

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.97	-3
5-yr UST	1.55	-1
10-yr UST	1.77	1
30-yr UST	2.11	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.80	0	2.88	0
5-yr	3.28	1	3.29	0
7-yr	3.48	-1	3.41	-2
10-yr	3.69	2	3.72	-2
15-yr	4.03	2	4.10	0
20-yr	4.26	28	4.30	0
30-yr	4.34	0	4.38	-9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.19	0
3-yr	2.86	1
5-yr	3.13	0
7-yr	3.35	-1
10-yr	3.55	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs which was initially bid up in early trading amid looming Fed rate hike expectations and Russia-Ukraine geopolitical risks reversed gains to end the day mixed. This came on the back of the last minute recovery in equities on bargain hunting and expectations for less aggressive Fed rate hike path towards end 2022. Latest Markit PMI composite index showed economic activities decelerate to its softest patch since Jul-20. The yield curve turned steeper as the front end ended richer. The 2-year note yield fell 3bps back below the 1.00% level at 0.97%, following strong demand for the \$54bn 2Y bond auction which attracted a robust BTC of 2.81x (prior 2.55x) at a high yield of 0.99% (prior 0.77%). Meanwhile, 10Y note yield edged 1bp higher at 1.77%. Further weaknesses in consumer confidence and Richmond Fed manufacturing index due for release tonight will likely dent recovery optimism, hence keeping UST supported ahead of FOMC meet on 27-Jan.

MGS/GII

- The local govies went through some contrasting performance in the MGS and GII space, the former witnessing overall selloffs but GII advanced. Overall MGS yields closed higher save for the 1bps decline in 7Y whilst GII, which made up a higher share of more than half of overall trades, saw yields ending flat to 9bps lower. The 20Y MGS yields spiked 28bps, normalizing from similar decline last Friday. Secondary market volume was however a tad softer at RM1.67bn (prior: RM2.14bn), although trading interests were scattered well across 56 different papers (prior: 39). Off the run MGS 3/22 attracted the most interest with RM206m dealt at 1.75% (-25bps), followed by off the run GII 4/22 and 7/22, with RM212m and RM345m changed hands at 1.62% (+7bps) and 1.70% (-5bps) respectively. The 5Y benchmark 11/26 yield edged 1bp up at 3.28% whilst the 10Y benchmark MGS 7/32 settled 2bps higher at 3.69%. Growing expectations for OPR hike in 2H2022 may exert some pressure on the local govies near term but we expect measured normalization by BNM to remain supportive of local bonds overall.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space continued to see robust trading activity albeit with slight dip in secondary market volume to RM847m. Trading interests remained in the GG-AA part of the curve with yields traded mostly lower. Government-guaranteed DANA 10/31 stole the limelight with RM280m traded 7bps inner at 3.91%. DANA 5/31, 2/51 and 11/51 saw a combined RM31m changed hands at 3.98%, 4.64% and 4.52% respectively. Other notable trades include AAA-rated CAGA 12/22 and Putrajaya 7/24, last dealt at 2.15% (-3bps) and 3.09% (+38bps). Meanwhile the banking/finance space attracted some interests. MBB 1/31 saw RM10m changed hands at 3.55% (-13bps), First Abu Dhabi Bank 12/27 (RM10m) traded 32bps higher at 3.96% while SDB 3/24 was last dealt at 3.84%, also with RM10m transacted.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 03/22	1.75	206	2.00	21/01/2022	-25
MGS 09/22	1.67	3	1.61	21/01/2022	6
MGS 03/23	2.07	4	2.13	21/01/2022	-6
MGS 04/23	2.11	21	2.12	21/01/2022	-1
MGS 08/23	2.35	1	2.33	20/01/2022	2
MGS 06/24	2.80	5	2.80	21/01/2022	0
MGS 07/24	2.79	8	2.87	21/01/2022	-9
MGS 09/24	2.92	1	2.93	20/01/2022	0
MGS 03/25	2.94	1	2.97	21/01/2022	-3
MGS 09/25	3.03	8	3.04	21/01/2022	-1
MGS 04/26	3.16	40	3.22	20/01/2022	-6
MGS 07/26	3.23	2	3.26	21/01/2022	-3
MGS 11/26	3.28	48	3.27	21/01/2022	1
MGS 03/27	3.31	1	3.30	19/01/2022	2
MGS 05/27	3.36	35	3.34	21/01/2022	2
MGS 11/27	3.39	62	3.40	21/01/2022	-1
MGS 06/28	3.48	30	3.49	21/01/2022	-1
MGS 08/29	3.62	12	3.61	21/01/2022	1
MGS 04/30	3.71	75	3.73	21/01/2022	-2
MGS 04/31	3.70	10	3.71	21/01/2022	-1
MGS 06/31	3.71	7	3.73	21/01/2022	-2
MGS 07/32	3.69	60	3.67	21/01/2022	2
MGS 04/33	3.92	2	3.92	20/01/2022	0
MGS 11/33	3.97	3	3.97	21/01/2022	0
MGS 07/34	4.02	51	4.02	21/01/2022	0
MGS 05/35	4.03	10	4.02	21/01/2022	2
MGS 04/37	4.05	3	4.07	19/01/2022	-2
MGS 06/38	4.21	2	4.10	21/01/2022	12
MGS 05/40	4.26	55	3.99	21/01/2022	28
MGS 09/43	4.41	40	4.40	21/01/2022	2
MGS 07/48	4.47	2	4.49	20/01/2022	-2
MGS 06/50	4.34	5	4.34	21/01/2022	0
GII 03/22	1.60	57	1.52	21/01/2022	8
GII 04/22	1.62	212	1.55	21/01/2022	7
GII 07/22	1.70	345	1.75	21/01/2022	-5
GII 05/23	2.15	5	2.21	20/01/2022	-6
GII 07/23	2.22	1	2.29	19/01/2022	-7
GII 11/23	2.29	3	2.34	21/01/2022	-5
GII 05/24	2.83	3	2.93	19/01/2022	-10
GII 08/24	2.87	1	2.87	20/01/2022	1
GII 10/24	2.88	0	2.87	21/01/2022	0
GII 08/25	3.08	0	3.07	14/01/2022	1
GII 10/25	3.10	3	3.07	21/01/2022	3
GII 09/26	3.30	1	3.30	19/01/2022	0
GII 07/27	3.41	7	3.39	21/01/2022	3
GII 09/27	3.41	9	3.43	21/01/2022	-2
GII 10/28	3.52	4	3.53	21/01/2022	-1
GII 07/29	3.60	0	3.63	20/01/2022	-3
GII 10/30	3.72	12	3.74	21/01/2022	-2
GII 06/33	3.92	3	3.93	19/01/2022	-2
GII 08/33	3.94	2	3.93	20/01/2022	1
GII 11/34	4.03	45	4.05	20/01/2022	-2
GII 08/37	4.17	1	4.17	19/01/2022	1
GII 09/39	4.27	64	4.28	19/01/2022	-1
GII 05/47	4.48	62	4.45	20/01/2022	3
GII 11/49	4.47	23	4.38	21/01/2022	9
		<u>1671</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Lembaga Pembiayaan Perumahan Sektor Awam	04/24	GG	2.95	20	2.77	24/03/2021	17	57
Prasarana Malaysia Berhad	03/31	GG	3.98	30	4.07	25/10/2021	-9	32
DanaInfra Nasional Berhad	05/31	GG	3.98	20	3.57	13/09/2021	41	32
DanaInfra Nasional Berhad	10/31	GG	3.91	280	3.99	21/01/2022	-7	23
DanaInfra Nasional Berhad	02/51	GG	4.64	10	4.51	08/07/2021	13	38
DanaInfra Nasional Berhad	11/51	GG	4.52	1	4.58	08/11/2021	-6	26
Cagamas Berhad	12/22	AAA	2.15	100	2.18	14/12/2021	-3	18
Putrajaya Holdings Sdn Berhad	07/24	AAA	3.09	85	2.71	30/06/2021	38	26
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.30	20	3.23	14/01/2022	8	48
Tenaga Nasional Berhad	11/31	AAA	4.07	8	4.07	21/01/2022	0	39
Sarawak Energy Berhad	08/35	AAA	4.21	30	4.31	16/11/2021	-10	17
UMW Holdings Berhad	11/26	AA+	3.77	50	3.87	14/01/2022	-10	49
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA+	5.40	6	5.37	30/12/2021	3	136
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/22	AA1	2.65	8	3.16	18/06/2020	-51	68
UniTapah Sdn Berhad	12/22	AA1	2.51	10	4.49	27/07/2018	-198	54
Sabah Development Bank Berhad	03/24	AA1	3.84	10	2.92	22/02/2021	92	146
First Abu Dhabi Bank PJSC	12/27	AA1	3.96	10	3.64	21/04/2021	32	58
Malayan Banking Berhad	01/31	AA1	3.55	10	3.68	23/12/2021	-13	-11
Hong Leong Financial Group Berhad	06/29	AA2	3.49	40	3.30	08/12/2021	19	0
Sinar Kamiri Sdn Berhad	01/23	AA-	3.54	10	3.62	17/11/2021	-8	157
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/23	AA-	3.66	10	3.17	03/11/2020	49	129
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/26	AA-	4.54	15	4.56	20/01/2022	-2	126
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/27	AA-	4.70	5	4.68	10/01/2022	2	132
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/28	AA-	4.86	10	4.87	21/01/2022	-1	137
UMW Holdings Berhad	04/18	AA-	4.84	2	4.84	21/01/2022	0	58
TG Excellence Berhad	02/20	AA-	4.15	5	4.57	17/01/2022	-42	-11
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.33	2	3.43	20/01/2022	-10	136
Perbadanan Kemajuan Negeri Selangor	04/22	AA3	3.02	16	2.90	20/08/2021	12	105
Perbadanan Kemajuan Negeri Selangor	06/22	AA3	3.16	4	2.91	03/11/2021	24	119
Gamuda Berhad	11/22	AA3	2.61	10	2.75	20/10/2021	-13	64
TSH Sukuk Murabahah Sdn Berhad	08/26	A+	5.13	2	5.13	20/01/2022	0	185
Cenergi SEA Berhad	12/28	A1	5.38	5			538	189
Tropicana Corporation Berhad	09/19	A	5.42	1	5.42	21/01/2022	0	116
Alliance Bank Malaysia Berhad	10/30	A2	3.56	2	3.69	20/01/2022	-13	-10
Alliance Bank Malaysia Berhad	10/32	A2	3.85	0	4.29	19/01/2022	-44	17
YNH Property Berhad	08/19	-	5.99	1	6.44	21/01/2022	-45	173
YNH Property Berhad	08/19	-	5.89	1	6.52	11/01/2022	-62	163
				<u>847</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cahaya Mata Sarawak Berhad	RM2.0 bil Islamic MTN Programme (2017/2037) Corporate credit ratings.	AA3/Stable AA3/Stable/P1	Reaffirmed Reaffirmed
Tanjung Bin Energy Sdn Bhd's	RM4.5 bil Islamic MTN Programme (2021/2041)	AA3/Stable	Reaffirmed

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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