

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 3.26 | 8 |
| 5-yr UST | 2.95 | 5 |
| 10-yr UST | 2.81 | 2 |
| 30-yr UST | 3.11 | -1 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.47 | 0 | 3.51 | -1 |
| 5-yr | 3.73 | -2 | 3.79 | 0 |
| 7-yr | 3.90 | -2 | 3.93 | 0 |
| 10-yr | 3.95 | 2 | 4.00 | -2 |
| 15-yr | 4.15 | 0 | 4.06 | -15 |
| 20-yr | 4.38 | -2 | 4.40 | 0 |
| 30-yr | 4.58 | 3 | 4.61 | 1 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.15 | 0 |
| 3-yr | 3.45 | -2 |
| 5-yr | 3.58 | -2 |
| 7-yr | 3.67 | -4 |
| 10-yr | 3.77 | -4 |

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries fell on Tuesday with the front-to-intermediate tenures pressured following hawkish concerns expected from the upcoming FOMC meeting minutes tomorrow that may prompt the Fed to continue tightening financial conditions. The heavy IG corporate issuance slate also impinged on yields. The curve continued to flatten as overall benchmark yields closed 2-8bps higher save for the long-bond. **The benchmark UST 2Y yield spiked 8bps to 3.26% whilst the much-watched UST 10Y edged 2bps higher at 2.81%.** Elsewhere, where housing data shows some concern due to higher mortgage rates and higher cost for building materials, US factories continue to print strong numbers. Fed Fund futures current pricing reveals an 83% change of a 75bps rate hike in September's FOMC meeting. Meanwhile, expect some attention to shift to the upcoming \$20Y bond auction later tonight that may weigh on the long-end.

MGS/GII

- Local govies saw MGS again mostly mixed-to-stronger on Tuesday whilst GII saw very little deviation save for the small odd-lot transaction seen in the 15Y GII. Interestingly, the mid-23's were traded at similar levels to the April 2023 gov bills effective yields ~ 2.84-87% area. Overall benchmark MGS/GII yields closed mixed mostly lower between 0-15bps across (save for the 10Y and 30Y MGS); amid the substantial jump in secondary market volume to RM2.78b. **The benchmark 5Y MGS 11/27 yield ended 2bps down at 3.73% whilst the 10Y MGS 7/32 edged 2bps higher instead at 3.95%.** Interest was mainly seen in the off-the-run 22-23's, and also 7Y, 10Y GII. GII transactions rose to form 37% of overall trades. Meanwhile, expect all eyes on the release of trade data for July this Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk however saw a livelier session on Tuesday with overall yields closing mixed, with trades notched across the GG-AA part of the curve. Secondary market volume jumped 53% higher to RM471m; with total number of trades inching higher to 21. Govt-guaranteed GOVCO 9/24 notched RM150m in nominal amounts; declining 8bps compared to previous-done levels at 3.60%. DANA 39's experienced different fortunes with the 4/39 tranche spiking 81bps at 4.51% whilst the 7/39 edged 2bps lower at 4.52%. AAA-rated PLUS 25 ended 11bps lower at 3.81% whereas AMAN 4/27 moved 4bps lower to 4.15%. AA-rated energy-related EDRA 2030 bonds edged 2bps lower at 4.72% whilst GAMUDA 11/23 spiked 56bps to 3.58%. Meanwhile, the banking space saw UOB 30NC25 bonds settling 2bps lower at 4.11%, with RM40m worth of bonds exchanging hands.

Daily Trades : Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|-------------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 09/22 | 2.296 | 200 | 2.344 | 11/08/2022 | -5 |
| MGS | 03/23 | 2.480 | 263 | 2.445 | 15/08/2022 | 4 |
| MGS | 08/23 | 2.871 | 204 | 2.810 | 15/08/2022 | 6 |
| MGS | 06/24 | 3.348 | 14 | 3.362 | 12/08/2022 | -1 |
| MGS | 09/24 | 3.342 | 19 | 3.384 | 11/08/2022 | -4 |
| MGS | 03/25 | 3.468 | 50 | 3.472 | 15/08/2022 | 0 |
| MGS | 09/25 | 3.515 | 124 | 3.532 | 15/08/2022 | -2 |
| MGS | 11/26 | 3.733 | 83 | 3.716 | 15/08/2022 | 2 |
| MGS | 05/27 | 3.766 | 21 | 3.805 | 12/08/2022 | -4 |
| MGS | 11/27 | 3.729 | 113 | 3.750 | 15/08/2022 | -2 |
| MGS | 06/28 | 3.903 | 85 | 3.916 | 15/08/2022 | -1 |
| MGS | 04/29 | 3.904 | 80 | 3.922 | 12/08/2022 | -2 |
| MGS | 08/29 | 3.935 | 1 | 3.951 | 15/08/2022 | -2 |
| MGS | 04/31 | 3.970 | 70 | 3.998 | 15/08/2022 | -3 |
| MGS | 06/31 | 3.976 | 34 | 3.989 | 15/08/2022 | -1 |
| MGS | 07/32 | 3.951 | 38 | 3.936 | 15/08/2022 | 2 |
| MGS | 04/33 | 4.091 | 50 | 4.100 | 12/08/2022 | -1 |
| MGS | 07/34 | 4.161 | 50 | 4.172 | 15/08/2022 | -1 |
| MGS | 06/38 | 4.355 | 31 | 4.346 | 15/08/2022 | 1 |
| MGS | 05/40 | 4.394 | 10 | 4.381 | 15/08/2022 | 1 |
| MGS | 10/42 | 4.380 | 10 | 4.396 | 15/08/2022 | -2 |
| MGS | 09/43 | 4.474 | 55 | 4.421 | 11/08/2022 | 5 |
| MGS | 03/46 | 4.545 | 93 | 4.562 | 10/08/2022 | -2 |
| MGS | 07/48 | 4.573 | 71 | 4.531 | 12/08/2022 | 4 |
| MGS | 06/50 | 4.577 | 3 | 4.549 | 15/08/2022 | 3 |
| GII | 07/23 | 2.844 | 210 | 2.894 | 15/08/2022 | -5 |
| GII | 11/23 | 3.089 | 70 | 3.088 | 11/08/2022 | 0 |
| GII | 08/25 | 3.455 | 3 | 3.493 | 08/08/2022 | -4 |
| GII | 10/25 | 3.505 | 35 | 3.517 | 15/08/2022 | -1 |
| GII | 03/26 | 3.680 | 90 | 3.695 | 15/08/2022 | -1 |
| GII | 09/26 | 3.739 | 40 | 3.726 | 15/08/2022 | 1 |
| GII | 07/27 | 3.836 | 50 | 3.837 | 11/08/2022 | 0 |
| GII | 10/28 | 3.928 | 39 | 3.911 | 15/08/2022 | 2 |
| GII | 07/29 | 3.932 | 130 | 3.937 | 15/08/2022 | 0 |
| GII | 10/32 | 3.999 | 300 | 4.018 | 15/08/2022 | -2 |
| GII | 05/52 | 4.605 | 50 | 4.600 | 11/08/2022 | 1 |
| | | | <u>2784</u> | | | |

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* | |
|--|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|-----|
| GovCo Holdings Berhad | 09/24 | GG | 3.597 | 150 | 3.677 | 25/05/2022 | -8 | 23 |
| Prasarana Malaysia Berhad | 09/37 | GG | 4.460 | 5 | 4.854 | 04/07/2022 | -39 | 26 |
| DanaInfra Nasional Berhad | 04/39 | GG | 4.510 | 5 | 3.700 | 30/12/2020 | 81 | 31 |
| DanaInfra Nasional Berhad | 07/39 | GG | 4.521 | 5 | 4.540 | 02/08/2022 | -2 | 33 |
| Cagamas Berhad | 11/24 | AAA | 3.807 | 30 | 3.690 | 27/06/2022 | 12 | 44 |
| Projek Lebuhraya Usahasama Berhad | 01/25 | AAA | 3.809 | 20 | 3.917 | 27/07/2022 | -11 | 45 |
| Danum Capital Berhad | 02/25 | AAA | 3.914 | 10 | 3.159 | 11/03/2022 | 76 | 44 |
| Danum Capital Berhad | 06/25 | AAA | 3.952 | 15 | 3.919 | 10/08/2022 | 3 | 47 |
| Aman Sukuk Berhad | 04/27 | AAA | 4.148 | 10 | 4.187 | 05/08/2022 | -4 | 41 |
| Johor Corporation | 06/27 | AAA | 4.416 | 1 | 4.586 | 10/08/2022 | -17 | 68 |
| Danum Capital Berhad | 06/29 | AAA | 4.309 | 25 | 4.309 | 02/08/2022 | 0 | 39 |
| Tenaga Nasional Berhad | 06/29 | AAA | 4.200 | 18 | 4.208 | 15/08/2022 | -1 | 28 |
| Sabah Development Bank Berhad | 07/24 | AA1 | 3.664 | 1 | 4.556 | 15/08/2022 | -89 | 30 |
| GENM Capital Berhad | 07/28 | AA1 | 5.168 | 81 | 4.924 | 15/08/2022 | 24 | 131 |
| United Overseas Bank (Malaysia) Berhad | 08/30 | AA1 | 4.110 | 40 | 4.126 | 11/08/2022 | -2 | 17 |
| Imtiaz Sukuk II Berhad | 04/28 | AA2 | 4.562 | 14 | 4.706 | 13/06/2022 | -14 | 71 |
| Gamuda Berhad | 11/23 | AA3 | 3.578 | 10 | 3.021 | 17/01/2022 | 56 | 63 |
| Edra Energy Sdn Berhad | 01/30 | AA3 | 4.722 | 30 | 4.747 | 09/08/2022 | -2 | 80 |
| Alliance Bank Malaysia Berhad | 10/35 | A2 | 5.382 | 1 | 5.044 | 15/08/2022 | 34 | 119 |
| Cypark Renewable Energy Sdn Berhad | 09/20 | - | 7.085 | 1 | 6.713 | 10/05/2022 | 37 | 270 |
| Cypark Renewable Energy Sdn Berhad | 09/20 | - | 7.141 | 1 | 7.122 | 20/06/2022 | 2 | 276 |
| | | | | <u>471</u> | | | | |

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

| Rating Action | | | |
|--|---|------------------------|------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Standard Chartered Bank Malaysia Berhad | financial institution ratings (FIRs) | AAA/Stable/P1 | Reaffirmed |
| Johor Port Berhad | Islamic Commercial Papers and Islamic Medium-Term Notes (ICP/IMTN) Programme with a combined limit of up to RM1.0 billion | MARC-1IS/AA-IS/Stable | Assigned |
| SHC Capital Sdn Bhd | RM80.0 million issuance under its RM200 million Islamic Medium-Term Notes (Sukuk Wakalah) Programme | AA-IS/Stable | Affirmed |
| Alam Flora Sdn Bhd | RM700.0 million ICP/IMTN programmes | MARC-1 IS/AA IS/Stable | Assigned |
| MISC Berhad | RM2.5 billion Islamic Medium-Term Notes (IMTN) programme | AAA IS/Stable | Affirmed |

Source: RAM, MARC

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