

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US treasuries came under broad selling pressure amid expectations for continuous aggressive rate hikes ahead. Trailing the Fed, BOE, SNB and several other central banks have followed suit in raising rates yesterday, suggesting the global tightening cycle is far from over. Overall benchmark yields rose 8-18bps across the curve, led by the 10Y (+18bps to 3.72%). The front end 2Y note yields climbed 8bps higher to 4.13%, bear steepening the curve and somewhat narrowed the yield curve inversion to -41bps. Overnight data skewed to the negative side with uptick seen in initial jobless claims and weakness in Kansas City Fed manufacturing. Leading index extended its 6<sup>th</sup> straight month of losing streak, suggesting softening growth ahead, likely compounded by the series of aggressive Fed move. September PMIs will be up next to shed more clues on the health of the US economy.

##### MGS/GII

- Local govies went through another day of choppy trade as markets digest the Fed's third consecutive three-quarter point rate hike, and hawkish guidance for a 4.6% terminal rate. Overall benchmark yields retreated from intraday high but still ended higher between 1-11bps along with continuous rise in IRS (7-9bps). The benchmark 5Y MGS 11/27 yield jumped 5bps up at 4.00% whilst the 10Y MGS 7/32 yield rose 3bps to 4.26%. Trading interests in the secondary market picked up again, with RM3.77bn (prior: RM3.08bn) trades done. Unlike recent trading pattern, the bulk of the trading centered around the benches, 5Y MGS 11/27 and 7Y benchmark MGS 4/29, the latter due to reopening debt auction. The RM5.0bn reopening sale of MGS 4/29 attracted a BTC of only 1.6x at an average yield of 4.232% amid prevailing market jitters. In the GII space, trading accounted for a bigger 36% share of overall trade, with the 7Y benchmark GII 10/28 leading with RM349m done. Attention will be on Malaysia CPI at noon today where we expect a 4.5% print.

##### Corp Bonds/Sukuk

- Trading activities in Corporate Bonds/Sukuk gathered steam again, with RM281m changed hands in the secondary market yesterday. No GG papers were traded and focus continued to center around AAA to A-part of the curve. Single A-rated SUKE '27 stole the limelight with a super size RM140m deals transacted. Maiden debut of Konsortium KAJV '28 and '29 followed with RM65m and RM30m done at 5.73% and 6.20% respectively. AAA-rated TNB '36 and TNB Power '37 were also heavily traded, between 4.79% and 4.83%, up 10-13 bps.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.13	8
5-yr UST	3.94	17
10-yr UST	3.72	18
30-yr UST	3.64	14

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.58	1	3.68	9
5-yr	4.00	5	4.03	0
7-yr	4.23	11	4.23	7
10-yr	4.26	3	4.30	8
15-yr	4.44	3	4.48	4
20-yr	4.61	3	4.58	4
30-yr	4.75	3	4.76	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.55	7
3-yr	3.87	7
5-yr	4.05	8
7-yr	4.18	9
10-yr	4.35	9

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

## Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/23	2.77	34	2.99	21/9/2022	-23
MGS 04/23	2.86	31	2.92	21/9/2022	-6
MGS 08/23	3.05	17	3.00	21/9/2022	5
MGS 06/24	3.45	0	3.41	21/9/2022	4
MGS 07/24	3.43	50	3.38	21/9/2022	5
MGS 09/24	3.53	6	3.42	20/9/2022	11
MGS 03/25	3.56	101	3.53	21/9/2022	3
MGS 09/25	3.57	16	3.62	21/9/2022	-5
MGS 07/26	3.80	2	3.84	21/9/2022	-4
MGS 11/26	3.91	30	3.83	21/9/2022	8
MGS 11/27	4.04	301	3.96	21/9/2022	8
MGS 06/28	4.16	78	4.03	21/9/2022	13
MGS 04/29	4.22	1542	4.07	21/9/2022	15
MGS 08/29	4.22	31	4.12	21/9/2022	10
MGS 04/31	4.31	52	4.26	21/9/2022	5
MGS 07/32	4.24	73	4.20	21/9/2022	4
MGS 04/33	4.38	1	4.39	21/9/2022	-1
MGS 04/37	4.40	35	4.40	21/9/2022	0
MGS 05/40	4.61	3	4.60	21/9/2022	1
MGS 03/46	4.70	1	4.75	21/9/2022	-4
MGS 07/48	4.71	0	4.69	20/9/2022	2
MGS 06/50	4.60	2	4.56	21/9/2022	4
GII 05/24	3.39	14	3.35	20/9/2022	4
GII 08/24	3.44	40	3.33	9/9/2022	11
GII 10/24	3.45	50	3.37	20/9/2022	8
GII 10/25	3.67	150	3.58	21/9/2022	9
GII 09/26	3.93	50	3.80	19/9/2022	13
GII 07/27	4.05	32	4.01	21/9/2022	4
GII 09/27	4.05	167	4.00	21/9/2022	4
GII 10/28	4.20	349	4.12	21/9/2022	8
GII 07/29	4.26	347	4.10	21/9/2022	16
GII 10/30	4.30	6	4.25	21/9/2022	5
GII 10/32	4.35	113	4.21	20/9/2022	14
GII 09/41	4.58	40	4.54	21/9/2022	4
GII 05/52	4.70	0	4.65	20/9/2022	5
		<u>3765</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*	
Pengerang LNG (Two) Sdn Berhad	10/23	AAA	3.57	10	3.46	12/8/2022	11	54
Toyota Capital Malaysia Sdn Berhad	02/25	AAA	4.10	5	4.05	8/9/2022	5	67
Tenaga Nasional Berhad	11/36	AAA	4.79	0	4.66	8/8/2022	13	32
TNB Power Generation Sdn Berhad	06/37	AAA	4.83	10	4.73	5/9/2022	10	36
Tenaga Nasional Berhad	06/37	AAA	4.83	10	4.80	15/9/2022	3	36
Pengurusan Air Selangor Sdn Bhd	09/37	AAA	5.14	5	-	-	514	67
Sabah Development Bank Berhad	07/24	AA1	3.87	0	4.60	21/9/2022	-73	44
GENM Capital Berhad	07/28	AA1	5.04	1	5.40	20/9/2022	-36	91
Northern Gateway Infrastructure Sdn Berhad	08/29	AA1	4.69	2	3.42	8/12/2020	127	47
Konsortium KAJV Sdn Bhd	05/28	AA-	5.73	65	-	-	573	161
Konsortium KAJV Sdn Bhd	05/29	AA-	6.20	30	-	-	620	198
Tropicana Corporation Berhad	06/23	A+	5.45	1	3.59	7/9/2022	186	242
Tropicana Corporation Berhad	10/25	A+	6.15	1	5.99	15/9/2022	16	261
DRB-Hicom Berhad	12/26	A+	4.58	1	5.09	13/9/2022	-50	77
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.96	100	6.41	17/1/2019	-45	194
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.96	40	5.64	15/11/2019	32	194
DRB-Hicom Berhad	12/29	A+	5.61	1	5.60	27/7/2022	1	138
			<u>281</u>					

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

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<b>Rating Action</b>			
<b>Issuer</b>	<b>PDS Description</b>	<b>Rating/Outlook</b>	<b>Action</b>
Nil	Nil	Nil	Nil

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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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