

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.47	-3
5-yr UST	3.82	-3
10-yr UST	3.69	-1
30-yr UST	3.89	0

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.40	-1	3.31	0	
5-yr	3.47	-1	3.52	-2	
7-yr	3.59	-2	3.69	-2	
10-yr	3.69	-2	4.33	52	
15-yr	3.81	-16	3.94	0	
20-yr	4.04	-2	4.12	-1	
30-yr	4.13	-3	4.22	-1	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.47	-2
3-yr	3.43	-2
5-yr	3.45	-3
7-yr	3.59	-2
10-yr	3.73	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries saw the front-ends well-supported on Monday in some choppy trading following signs that wage inflation was easing despite April's solid NFP data release. The softer ISM services and factory orders helped give bonds a slight boost as well. The curve steepened slightly as overall benchmark yields closed lower between 1-3bps across. **The benchmark UST 2Y yield eased 3bps to 4.47% whilst the much-watched 10Y edged 1bps lower to 3.69%.** Meanwhile, President Biden officially signed the bill on Saturday, thus removing the US debt ceiling until 1st Jan 2025. Biden's signature followed a relatively hurried process of deliberations and votes in the House of Representatives and the Senate. The Senate approved the bill and sent it to Biden only a few days before the official default would have set in today. Before the approval, the US debt ceiling was \$31.4 trillion. Expectations are rife for a deluge of Treasury bill issuance with investors preference for the 3 and 6-month auctions.

MGS/GII

- Local govvnies were better-bid last Friday, nudged by stronger receiving interest seen in IRS. Overall benchmark MGS/GII yields ended slightly lower between 0-16bps (save for the odd-lot closing trades seen in both the 10Y GII and 15Y MGS), amid a three-quarter drop in secondary market volume to RM1.70b. **The benchmark 5Y MGS 4/28 yield edged 1bps down at 3.47% whilst the 10Y MGS 7/32 settled 2bps lower at 3.69%.** Interest was mainly seen in the off-the-run 24's, 29's and benchmark 3Y MGS. GII transactions sustained to form 40% of overall trades. Meanwhile the economic calendar remains light until Friday when April industrial production data is released.

Corp Bonds/Sukuk

- Last Friday, the Corporate Bonds/Sukuk space saw activity grind lower partly due to risk-aversion on credits, ahead of the extended weekend break. Nevertheless, some interest was seen across the GG to single-A part of the curve as secondary market volume fell by two-thirds to 208m, as overall yields ended mostly mixed-to-lower across a lower number of trades totaling 18. Govt-guaranteed LPPSA 9/27 rallied with yields ending 38bps lower compared to previous-done levels at 3.54% whilst DANA 11/34 eased 7bps lower at 4.00%. AAA-rated DIGI 9/26 edged 1bps down at 3.87%, whereas DANGA 1/28 moved 3bps lower to 3.91%. In the AA-space, KLK 10/29 bonds ended 4bps lower at 4.48%. Meanwhile, the banking/finance space saw PUBLIC Islamic 29NC24 inch 1bps lower to 3.87%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/23	3.036	76	3.142	01/06/2023	-11
MGS	06/24	3.226	147	3.207	01/06/2023	2
MGS	07/24	3.204	55	3.220	01/06/2023	-2
MGS	09/24	3.204	34	3.158	01/06/2023	5
MGS	03/25	3.298	78	3.282	01/06/2023	2
MGS	09/25	3.359	17	3.332	01/06/2023	3
MGS	07/26	3.395	240	3.403	01/06/2023	-1
MGS	11/26	3.439	8	3.439	01/06/2023	0
MGS	03/27	3.497	28	3.492	01/06/2023	0
MGS	05/27	3.487	7	3.442	01/06/2023	4
MGS	11/27	3.494	40	3.511	01/06/2023	-2
MGS	04/28	3.471	103	3.483	01/06/2023	-1
MGS	06/28	3.555	25	3.512	01/06/2023	4
MGS	04/29	3.584	17	3.612	01/06/2023	-3
MGS	08/29	3.585	214	3.630	01/06/2023	-4
MGS	04/30	3.593	15	3.610	01/06/2023	-2
MGS	04/31	3.751	34	3.750	01/06/2023	0
MGS	06/31	3.751	3	3.740	01/06/2023	1
MGS	07/32	3.692	23	3.708	01/06/2023	-2
MGS	04/33	3.782	5	3.810	01/06/2023	-3
MGS	11/33	3.779	13	3.776	01/06/2023	0
MGS	07/34	3.884	7	3.889	01/06/2023	0
MGS	05/35	3.922	16	3.953	01/06/2023	-3
MGS	04/37	3.985	9	3.995	01/06/2023	-1
MGS	06/38	3.813	83	3.977	01/06/2023	-16
MGS	05/40	4.036	18	4.112	01/06/2023	-8
MGS	10/42	4.043	5	4.065	01/06/2023	-2
MGS	03/46	4.040	8	4.148	01/06/2023	-11
MGS	07/48	4.058	2	4.171	01/06/2023	-11
MGS	06/50	4.139	31	4.154	01/06/2023	-1
MGS	03/53	4.132	3	4.156	31/05/2023	-2
GII	10/24	2.483	96	3.266	01/06/2023	-78
GII	09/26	3.409	10	3.378	01/06/2023	3
GII	06/27	3.443	1	3.488	11/04/2023	-4
GII	07/27	3.459	18	3.460	01/06/2023	0
GII	07/28	3.516	2	3.534	01/06/2023	-2
GII	10/28	3.584	30	3.578	01/06/2023	1
GII	07/29	3.677	30	3.706	01/06/2023	-3
GII	09/30	3.686	20	3.709	01/06/2023	-2
GII	10/30	3.779	2	3.780	01/06/2023	0
GII	10/32	4.325	10	3.801	01/06/2023	52
GII	08/33	3.809	12	3.900	26/05/2023	-9
GII	08/37	3.990	1	3.864	01/06/2023	13
GII	03/38	3.944	12	3.939	01/06/2023	0
GII	09/41	4.092	40	4.089	01/06/2023	0
GII	08/43	4.116	6	4.130	01/06/2023	-1
GII	11/49	4.131	2	4.164	26/05/2023	-3
GII	05/52	4.217	43	4.231	01/06/2023	-1
			1698			

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*
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.54	70	3.92	13/01/2023	-38	14
DanaInfra Nasional Berhad	11/34	GG	4.00	20	4.07	15/05/2023	-7	30
DanaInfra Nasional Berhad	05/36	GG	4.10	1	4.09	09/05/2023	1	14
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.29	5	5.19	15/06/2022	-90	23
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.87	30	3.88	01/06/2023	-1	47
Danga Capital Berhad	01/28	AAA	3.91	20	3.93	19/05/2023	-3	44
Sarawak Energy Berhad	06/30	AAA	4.09	25	4.18	27/04/2023	-9	48
Sabah Development Bank Berhad	05/27	AA1	4.91	1	4.97	01/06/2023	-6	147
GENM Capital Berhad	07/28	AA1	4.92	1	4.79	01/06/2023	13	145
Public Islamic Bank Berhad	10/29	AA1	3.87	20	3.88	30/05/2023	-1	32
Kuala Lumpur Kepong Berhad	03/37	AA1	4.48	10	4.53	24/05/2023	-4	52
Malayan Banking Berhad	02/17	AA3	4.29	1	4.38	01/06/2023	-10	23
Cenergi SEA Berhad	12/26	A1	5.37	1	5.38	17/05/2023	-1	193
Affin Bank Berhad	07/32	A1	4.69	2	4.55	06/04/2023	15	101
Hong Leong Bank Berhad	11/17	A1	4.32	1	4.32	30/05/2023	0	26
Hong Leong Bank Berhad	11/17	A1	4.25	1	4.17	01/06/2023	8	19
YNH Property Berhad	02/25	A+	5.06	1	5.04	12/05/2023	2	177
MCIS Insurance Berhad	12/31	A2	4.53	1	4.75	29/05/2023	-22	85
				208				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Midciti Sukuk Berhad (Midciti)	RM3.0 bil Sukuk Murabahah Programme (2014/2044)	AAA/Stable	Affirmed

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

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.