

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.60	5
5-yr UST	1.78	7
10-yr UST	1.85	7
30-yr UST	2.23	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	-5	2.81	0
5-yr	3.29	1	3.26	-1
7-yr	3.52	-1	3.39	1
10-yr	3.67	3	3.73	1
15-yr	4.08	-1	4.10	3
20-yr	4.22	1	4.25	2
30-yr	4.38	8	4.36	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.22	0
3-yr	2.84	0
5-yr	3.10	2
7-yr	3.31	0
10-yr	3.54	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries slid on Tuesday as risk-off flows eased slightly based on news wires that President Zelensky said that he was no longer pressing for NATO membership for Ukraine. The soft 3Y note auction also added to the weakness seen for bonds. The curve shifted higher as overall benchmark yields rose between 4-7bps with the belly pressured the most. **The UST 2Y yield jumped 5bps higher to 1.60% whilst the much-watched UST 10Y yield spiked 7bps to 1.85%.** The \$48b 3Y note auction notched soft bidding metrics on a mere cover of 2.39x (previous six auction average: 2.42x) and awarded at 1.775% (previous auction: 1.763%). Fears over inflation continued to haunt markets following US and UK ban on Russian oil, LNG and coal imports. The EU is scheduled to reveal plans for a joint bond issuance as much as 1.0 trillion dollars to boost the energy and defense industry. Expect attention to shift to the 10Y bond auction tonight followed by the upcoming US CPI report for February and initial jobless claims tomorrow.

MGS/GII

- Local govies saw bonds extending out from 7-years slightly pressured, taking cue from the inching up of IRS levels as foreign news over the re-emergence of inflation and the Fed's resolve to hike rates in the upcoming FOMC meeting in US made its rounds again. Overall benchmark MGS/GII yields closed mixed i.e. between -5 to +8bps amid a 34% jump in secondary market volume @ RM3.57b. **The 5Y benchmark MGS 11/26 yield edged 1bps higher at 3.29% whilst the 10Y MGS 7/32 yield rose 3bps to 3.67%.** Trades were seen extending across most tenures with interest mainly in the off-the-run 22-23's, 33's, benchmark 3Y, 5Y, 20Y MGS and also 7YGII. GII trades rose to form ~27% of overall transactions. On the data front we have the January industrial production numbers expected out on Friday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw activity ramp-up with interest mainly across the govt-guaranteed space followed by the AAA and AA-rated sectors. Overall yields closed mixed and spanned across 34 names amid the doubling of secondary market volume @ RM547m. Govt-guaranteed PASB and JKSB 23's settled 3bps up compared to previous-done levels between 2.35-47%, whilst PLUS 12/38 notched RM100m trades in nominal amounts, edging 2bps higher at 4.40%. Nevertheless, the AAA-rated PLUS 2026-2027 tranches ended between -1 to +1bps at 3.46% and 3.61% each. Sarawak-based AQUASAR 7/22 which last traded more than 4 years ago, closed a whopping 205bps lower at 2.34%. Meanwhile, the banking/finance space saw MAYBANK 32NC27 ended 3bps lower at 3.73%. SABAH Development Bank meanwhile, saw a slew of odd-lot transactions for its 2023-2026 tranches. at 4.55%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.678	201	3.809	04/03/2022	-213
MGS	03/23	1.875	345	1.854	07/03/2022	2
MGS	04/23	1.939	21	1.899	07/03/2022	4
MGS	08/23	2.227	1	2.232	07/03/2022	-1
MGS	06/24	2.697	546	2.747	07/03/2022	-5
MGS	07/24	2.765	5	2.766	07/03/2022	0
MGS	09/24	2.821	1	2.789	07/03/2022	3
MGS	03/25	2.921	2	2.929	07/03/2022	-1
MGS	09/25	3.018	24	3.039	07/03/2022	-2
MGS	04/26	3.186	43	3.206	07/03/2022	-2
MGS	11/26	3.295	185	3.286	07/03/2022	1
MGS	11/27	3.377	141	3.405	07/03/2022	-3
MGS	06/28	3.523	140	3.531	07/03/2022	-1
MGS	08/29	3.668	48	3.671	07/03/2022	0
MGS	04/30	3.676	5	3.696	07/03/2022	-2
MGS	04/31	3.701	2	3.708	07/03/2022	-1
MGS	07/32	3.669	171	3.660	07/03/2022	1
MGS	04/33	3.888	19	3.883	07/03/2022	0
MGS	07/34	4.040	3	4.046	07/03/2022	-1
MGS	05/35	4.076	30	4.082	07/03/2022	-1
MGS	04/37	4.086	281	4.069	07/03/2022	2
MGS	06/38	4.163	2	4.188	07/03/2022	-2
MGS	05/40	4.215	237	4.205	07/03/2022	1
MGS	09/43	4.346	1	4.352	07/03/2022	-1
MGS	03/46	4.446	140	4.438	07/03/2022	1
MGS	06/50	4.384	1	4.305	07/03/2022	8
GII	04/22	1.651	135	1.783	07/03/2022	-13
GII	07/22	1.700	10	1.660	04/03/2022	4
GII	05/23	1.972	66	2.076	07/03/2022	-10
GII	10/24	2.807	140	2.808	07/03/2022	0
GII	08/25	3.062	20	3.092	03/03/2022	-3
GII	09/27	3.396	60	3.384	07/03/2022	1
GII	10/28	3.597	258	3.584	07/03/2022	1
GII	10/30	3.725	10	3.711	07/03/2022	1
GII	06/33	3.940	260	3.932	07/03/2022	1
GII	07/36	4.097	20	4.065	07/03/2022	3
			<u>3574</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*
Khazanah Nasional Berhad	06/22	GG	1.957	50	1.981	24/02/2022	-2	-5
Lembaga Pembiayaan Perumahan Sektor Awam	09/22	GG	2.209	20	2.118	25/02/2022	9	20
Pengurusan Air SPV Berhad	02/23	GG	2.348	20	2.321	28/02/2022	3	34
Jambatan Kedua Sdn Berhad	07/23	GG	2.470	30	2.440	21/02/2022	3	46
Small Medium Enterprise Development Bank Malaysia Berhad	03/24	GG	2.899	50	2.931	19/01/2022	-3	48
Pengurusan Air SPV Berhad	02/29	GG	3.762	20	3.758	07/01/2022	0	22
DanaInfra Nasional Berhad	02/31	GG	3.901	30	3.930	24/02/2022	-3	24
Prasarana Malaysia Berhad	03/31	GG	3.900	20	3.931	24/02/2022	-3	24
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.400	100	4.379	04/03/2022	2	33
DanaInfra Nasional Berhad	02/51	GG	4.615	10	4.640	24/01/2022	-2	40
Aquasar Capital Sdn Berhad	07/22	AAA	2.343	50	4.388	13/11/2017	-205	33
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.456	20	3.470	07/03/2022	-1	35
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.610	40	3.598	02/03/2022	1	33
Infracap Resources Sdn Berhad	04/28	AAA	3.998	10	4.039	28/02/2022	-4	59
Bank Pertanian Malaysia Berhad	11/28	AAA	3.850	2	-	-	-	31
Genting Capital Berhad	06/22	AA1	3.426	14	3.449	02/03/2022	-2	142
Sabah Development Bank Berhad	06/23	AA1	4.065	1	3.584	02/03/2022	48	206
Sabah Development Bank Berhad	04/24	AA1	3.467	1	3.472	01/03/2022	0	105
Sabah Development Bank Berhad	03/25	AA1	4.041	8	4.041	07/03/2022	0	132
Sabah Development Bank Berhad	07/26	AA1	4.601	1	4.104	14/02/2022	50	150
Malayan Banking Berhad	10/32	AA1	3.732	10	3.758	24/02/2022	-3	7
Malaysia Airport Holdings Berhad	12/14	AA2	4.256	7	4.427	23/02/2022	-17	4
Exsim Capital Resources Berhad	03/26	AA3	4.999	1	4.999	07/03/2022	0	190
PONSB Capital Berhad	12/26	AA3	4.200	5	4.200	06/01/2022	0	92
DRB-Hicom Berhad	12/22	A+	3.544	11	3.556	21/02/2022	-1	153
Tropicana Corporation Berhad	06/23	A+	5.245	6	4.113	07/03/2022	113	324
Tropicana Corporation Berhad	10/23	A+	4.293	1	4.208	23/02/2022	9	187
YNH Property Berhad	02/27	A+	5.370	2	5.435	07/03/2022	-6	209
IJM Land Berhad	03/19	A2	4.548	1	5.045	07/03/2022	-50	33
Eco World International Berhad	04/23	-	4.971	3	3.533	03/03/2022	144	296
Eco World International Berhad	05/23	-	5.020	1	5.665	28/02/2022	-65	301
Eco World Capital Services Berhad	03/26	-	5.044	1	5.506	07/03/2022	-46	194
YNH Property Berhad	08/19	-	6.415	2	5.713	24/02/2022	70	220
YNH Property Berhad	08/19	-	6.339	2	6.341	03/03/2022	0	212
				<u>547</u>				

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

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

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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