

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.50	-1
5-yr UST	2.79	4
10-yr UST	2.78	8
30-yr UST	2.81	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.27	6	3.02	3
5-yr	3.53	7	3.69	8
7-yr	3.92	6	3.91	6
10-yr	3.99	-1	4.19	3
15-yr	4.44	5	4.39	7
20-yr	4.62	2	4.66	21
30-yr	4.72	8	4.79	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.43	5
3-yr	3.29	11
5-yr	3.69	15
7-yr	3.85	11
10-yr	4.06	7

Source : Bloomberg

### Upcoming Government Bond Tender

New issuance of RM2.5b +2.5b (private placement) of 20.5Y MGS 10/42 on Wednesday, 13<sup>th</sup> April, 2022

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries continued to see massive selling ahead of what is expected to be another hot inflation data release later tonight that is expected to see further aggressive FOMC rate hikes ahead. The curve steepened as overall benchmark yields jumped between 4-9bps across save for the short-end. **The UST 2Y yield edged 1bps lower at 2.50% whilst the much-watched 10Y yield jumped 8bps to a 3-year high of 2.78%**. The heavy IG issuance slate involving a 7-part deal totaling ~\$13b by Amazon and \$100b in upcoming Treasury coupons also weighed on the curve. Fed speak by officials Evans and Waller seemed to support a 50bps rate hike going forward. The ongoing concerns over high inflation (in the region of 8%) along with further comments on balance-sheet runoff are expected to see bonds on the backfoot. Meanwhile, expect attention to shift to the important release of March inflation data tonight.

### MGS/GII

- Local govies continued its sharp downtrend on Monday led by higher IRS levels as levels gapped higher on lower-than-expected volume. There was little effect seen from the release of the tapering in industrial production growth data for February. Overall benchmark MGS/GII yields jumped higher between 2-21bps (save for the 10Y MGS), amid a 14% rise in secondary market volume to RM1.79b. **The 5Y benchmark MGS 11/26 yield jumped 7bps higher to 3.53% whilst the 10Y MGS 7/32 edged 1bps lower instead at 3.99%**. Trades were mainly seen in the benchmark 3Y MGS, 7Y, 10Y GII. GII trades rose to form 50% of overall transactions. Whilst there are no economic data releases for the remainder of the week, expect focus to shift to 20Y auction tomorrow.

### Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw muted interest, taking cue from the weaker performance of govies. Overall yields closed mostly mixed-to-higher but spanned across a mere 14 names amid the halving of secondary market volume @ RM182m. There were no govt-guaranteed bond trades. AAA-rated PASB 8/28 jumped 21bps higher to 4.11% compared to previous-done levels whilst the 2/29 tranche fared better, closing unchanged at 4.13%. PETROLEUM Sarawak 3/31 spiked 40bps to 4.34%. The AA-sector saw energy-related bonds BGSM 9/23 edge 1bps lower at 2.89% whilst BES 7/25 rose 19bps instead to 4.01%. Meanwhile, the banking/finance space saw several odd-lot transactions in PUBLIC Bank, Alliance Bank and also Bank Islam bonds.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.749	20	1.662	08/04/2022	9
MGS	09/22	1.751	75	1.774	08/04/2022	-2
MGS	03/23	2.188	2	2.203	08/04/2022	-1
MGS	08/23	2.276	3	2.274	07/04/2022	0
MGS	06/24	2.855	77	2.478	08/04/2022	38
MGS	07/24	2.900	6	2.886	08/04/2022	1
MGS	09/24	2.928	53	2.896	08/04/2022	3
MGS	03/25	3.266	302	3.202	08/04/2022	6
MGS	09/25	3.384	55	3.285	08/04/2022	10
MGS	04/26	3.454	1	3.423	07/04/2022	3
MGS	07/26	3.502	2	3.472	07/04/2022	3
MGS	11/26	3.535	52	3.468	08/04/2022	7
MGS	05/27	3.620	7	3.562	08/04/2022	6
MGS	11/27	3.621	5	3.592	08/04/2022	3
MGS	06/28	3.915	58	3.859	08/04/2022	6
MGS	08/29	4.002	15	3.996	08/04/2022	1
MGS	04/30	4.092	1	4.048	08/04/2022	4
MGS	04/31	4.072	23	4.048	08/04/2022	2
MGS	06/31	4.137	4	4.116	08/04/2022	2
MGS	07/32	3.992	26	3.998	08/04/2022	-1
MGS	04/33	4.387	53	4.304	08/04/2022	8
MGS	11/33	4.334	3	4.343	06/04/2022	-1
MGS	07/34	4.359	5	4.378	08/04/2022	-2
MGS	05/35	4.442	13	4.380	08/04/2022	6
MGS	04/37	4.436	4	4.386	08/04/2022	5
MGS	06/38	4.529	2	4.498	06/04/2022	3
MGS	05/40	4.619	13	4.601	08/04/2022	2
MGS	09/43	4.675	2	4.610	07/04/2022	6
MGS	03/46	4.701	3	4.605	07/04/2022	10
MGS	07/48	4.720	1	4.655	08/04/2022	6
MGS	06/50	4.717	10	4.640	08/04/2022	8
GII	05/23	2.261	2	2.197	05/04/2022	6
GII	07/23	2.281	2	2.158	31/03/2022	12
GII	11/23	2.275	1	2.289	04/04/2022	-1
GII	05/24	2.832	66	2.809	07/04/2022	2
GII	08/24	3.028	44	2.926	29/03/2022	10
GII	10/24	3.018	67	2.988	08/04/2022	3
GII	10/25	3.347	5	2.996	05/04/2022	35
GII	03/26	3.519	6	3.522	08/04/2022	0
GII	09/26	3.581	4	3.461	07/04/2022	12
GII	09/27	3.693	120	3.615	08/04/2022	8
GII	10/28	3.906	229	3.846	07/04/2022	6
GII	12/28	3.909	2	3.718	23/03/2022	19
GII	09/30	4.042	2	3.903	01/04/2022	14
GII	10/30	4.111	88	4.032	07/04/2022	8
GII	10/32	4.193	190	4.158	08/04/2022	3
GII	06/33	4.305	7	4.270	07/04/2022	4
GII	08/33	4.324	4	4.263	07/04/2022	6
GII	10/35	4.430	10	4.282	24/03/2022	15
GII	07/36	4.388	3	4.317	05/04/2022	7
GII	08/37	4.520	1	4.341	01/04/2022	18
GII	09/39	4.621	10	4.517	07/04/2022	10
GII	09/41	4.663	10	4.456	08/04/2022	21
GII	11/49	4.792	17	4.749	08/04/2022	4
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			(bp)
Pengurusan Air SPV Berhad	08/28	AAA	4.110	10	3.902	30/12/2021	21	41
Pengurusan Air SPV Berhad	02/29	AAA	4.133	10	4.133	05/04/2022	0	22
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	4.344	20	3.945	04/10/2021	40	35
Tenaga Nasional Berhad	08/35	AAA	4.378	1	4.552	08/04/2022	-17	-3
Genting Capital Berhad	06/27	AA1	4.970	1	4.970	08/04/2022	0	146
Public Bank Berhad	04/32	AA1	3.830	4	-	-	-	-21
BGSM Management Sdn Berhad	09/23	AA3	2.885	30	2.891	05/04/2022	-1	75
Besraya (M) Sdn Berhad	07/25	AA3	4.009	10	3.824	16/02/2022	19	76
TG Excellence Berhad	02/20	AA-	4.060	91	4.094	08/04/2022	-3	-51
Tropicana Corporation Berhad	06/23	A+	4.792	2	5.372	08/04/2022	-58	265
Tropicana Corporation Berhad	10/25	A+	4.731	1	4.730	04/04/2022	0	148
Bank Islam Malaysia Berhad	11/27	A1	2.903	1	2.870	04/04/2022	3	-80
Alliance Bank Malaysia Berhad	10/30	A2	4.161	1	3.746	08/04/2022	42	17
Tropicana Corporation Berhad	09/19	A	6.108	1	6.109	08/04/2022	0	154
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\*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Konsortium KAJV Sdn Bhd	RM1.0 billion Sukuk Wakalah Programme	AA-IS/Stable	Affirmed
Quantum Solar Park (Semenanjung) Sdn Bhd	RM1.0 billion Green Sustainable and Responsible Investment (SRI) Sukuk	AA-IS/Stable	Affirmed
Top Glove Corporation Bhd	Corporate credit rating	AA+/Stable	Affirmed

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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