps increase and 4bps decline from previously traded levels. The AA-space saw KLK 4/25 changing hands at 3.85%, a 4bps decline from where it last traded. Meanwhile, in the banking/finance space, trading was led by UOB 8/30, which settled at 3.97%, which was 3bps lower in yield from its last print 2 days ago.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.89	5
5-yr UST	4.44	2
10-yr UST	4.44	0
30-yr UST	4.59	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	-2	3.57	-3
5-yr	3.62	-3	3.69	0
7-yr	3.85	-1	3.89	-1
10-yr	3.84	-1	3.92	-2
15-yr	4.02	-2	4.04	-3
20-yr	4.20	-4	4.25	11
30-yr	4.24	-11	4.44	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.68	-2
3-yr	3.70	-5
5-yr	3.74	-8
7-yr	3.89	-5
10-yr	4.02	-5

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	3.024	311	3.107	11/16/2023	-8
MGS	07/24	3.126	35	3.150	11/16/2023	-2
MGS	03/25	3.345	10	3.353	11/16/2023	-1
MGS	09/25	3.409	6	3.393	11/16/2023	2
MGS	07/26	3.499	17	3.522	11/16/2023	-2
MGS	11/26	3.545	3	3.548	11/16/2023	0
MGS	11/27	3.641	66	3.636	11/16/2023	0
MGS	04/28	3.617	85	3.647	11/15/2023	-3
MGS	06/28	3.673	150	3.733	11/16/2023	-6
MGS	04/29	3.796	20	3.837	11/15/2023	-4
MGS	08/29	3.825	151	3.835	11/16/2023	-1
MGS	04/30	3.848	124	3.857	11/16/2023	-1
MGS	04/31	3.890	51	3.919	11/16/2023	-3
MGS	06/31	3.902	31	3.921	11/15/2023	-2
MGS	07/32	3.918	78	3.981	11/15/2023	-6
MGS	11/33	3.844	134	3.851	11/16/2023	-1
MGS	07/34	3.993	1	3.983	11/16/2023	1
MGS	05/35	4.041	20	4.042	11/16/2023	0
MGS	04/37	4.103	2	4.096	11/16/2023	1
MGS	06/38	4.024	122	4.042	11/16/2023	-2
MGS	05/40	4.219	1	4.241	11/16/2023	-2
MGS	10/42	4.199	220	4.235	11/16/2023	-4
MGS	06/50	4.232	2	4.372	11/16/2023	-14
MGS	03/53	4.236	3	4.348	11/16/2023	-11
GII	08/24	3.167	7	3.159	11/09/2023	1
GII	10/24	3.197	70	3.261	11/10/2023	-6
GII	09/26	3.571	380	3.598	11/16/2023	-3
GII	09/27	3.674	3	3.690	11/16/2023	-2
GII	07/28	3.692	72	3.691	11/15/2023	0
GII	07/29	3.849	40	3.851	11/15/2023	0
GII	09/30	3.887	20	3.901	11/15/2023	-1
GII	10/30	3.940	1	3.957	11/14/2023	-2
GII	10/32	3.949	360	4.002	11/16/2023	-5
GII	08/33	3.925	310	3.942	11/15/2023	-2
GII	07/36	4.100	6	4.074	11/16/2023	3
GII	03/38	4.042	30	4.073	11/16/2023	-3
GII	09/39	4.150	20	3.998	11/10/2023	15
GII	09/41	4.114	1	4.265	11/16/2023	-15
GII	08/43	4.245	340	4.134	11/16/2023	11
GII	05/52	4.439	190	4.443	11/16/2023	0
			3492			

Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)		
Khazanah Nasional Berhad	09/32	GG	4.036	40	4.201	2/11/2023	-17	17
Prasarana Malaysia Berhad	02/35	GG	4.071	5	4.145	25/9/2023	-7	21
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.191	80	4.229	15/11/2023	-4	15
Prasarana Malaysia Berhad	12/38	GG	4.191	10	4.419	9/10/2023	-23	15
Lembaga Pembiayaan Perumahan Sektor Awam	04/39	GG	4.208	30	4.435	24/10/2023	-23	17
Danainfra Nasional Berhad	11/48	GG	4.454	30	4.609	12/10/2023	-16	22
Danga Capital Berhad	01/24	AAA	3.761	30	3.681	22/6/2023	8	48
Danum Capital Berhad	05/25	AAA	3.819	50	3.710	17/8/2023	11	54
Pengurusan Air SPV Berhad	06/27	AAA	4.015	50	4.050	22/9/2023	-4	42
DiGi Telecommunications Sdn Berhad	12/27	AAA	3.979	5	3.919	27/7/2023	6	38
Cagamas Berhad	11/28	AAA	4.268	600	n/a	n/a	427	54
Sarawak Energy Berhad	07/30	AAA	4.168	10	4.289	2/11/2023	-12	31
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.210	50	4.129	18/7/2023	8	35
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.268	10	4.318	9/11/2023	-5	40
TNB Northern Energy Berhad	05/33	AAA	4.339	10	4.349	8/11/2023	-1	48
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.319	30	4.379	9/11/2023	-6	46
TNB Northern Energy Berhad	05/36	AAA	4.450	10	4.359	16/6/2021	9	41
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.439	10	4.478	9/11/2023	-4	40
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.439	10	4.458	16/11/2023	-2	40
Pengurusan Air Selangor Sdn Berhad	04/38	AAA	4.429	10	4.508	6/11/2023	-8	39
Pengurusan Air Selangor Sdn Berhad	04/43	AAA	4.540	10	4.720	2/11/2023	-18	31
Pengurusan Air Selangor Sdn Berhad	10/43	AAA	4.548	10	4.609	9/11/2023	-6	32
Sabah Development Bank Berhad	04/24	AA1	6.487	6	5.355	8/11/2023	113	321
Sabah Development Bank Berhad	07/24	AA1	6.046	10	4.632	10/11/2023	141	277
Kuala Lumpur Kepong Berhad	08/25	AA1	3.853	20	3.893	7/11/2023	-4	45
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.972	45	4.000	15/11/2023	-3	12
reNIKOLA Solar II Sdn Berhad	09/26	AA2	4.183	5	n/a	n/a	418	67
Press Metal Aluminium Holdings Berhad	12/27	AA2	4.229	10	4.364	27/10/2023	-14	63
Tanjung Bin Energy Sdn Berhad	03/28	AA3	4.991	2	5.051	30/10/2023	-6	140
PONSB Capital Berhad	12/28	AA3	4.259	20	4.278	17/10/2023	-2	61
AmBank (M) Berhad	10/32	AA3	4.606	1	4.645	13/10/2023	-4	74
AmBank (M) Berhad	06/33	AA3	4.460	10	4.242	24/8/2023	22	60
UEM Sunrise Berhad	12/24	AA-	4.433	10	4.512	31/10/2023	-8	116
Penang Port Sdn Berhad	12/26	AA-	4.121	10	4.177	9/11/2023	-6	61
MMC Port Holdings Sdn Berhad	04/27	AA-	4.229	10	4.224	21/9/2023	0	72
Johor Port Berhad	10/27	AA-	4.236	10	4.256	7/11/2023	-2	64
Jimah East Power Sdn Berhad	12/29	AA-	4.608	10	4.498	24/8/2023	11	83
Affin Islamic Bank Berhad	10/18	A3	4.751	1	4.747	7/11/2023	0	52
Tropicana Corporation Berhad	09/19	A-	7.239	2	8.558	4/9/2023	-132	301
Bank Muamalat Malaysia Berhad	09/22	BBB	5.701	1	6.100	15/11/2023	-40	147
				1282				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Exsim Capital Resources Berhad	RM323 mil Tranche 2 IMTN	AA2/Stable	Upgraded
	RM300 mil Tranche 3 IMTN	AA3/Stable	Affirmed
Affin Bank Berhad	Financial Institution Rating	AA3/Stable/P1	Affirmed
Digi Telecommunications Sdn Bhd	RM5 bil Islamic Medium-Term Notes Programme (2017-/-) and RM1 bil Islamic Commercial Papers (2017/2024)	AAA/Stable/P1	Affirmed
Malaysia Airports Holdings Bhd	Sukuk facilities	AAA/Stable	Affirmed

Source: RAM, MARC

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