

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.98	-61
5-yr UST	3.70	-27
10-yr UST	3.58	-13
30-yr UST	3.71	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.43	-5	3.40	-4
5-yr	3.50	-7	3.56	-4
7-yr	3.77	-12	3.84	-1
10-yr	3.89	-5	3.93	-5
15-yr	4.07	-6	4.11	-5
20-yr	4.18	-3	4.20	7
30-yr	4.28	-14	4.39	-10

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	-8
3-yr	3.56	-11
5-yr	3.61	-10
7-yr	3.69	-11
10-yr	3.84	-10

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5.0b of 7Y GII 9/30 on Tuesday, 14th March, 2023

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw further flight-to-safety on Monday in extremely choppy and volatile conditions as the shutdown of several banks that included Sivergate Capital, Silicon Valley Bank (SVB) and Signature Bank caused massive ripples across US financial markets. The curve steepened sharply as overall benchmark yields fell between 0-61bps across. **The benchmark UST 2Y yield plunged the most since 2007's Black Monday, by 61bps to 3.98% whilst the much-watched UST 10Y declined 13bps to 3.58%.** Traders are now mulling whether the Fed will halt further increases to stem the tide and volatility. Safe-haven flows are expected to continue, driven by the fallout from the banking sector and rising recession risk. Fed-dated OIS pricing is now reflecting a 68% probability for a 25bps rate hike in the upcoming March FOMC meeting with peak terminal rates sharply lower at ~4.21% in July. Meanwhile, expect attention to shift to the release of February CPI data tonight.

MGS/GII

- Local govies continued to gain ground for the 3rd consecutive session on Monday spurred by lower IRS yields as concerns over a 3rd US bank closure that could trigger a contagion in the US and shores beyond. The curve shifted lower as overall benchmark MGS/GII yields closed 1-14bps substantially lower across (save for the 20Y GII), amid a 30% jump in secondary market volume @ RM6.69b. **The benchmark 5Y MGS 11/27 yield declined 7bps to 3.50% whilst the 10Y MGS 7/32 moved 5bps lower to 3.89%.** Interest was mainly seen in off-the-run 23's, 28's and benchmark 3Y MGS/GII, 10Y MGS. GII transactions jumped to form 41% of overall trades. Elsewhere, the January IPI numbers which were dragged lower especially by manufacturing is pointing to a softer growth mode as we go into 1Q2023. Expect attention to shift to the release of February trade data on Friday.

Corp Bonds/Sukuk

- On Monday, Corporate Bonds/Sukuk saw stronger activity with interest mainly across the GG-AA part of the curve. Secondary market rose by another 20% to RM476m as overall yields ended mixed-to-higher across a lower number of trades totaling ~29. Whilst JKSB 7/26 bonds spiked 78bps compared to previous-done levels, PTPTN 3/39 and DANA 4/40 declined 24-46bps to 4.27-32% area. Whilst AAA-rated PET Sarawak 3/31 jumped 23bps; the 2/33 tranche edged 2bps lower with both tranches closing at 4.57%. In the AA-space, SP SETIA's 2029 tranche eased 3bps lower at 4.55% whereas energy-related bonds MALAKOFF 12/29 bonds closed 10bps higher at 5.10%. Meanwhile, the banking/finance space SABAH Credit 12/26 strongly-bid; resulting in yields falling 24bps to 4.23%. Also, we note several odd-lot trades registered in UOB, CIMB Group Holdings, MAYBANK and AFFIN bank bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	3.065	66	3.065	10/03/2023	0
MGS	04/23	2.802	191	2.924	10/03/2023	-12
MGS	08/23	2.917	278	2.970	10/03/2023	-5
MGS	06/24	3.179	55	3.223	10/03/2023	-4
MGS	07/24	3.193	166	3.210	10/03/2023	-2
MGS	09/24	3.228	112	3.251	10/03/2023	-2
MGS	09/25	3.335	1	3.347	10/03/2023	-1
MGS	04/26	3.427	5	3.547	09/03/2023	-12
MGS	07/26	3.425	832	3.473	10/03/2023	-5
MGS	11/26	3.432	201	3.572	10/03/2023	-14
MGS	05/27	3.553	2	3.609	10/03/2023	-6
MGS	11/27	3.501	912	3.566	10/03/2023	-6
MGS	06/28	3.632	35	3.741	10/03/2023	-11
MGS	08/29	3.831	53	3.885	10/03/2023	-5
MGS	04/30	3.768	186	3.891	10/03/2023	-12
MGS	04/31	3.874	47	4.004	10/03/2023	-13
MGS	06/31	3.876	123	3.932	10/03/2023	-6
MGS	07/32	3.891	473	3.943	10/03/2023	-5
MGS	04/33	3.965	45	4.014	10/03/2023	-5
MGS	11/33	3.923	35	3.996	10/03/2023	-7
MGS	07/34	3.999	56	4.095	10/03/2023	-10
MGS	05/35	4.169	2	4.218	09/03/2023	-5
MGS	04/37	4.138	6	4.156	10/03/2023	-2
MGS	06/38	4.072	70	4.135	10/03/2023	-6
MGS	05/40	4.218	10	4.339	10/03/2023	-12
MGS	10/42	4.177	14	4.203	10/03/2023	-3
MGS	03/46	4.432	1	4.302	10/03/2023	13
MGS	06/50	4.277	3	4.414	10/03/2023	-14
GII	05/24	3.120	3	3.222	01/03/2023	-10
GII	08/24	3.189	1	3.301	03/03/2023	-11
GII	10/25	3.398	590	3.439	10/03/2023	-4
GII	03/26	3.481	171	3.502	10/03/2023	-2
GII	09/26	3.481	90	3.542	07/03/2023	-6
GII	07/28	3.561	395	3.596	10/03/2023	-4
GII	10/28	3.678	471	3.713	10/03/2023	-4
GII	12/28	3.730	5	3.690	08/02/2023	4
GII	07/29	3.842	157	3.854	10/03/2023	-1
GII	09/30	3.799	30	3.900	10/03/2023	-10
GII	10/30	3.934	121	3.923	10/03/2023	1
GII	10/32	3.933	523	3.984	10/03/2023	-5
GII	03/38	4.110	50	4.157	10/03/2023	-5
GII	09/39	4.297	1	4.256	08/03/2023	4
GII	09/41	4.210	40	4.261	09/03/2023	-5
GII	08/43	4.203	56	4.138	10/03/2023	7
GII	05/52	4.391	4	4.491	08/03/2023	-10
			6685			

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*
Jambatan Kedua Sdn Berhad	07/26	GG	3.700	10	2.923	27/08/2021	78	28
GovCo Holdings Berhad	02/27	GG	3.841	15	4.380	14/11/2022	-54	36
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.316	60	4.559	04/01/2023	-24	23
DanaInfra Nasional Berhad	04/40	GG	4.269	20	4.730	21/07/2022	-46	18
Cagamas Berhad	04/25	AAA	3.869	40	4.130	09/12/2022	-26	55
Putrajaya Holdings Sdn Berhad	05/26	AAA	4.007	10	4.316	07/12/2022	-31	58
Projek Lebuhraya Usahasama Berhad	01/27	AAA	4.138	20	4.187	16/02/2023	-5	66
Danum Capital Berhad	05/27	AAA	4.007	10	4.041	09/03/2023	-3	53
Petroleum Sarawak Exploration & Production Sdn Bert	11/27	AAA	4.201	5	4.206	10/03/2023	-1	68
TNB Northern Energy Berhad	11/28	AAA	4.228	10	4.650	27/09/2022	-42	55
Petroleum Sarawak Exploration & Production Sdn Bert	03/31	AAA	4.569	100	4.344	11/04/2022	23	75
Tenaga Nasional Berhad	06/32	AAA	4.369	10	4.314	21/02/2023	5	52
Petroleum Sarawak Exploration & Production Sdn Bert	02/33	AAA	4.569	45	4.589	10/03/2023	-2	68
Amanat Lebuhraya Rakyat Berhad	10/34	AAA	4.821	4	5.049	12/01/2023	-23	93
Sabah Credit Corporation	12/26	AA1	4.231	10	4.469	15/07/2022	-24	75
GENM Capital Berhad	07/28	AA1	5.099	2	4.805	07/03/2023	29	158
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.063	1	4.017	10/03/2023	5	18
SP Setia Berhad	04/29	AA	4.546	40	4.578	02/03/2023	-3	455
Press Metal Aluminium Holdings Berhad	10/24	AA2	4.006	10	3.968	08/03/2023	4	69
Imtiaz Sukuk II Berhad	04/26	AA2	4.102	5	4.116	03/03/2023	-1	68
CIMB Group Holdings Berhad	03/33	AA2	4.298	16	4.255	08/03/2023	4	41
Point Zone (M) Sdn Berhad	03/28	AA-	4.459	5	-	-	-	94
Malakoff Power Berhad	12/29	AA-	5.101	15	5.000	25/01/2023	10	133
Point Zone (M) Sdn Berhad	03/30	AA-	4.638	5	-	-	-	86
Point Zone (M) Sdn Berhad	03/33	AA-	4.809	5	-	-	-	92
Malayan Banking Berhad	02/17	AA3	4.432	1	4.365	02/03/2023	7	25
Affin Bank Berhad	07/32	A1	4.365	3	4.491	07/03/2023	-13	52
YNH Property Berhad	02/25	A+	5.772	1	4.466	01/03/2023	131	245
YNH Property Berhad	02/27	A+	5.219	1	5.346	10/03/2023	-13	174
				<u>476</u>				

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

SkyWorld Capital Berhad's Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Special Coral Sdn Bhd	RM250.0 million Senior Class A Medium-Term Notes (MTN)	AAA/Stable	Affirmed
	RM50.0 million Senior Class B MTN	AA/Stable	Affirmed
	RM800.0 million Subordinated Class MTN under the existing RM1.1 billion MTN programme	B- /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.