

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.47	0
5-yr UST	1.82	-2
10-yr UST	1.93	-3
30-yr UST	2.24	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	0	2.82	-1
5-yr	3.29	0	3.29	1
7-yr	3.58	-1	3.44	-2
10-yr	3.65	0	3.72	-1
15-yr	4.04	0	4.10	-4
20-yr	4.21	-4	4.30	0
30-yr	4.44	1	4.48	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.24	0
3-yr	2.92	1
5-yr	3.18	0
7-yr	3.37	3
10-yr	3.58	2

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 7Y GII 10/28 on Monday, 21st February 2022

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries extended its upward move last Friday; benefitting from their safe haven appeal as Russia-Ukraine geopolitical stand-off remains elevated. The curve flattened as overall benchmark yields declined between 0-5bps across. **The UST 2Y yield closed unchanged at 1.47% whilst the much-watched UST 10Y eased 3bps to 1.93%.** On the flipside, existing home sales recorded a spike in January following a plunge in the prior month. Nevertheless, investors are believed to have switched funds out of cash and pumped money into bonds at a fast pace seen in the last two weeks as rate hike premium eased slightly out of OIS by ~30bps; hence indicating a probability of 1.2x hikes in March with almost six (6) rate hikes of 25bps each by the Fed before the year-end. With Monday being a holiday, expect attention to shift to a blitz of coupon offerings i.e. \$52b 2Y notes on Wednesday, \$53b 5Y notes on Thursday followed by \$50b in 7Y notes come Friday. On the data front, we also have the projected Markit US manufacturing and services data for February due out on Tuesday.

MGS/GII

- Last Friday, local govies saw a relatively quiet session on lesser velocity; with the longer ends-slightly pressured whilst taking cue from higher IRS levels. Some safe-haven demand provided support due to both ongoing Omicron-related cases and also Russia-Ukraine standoff. Overall benchmark MGS/GII yields closed mostly unchanged-to-lower between 0-4 bps across the curve (save for the ultra-long tenures and 5Y GII), amid a 38% drop in secondary market volume @ RM1.69b. **Both the 5Y benchmark MGS 11/26 and MGS 7/32 yields settled almost unchanged at 3.29% and 3.65%.** Interest was mainly seen in the off-the-run 22's, 3Y GII and also 10Y MGS. GII trades maintained to form ~43% of overall transactions. Expect attention to shift to the 7Y GII auction today with the next batch of economic data i.e. January CPI being released on Thursday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw robust interest last Friday with transactions seen across the GG to single-A part of the curve. Overall yields closed mostly mixed-to-higher, spanning across 40 names amid a sharp 60% jump in secondary market volume to RM831m. The longer-end govt-guaranteed DANA 11/35 and 4/37 rose between 7-12bps compared to previous-done levels between 4.26-36%. AAA-rated PUTRAJAYA 24 and DANUM 25 ended on opposite sides with the former jumping 8bps higher to 2.88% whereas the later declined by 8bps instead to 3.27%. In the AA-sector, toll-operator ANIH saw a near repeat of prior day's transactions with the 2025-2028 tranches edging 0-2bps lower between 3.77- 4.24% whilst the 11/29 tranche spiked 21bps to 4.33%. Meanwhile, the banking/finance space saw several trades ~ with AmBank Islamic 3/25 climbing 5bps to 3.71% whilst HLA 30NC25 spiked 36bps to 3.91%. Bank Islam 30NC25 too rose 24bs to 3.74%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.679	153	1.700	17/02/2022	-2
MGS	08/22	1.604	3	1.684	15/02/2022	-8
MGS	04/23	2.010	2	2.027	17/02/2022	-2
MGS	08/23	2.320	1	2.320	17/02/2022	0
MGS	06/24	2.715	31	2.716	17/02/2022	0
MGS	07/24	2.811	6	2.832	17/02/2022	-2
MGS	09/24	2.836	9	2.844	17/02/2022	-1
MGS	09/25	3.017	7	3.041	17/02/2022	-2
MGS	04/26	3.177	11	3.223	17/02/2022	-5
MGS	11/26	3.293	15	3.295	17/02/2022	0
MGS	05/27	3.407	23	3.420	17/02/2022	-1
MGS	11/27	3.433	60	3.428	17/02/2022	0
MGS	06/28	3.575	62	3.590	17/02/2022	-1
MGS	08/29	3.671	11	3.685	17/02/2022	-1
MGS	04/31	3.717	106	3.703	17/02/2022	1
MGS	06/31	3.748	2	3.767	17/02/2022	-2
MGS	07/32	3.655	323	3.652	17/02/2022	0
MGS	07/34	3.985	21	4.003	17/02/2022	-2
MGS	04/37	4.015	6	4.034	17/02/2022	-2
MGS	05/40	4.207	19	4.253	17/02/2022	-5
MGS	09/43	4.381	7	4.386	14/02/2022	0
MGS	06/50	4.439	30	4.426	17/02/2022	1
GII	03/22	1.655	125	1.312	17/02/2022	34
GII	04/22	1.671	84	1.601	17/02/2022	7
GII	07/23	2.181	51	2.180	03/02/2022	0
GII	10/24	2.816	168	2.824	17/02/2022	-1
GII	10/25	2.980	5	3.071	16/02/2022	-9
GII	03/26	3.292	1	3.279	17/02/2022	1
GII	09/27	3.437	155	3.453	17/02/2022	-2
GII	10/28	3.606	91	3.589	17/02/2022	2
GII	10/30	3.720	70	3.731	17/02/2022	-1
GII	06/33	3.938	3	3.965	11/02/2022	-3
GII	07/36	4.104	1	4.144	17/02/2022	-4
GII	11/49	4.479	30	4.479	17/02/2022	0
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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*
Prasarana Malaysia Berhad	11/28	GG	3.782	40	3.763	08/11/2021	2	20
GovCo Holdings Berhad	02/32	GG	4.019	15	3.630	08/07/2021	39	34
DanaInfra Nasional Berhad	11/35	GG	4.260	5	4.189	06/10/2021	7	19
DanaInfra Nasional Berhad	04/37	GG	4.355	35	4.239	10/01/2022	12	29
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/23	AAA	2.553	30	2.558	10/01/2022	0	52
Putrajaya Holdings Sdn Berhad	04/24	AAA	2.878	30	2.798	15/10/2021	8	46
Aman Sukuk Berhad	07/24	AAA	2.969	20	2.712	03/08/2021	26	55
Danum Capital Berhad	02/25	AAA	3.268	25	3.344	11/02/2022	-8	47
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.576	10	3.549	14/01/2022	3	26
Pengerang LNG (Two) Sdn Berhad	10/28	AAA	3.799	5	-	-	-	22
EKVE Sdn Berhad	01/31	AAA	4.258	3	3.839	27/09/2021	42	58
Tenaga Nasional Berhad	11/36	AAA	4.365	30	4.283	17/02/2022	8	30
Sabah Development Bank Berhad	06/23	AA1	3.493	2	4.006	17/02/2022	-51	146
YTL Power International Berhad	08/23	AA1	3.594	10	3.695	29/09/2021	-10	117
Sabah Development Bank Berhad	07/24	AA1	3.801	2	4.186	17/02/2022	-39	138
Kuala Lumpur Kepong Berhad	08/25	AA1	3.495	2	2.998	14/07/2021	50	69
Sabah Development Bank Berhad	08/25	AA1	4.500	25	4.330	02/06/2021	17	170
Samalaju Industrial Port Sdn Berhad	12/25	AA1	3.618	10	3.179	19/08/2021	44	52
Anih Berhad	11/25	AA	3.767	10	3.769	17/02/2022	0	66
Anih Berhad	11/26	AA	3.995	5	3.998	17/02/2022	0	68
Anih Berhad	11/27	AA	4.119	60	4.138	17/02/2022	-2	68
Anih Berhad	11/28	AA	4.236	40	4.260	17/02/2022	-2	65
Anih Berhad	11/29	AA	4.328	10	4.117	05/04/2021	21	68
TG Excellence Berhad	02/20	AA-	4.078	30	4.082	17/02/2022	0	-18
Edra Energy Sdn Berhad	01/23	AA3	2.696	30	2.701	16/02/2022	0	66
Perbadanan Kemajuan Negeri Selangor	02/23	AA3	3.380	100	-	-	-	135
Perbadanan Kemajuan Negeri Selangor	02/24	AA3	3.780	30	-	-	-	136
Besraya (M) Sdn Berhad	07/24	AA3	3.508	10	3.397	29/11/2021	11	109
Perbadanan Kemajuan Negeri Selangor	02/25	AA3	4.210	100	-	-	-	141
AmBank Islamic Berhad	03/25	AA3	3.706	30	3.658	02/12/2021	5	90
Besraya (M) Sdn Berhad	07/28	AA3	4.268	10	3.432	25/08/2020	84	83
Hong Leong Assurance Berhad	01/30	AA3	3.907	20	3.547	08/09/2021	36	26
Edra Energy Sdn Berhad	07/32	AA3	4.488	2	4.369	16/11/2021	12	81
Malaysian Resources Corporation Berhad	08/23	AA-	3.723	20	3.837	05/10/2021	-11	169
WCT Holdings Berhad	10/23	AA-	4.116	12	4.167	22/07/2021	-5	169
Bank Islam Malaysia Berhad	03/30	A1	3.735	10	3.496	08/03/2021	24	9
Tropicana Corporation Berhad	06/23	A+	4.631	1	5.108	17/02/2022	-48	260
Alliance Bank Malaysia Berhad	10/30	A2	3.447	2	3.739	17/02/2022	-29	-23
Affin Bank Berhad	07/18	A3	3.704	1	4.360	16/02/2022	-66	-55
Cypark Renewable Energy Sdn Berhad	09/20	-	6.816	1	6.705	28/01/2022	11	256
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Hong Leong Financial Group Berhad	Corporate credit ratings	AA1/Stable/P1	Reaffirmed
	RM25 billion Multi-Currency Senior Notes, Tier-2 Subordinated Notes, and Additional Tier-1 Capital Securities Programme (2017/2117)	AA1/Stable, AA2/Stable and A1/Stable	Reaffirmed
Hong Leong Bank Berhad (the Bank), Hong Leong Islamic Bank Berhad (HLISB) and Hong Leong Investment Bank Berhad (HLIB)	Financial institution ratings (FIRs)	AA1/Stable/P1	Reaffirmed
Hong Leong Bank Berhad	RM10 billion Multi-Currency Subordinated Notes Programme (2014/2044)	AA1/Stable/P1	Reaffirmed
	RM10 billion Multi-Currency Additional Tier-1 Capital Securities Programme (2017/2117)	A1/Stable	Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

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