

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.68	8
5-yr UST	1.88	10
10-yr UST	1.95	11
30-yr UST	2.34	11

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.68	-1	2.80	0
5-yr	3.28	-1	3.25	-1
7-yr	3.54	1	3.40	1
10-yr	3.67	0	3.73	0
15-yr	4.08	0	4.10	0
20-yr	4.22	0	4.25	0
30-yr	4.37	-1	4.36	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.22	0
3-yr	2.86	2
5-yr	3.12	2
7-yr	3.31	0
10-yr	3.54	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries extended losses further for a 3<sup>rd</sup> straight session on Wednesday as concerns over rising inflation persisted despite the plunge in oil prices. Bond yields also cheapened considerably on improvement in investor confidence and hope that the Russia-Ukraine hostility could be achieved soon. The hedging ahead of heavy IG issuance slate was also a factor that weighed on the curve. The curve shifted higher again as overall benchmark yields rose between 8-11bps. **The UST 2Y yield jumped 8bps higher to 1.68% whilst the much-watched UST 10Y yield spiked 11bps to 1.95%.** The \$34b 10Y bond auction notched decent bidding metrics on a cover of 2.47x (previous six auction average: 2.51x) and awarded at 1.92%, up from the 1.904% seen in the previous exercise. The Fed which has purchased close to \$3.1 trillion of Treasury securities since cutting rates in March 2020 is expected to provide more details over its asset run-off in next week's FOMC meeting. Expect attention to focus on the important February CPI numbers and also jobless claims expected out tonight.

MGS/GII

- Local govvnies saw lesser movements with the short-end markedly richer. However the belly was seen slightly pressured over continuing foreign news regarding the re-emergence of inflation and the Fed's intention to hike rates in the upcoming FOMC meeting. Overall benchmark MGS/GII yields closed mixed again i.e. between a mere -1 to +1bps amid a 26% jump in secondary market volume @ RM4.50b. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.28% whilst the 10Y MGS 7/32 yield settled almost unchanged at 3.67%.** Trades were seen extending across most tenures with interest mainly in the off-the-run 22-23's, 33's, benchmark 3Y MGS and 5Y GII. GII trades rose to form ~33% of overall transactions. On the data front we have the January industrial production numbers expected out tomorrow.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw improved activity with interest across the curve. The AA-rated sectors dominated trades, followed by the govt-guaranteed and AAA-rated space. Overall yields closed mixed and spanned across 50 names amid a sustained secondary market volume of RM562m. Govt-guaranteed GOVCO 2/24 spiked 32bps compared to previous-done levels at 2.80% on substantial trades totalling RM55m. DANA 9/29 and 2/31 however closed unchanged at 3.75% and 3.90% each. AAA-rated DANGA 27-28's moved 2-7bps lower between 3.72-74%. TNB meantime saw its 11/36 tranche jump 10bps higher to 4.35% whereas its 11/41 tranche eased 3bps to 4.58%. AA-rated energy bonds EDRA saw a slew of tranches i.e. 2027-2038 trade between -22bps to +10bps; closing between 4.00% and 4.85%. Meanwhile, the banking/finance space saw MUFG Bank 3/23 close unchanged at 2.59% whilst MAYBANK 2117NC26 decline 8bps to 3.52%.

## 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	528	1.678	08/03/2022	0
MGS	09/22	1.701	20	0.000	08/03/2022	170
MGS	03/23	1.825	626	1.875	08/03/2022	-5
MGS	04/23	1.881	3	1.939	08/03/2022	-6
MGS	08/23	2.250	56	2.227	08/03/2022	2
MGS	06/24	2.683	360	2.697	08/03/2022	-1
MGS	07/24	2.763	4	2.765	08/03/2022	0
MGS	09/24	2.777	64	2.821	08/03/2022	-4
MGS	09/25	3.012	2	3.018	08/03/2022	-1
MGS	04/26	3.151	1	3.186	08/03/2022	-4
MGS	07/26	3.232	1	3.274	07/03/2022	-4
MGS	11/26	3.283	136	3.295	08/03/2022	-1
MGS	05/27	3.358	101	3.366	08/03/2022	-1
MGS	11/27	3.382	171	3.377	08/03/2022	1
MGS	06/28	3.535	159	3.523	08/03/2022	1
MGS	08/29	3.678	45	3.668	08/03/2022	1
MGS	04/30	3.687	6	3.676	08/03/2022	1
MGS	04/31	3.698	113	3.701	08/03/2022	0
MGS	04/32	3.784	1	3.817	25/02/2022	-3
MGS	07/32	3.671	91	3.669	08/03/2022	0
MGS	04/33	3.872	2	3.888	08/03/2022	-2
MGS	11/33	3.920	1	3.941	04/03/2022	-2
MGS	07/34	4.034	67	4.040	08/03/2022	-1
MGS	05/35	4.079	124	4.076	08/03/2022	0
MGS	04/37	4.073	1	4.086	08/03/2022	-1
MGS	06/38	4.179	12	4.163	08/03/2022	2
MGS	05/40	4.215	169	4.215	08/03/2022	0
MGS	06/50	4.374	167	4.384	08/03/2022	-1
GII	03/22	1.751	21	1.767	04/03/2022	-2
GII	04/22	1.754	250	1.651	08/03/2022	10
GII	10/24	2.799	25	2.807	08/03/2022	-1
GII	08/25	3.037	1	3.062	08/03/2022	-2
GII	03/26	3.254	3	3.262	08/03/2022	-1
GII	09/27	3.404	390	3.396	08/03/2022	1
GII	08/28	3.615	10	3.590	04/03/2022	3
GII	10/28	3.595	199	3.597	08/03/2022	0
GII	07/29	3.622	2	3.641	03/03/2022	-2
GII	10/30	3.725	60	3.725	08/03/2022	0
GII	06/33	3.935	510	3.940	08/03/2022	0
			<u>4498</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	02/24	GG	2.796	55	2.478	10/06/2021	32	38
MKD Kencana Sdn Berhad	02/25	GG	3.223	20	2.569	21/07/2021	65	53
DanaInfra Nasional Berhad	09/29	GG	3.751	10	3.752	14/01/2022	0	13
Prasarana Malaysia Berhad	09/29	GG	3.749	15	3.838	22/02/2022	-9	13
DanaInfra Nasional Berhad	02/31	GG	3.898	10	3.901	08/03/2022	0	24
DanaInfra Nasional Berhad	09/35	GG	4.189	10	4.270	09/02/2022	-8	11
Prasarana Malaysia Berhad	09/42	GG	4.540	10	4.386	16/12/2021	15	32
MUFG Bank (Malaysia) Berhad (fka Bank of Tokyo-Mitsui)	03/23	AAA	2.585	20	2.587	07/02/2022	0	58
Danga Capital Berhad	09/27	AAA	3.715	35	3.787	11/02/2022	-7	43
Danga Capital Berhad	01/28	AAA	3.737	20	3.758	04/03/2022	-2	33
Sarawak Energy Berhad	07/29	AAA	3.898	10	3.938	22/12/2021	-4	36
EKVE Sdn Berhad	01/30	AAA	4.059	10	4.144	24/12/2021	-9	44
Infracap Resources Sdn Berhad	04/31	AAA	4.268	10	4.302	24/02/2022	-3	61
TNB Northern Energy Berhad	11/31	AAA	4.129	10	3.908	15/06/2021	22	46
Tenaga Nasional Berhad	11/36	AAA	4.349	20	4.250	03/03/2022	10	27
Tenaga Nasional Berhad	11/41	AAA	4.580	25	4.606	08/02/2022	-3	36
Sabah Development Bank Berhad	06/23	AA1	2.945	2	4.065	08/03/2022	-112	94
Sabah Development Bank Berhad	04/26	AA1	4.369	10	4.628	28/02/2022	-26	128
Sabah Development Bank Berhad	07/26	AA1	4.149	1	4.601	08/03/2022	-45	106
YTL Power International Berhad	05/27	AA1	4.645	20	4.678	21/02/2022	-3	136
Northern Gateway Infrastructure Sdn Berhad	08/31	AA1	4.279	10	4.301	29/12/2021	-2	63
Malaysia Airport Holdings Berhad	12/14	AA2	4.270	20	4.256	08/03/2022	1	5
AZRB Capital Sdn Berhad	12/22	AA-	3.484	20	3.493	09/02/2022	-1	348
Edra Energy Sdn Berhad	01/23	AA3	2.735	20	2.696	18/02/2022	4	73
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	01/23	AA3	2.964	20	2.994	14/01/2022	-3	96
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.461	6	3.484	03/03/2022	-2	104
Edra Energy Sdn Berhad	07/27	AA3	3.998	10	3.897	11/11/2021	10	71
Edra Energy Sdn Berhad	01/29	AA3	4.167	10	4.129	15/07/2021	4	63
Edra Energy Sdn Berhad	01/30	AA3	4.231	10	4.251	07/02/2022	-2	61
Edra Energy Sdn Berhad	01/31	AA3	4.278	10	4.499	29/10/2021	-22	62
Edra Energy Sdn Berhad	07/32	AA3	4.429	20	4.488	18/02/2022	-6	76
Edra Energy Sdn Berhad	01/34	AA3	4.541	10	4.488	23/12/2021	5	87
Edra Energy Sdn Berhad	07/37	AA3	4.809	10	4.740	13/09/2021	7	73
Edra Energy Sdn Berhad	01/38	AA3	4.849	10	4.849	03/03/2022	0	77
Malayan Banking Berhad	02/17	AA3	3.518	10	3.598	28/02/2022	-8	-70
Jimah East Power Sdn Berhad	06/26	AA-	4.040	10	4.048	13/01/2022	-1	96
MMC Corporation Berhad	03/28	AA-	4.277	1	4.308	26/01/2022	-3	87
Jimah East Power Sdn Berhad	06/31	AA-	4.643	20	4.701	20/10/2021	-6	99
CIMB Group Holdings Berhad	05/16	A1	2.914	1	3.308	16/02/2022	-39	-130
Tropicana Corporation Berhad	06/23	A+	5.244	3	5.245	08/03/2022	0	324
MCIS Insurance Berhad	12/31	A2	4.946	1	4.946	07/03/2022	0	128
IJM Land Berhad	03/19	A2	4.954	1	4.381	08/03/2022	57	74
Tropicana Corporation Berhad	09/19	A	6.057	2	6.585	25/02/2022	-53	184
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.075	1	4.189	17/02/2022	-11	41
Eco World International Berhad	04/23	-	3.825	2	4.971	08/03/2022	-115	182
Eco World International Berhad	05/23	-	5.018	1	5.020	08/03/2022	0	302
Eco World Capital Services Berhad	03/26	-	5.508	2	5.044	08/03/2022	46	242
YNH Property Berhad	08/19	-	5.656	1	6.339	08/03/2022	-68	144
YNH Property Berhad	08/19	-	6.517	1	6.415	08/03/2022	10	230
Cypark Renewable Energy Sdn Berhad	09/20	-	6.821	1	6.709	25/02/2022	11	260
				<u>562</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas MBS Berhad	Asset-backed Sukuk Musyarakah issuance (CMBS 2007-1-i)	AAA-IS	Affirmed
	Fixed rate serial bonds issuances (CMBS 2005-2; CMBS 2007-2)	AAA	Affirmed
MBSB Bank Berhad	RM5.0 billion Islamic Medium-Term Notes (Sustainability Sukuk Wakalah) Programme	A+IS	Assigned
Tan Chong Motor Holdings Berhad's (	RM1.5 billion Islamic Medium-Term Notes (Sukuk Murabahah) Programme.	A+IS	Assigned

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; 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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