

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.25	27
5-yr UST	3.86	15
10-yr UST	3.69	12
30-yr UST	3.81	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	-3	3.37	-3
5-yr	3.44	-6	3.54	-2
7-yr	3.71	-6	3.82	-2
10-yr	3.85	-4	3.92	-2
15-yr	4.01	-6	4.06	-5
20-yr	4.06	-11	4.20	0
30-yr	4.33	5	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	-4
3-yr	3.52	-4
5-yr	3.57	-3
7-yr	3.65	-4
10-yr	3.79	-5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw sellers outnumbered bids on Tuesday as traders and investors alike renewed their wagers on the Fed hiking rates in next week's FOMC meeting, following the release of strong inflation data for February. The curve flattened instead as overall benchmark yields jumped between 9-27bps higher across led by the front end. **The benchmark UST 2Y yield spiked 27bps to 4.25% whilst the much-watched UST 10Y rose 12bps to 3.69%.** The bond market has had a tumultuous week with the Fed trying to balance between financial stability and inflation. Elsewhere the Federal Home Loan Bnaks has retreated from US funding markets to provide much-needed support for member banks and this resulted in higher overnight Repo rates and lower Fed volumes. Fed-dated OIS pricing is now reflecting a higher 75% probability for a 25bps rate hike in the upcoimg March FOMC meeting with peak terminal rates at ~4.97% in May. Meanwhile, expect some attention to shift to the release of February retail sales and PPI data tonight.

MGS/GII

- Local govovies continued to be well-bid on Tuesday taking cue from lower IRS yields as investors adopted a risk-off appetite for now with news surrounding Credit Suisse Group AG's findings of "material weaknesses" in its reporting procedures. The curve shifted lower again as overall benchmark MGS/GII yields closed 0-11bps lower across (save for the 30Y MGS), amid a 40% spike in secondary market volume @ RM9.34b; the 3rd highest seen YTD. **The benchmark 5Y MGS 11/27 yield declined 6bps to 3.44% whilst the 10Y MGS 7/32 moved 4bps lower to 3.85%.** Interest was mainly seen in off-the-run 23's, 29's and benchmark 3Y MGS/GII, 5Y, 7Y GII, 10Y MGS/GII. GII transactions jumped further to form 52% of overall trades. Meanwhile, the auction involving the reopening of 7Y GII 9/30 saw muted participation with a BTC ratio of a mere 1.586x and awarded at 3.792%. Expect attention to shift to the release of February trade data on Friday.

Corp Bonds/Sukuk

- On Tuesday, Corporate Bonds/Sukuk saw upbeat investor activity with interest mainly across the GG-AA part of the curve. Secondary market jumped by another 37% to RM654m as overall yields ended mostly mixed across a higher number of trades totaling ~31. Govt-guaranteed DANA 11/42 and 5/47 settled 1-5bps lower compared to previous-done levels at 4.35% each. AAA-rated CAGAMAS which notched RM100m in nominal trades; rallied with yields ending 46bps lower. In the AA-space, BEWG 7/24 jumped 26bps higher to 3.76% whereas YTL Power 10/24 closed unchanged at 4.29%. Southern Power 4/24 bonds ended 7bps lower whilst the 4/24 tranche spiked 72bps instead to 4.04%. Meanwhile, the banking/finance space saw AmBank 28NC23 edge 1bps higher at 4.13%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	04/23	2.571	657	2.802	13/03/2023	-23
MGS	08/23	2.888	210	2.917	13/03/2023	-3
MGS	06/24	3.105	91	3.179	13/03/2023	-7
MGS	07/24	3.094	60	3.193	13/03/2023	-10
MGS	09/24	3.236	2	3.228	13/03/2023	1
MGS	03/25	3.297	133	3.370	10/03/2023	-7
MGS	07/25	3.375	30	3.410	06/03/2023	-4
MGS	09/25	3.355	4	3.335	13/03/2023	2
MGS	04/26	3.392	2	3.427	13/03/2023	-4
MGS	07/26	3.396	946	3.425	13/03/2023	-3
MGS	11/26	3.417	3	3.432	13/03/2023	-2
MGS	05/27	3.500	7	3.553	13/03/2023	-5
MGS	11/27	3.442	584	3.501	13/03/2023	-6
MGS	06/28	3.564	402	3.632	13/03/2023	-7
MGS	04/29	3.793	102	3.840	10/03/2023	-5
MGS	08/29	3.796	353	3.831	13/03/2023	-4
MGS	04/30	3.708	147	3.768	13/03/2023	-6
MGS	04/31	3.837	7	3.874	13/03/2023	-4
MGS	06/31	3.827	43	3.876	13/03/2023	-5
MGS	07/32	3.852	361	3.891	13/03/2023	-4
MGS	11/33	3.868	10	3.923	13/03/2023	-6
MGS	07/34	4.039	55	3.999	13/03/2023	4
MGS	05/35	4.169	1	4.169	13/03/2023	0
MGS	04/37	4.101	81	4.138	13/03/2023	-4
MGS	06/38	4.013	65	4.072	13/03/2023	-6
MGS	05/40	4.184	30	4.218	13/03/2023	-3
MGS	10/42	4.062	33	4.177	13/03/2023	-11
MGS	09/43	4.285	1	4.318	02/03/2023	-3
MGS	07/48	4.369	2	4.459	10/03/2023	-9
MGS	06/50	4.329	19	4.277	13/03/2023	5
GII	05/23	2.788	20	2.799	10/03/2023	-1
GII	05/24	3.120	3	3.222	01/03/2023	-10
GII	10/24	3.288	20	3.328	09/03/2023	-4
GII	10/25	3.366	850	3.398	13/03/2023	-3
GII	03/26	3.446	60	3.481	13/03/2023	-3
GII	07/27	3.608	30	3.684	08/03/2023	-8
GII	09/27	3.520	10	3.592	10/03/2023	-7
GII	07/28	3.541	910	3.561	13/03/2023	-2
GII	10/28	3.660	92	3.678	13/03/2023	-2
GII	07/29	3.824	687	3.842	13/03/2023	-2
GII	09/30	3.794	910	3.799	13/03/2023	0
GII	10/30	3.858	77	3.934	13/03/2023	-8
GII	10/32	3.915	890	3.933	13/03/2023	-2
GII	11/34	4.041	200	4.094	03/03/2023	-5
GII	03/38	4.062	130	4.110	13/03/2023	-5
GII	09/39	4.130	10	4.297	13/03/2023	-17
GII	09/41	4.272	5	4.210	13/03/2023	6
GII	11/49	4.460	2	4.402	09/03/2023	6
			<u>9344</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*	
Perbadanan Tabung Pendidikan Tinggi Nasional	03/39	GG	4.294	40	4.316	13/03/2023	-2	27
DanaInfra Nasional Berhad	11/42	GG	4.350	20	4.361	25/01/2023	-1	23
DanaInfra Nasional Berhad	05/47	GG	4.450	5	4.499	28/02/2023	-5	33
DanaInfra Nasional Berhad	11/47	GG	4.470	5	4.790	06/12/2022	-32	35
DanaInfra Nasional Berhad	11/47	GG	4.470	5	-	-	-	35
Cagamas Berhad	09/24	AAA	3.800	20	3.829	08/02/2023	-3	49
Cagamas Berhad	01/25	AAA	3.809	100	4.266	10/11/2022	-46	50
Projek Lebuhraya Usahasama Berhad	01/26	AAA	4.097	60	4.150	10/03/2023	-5	70
Pengurusan Air SPV Berhad	02/26	AAA	3.876	20	3.894	02/02/2023	-2	48
Johor Corporation	06/27	AAA	4.470	1	4.449	10/03/2023	2	102
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/27	AAA	4.052	10	4.268	05/01/2023	-22	60
Malaysia Airport Holdings Berhad	11/27	AAA	4.278	20	4.418	03/03/2023	-14	78
Petroleum Sarawak Exploration & Production Sdn Bert	11/29	AAA	4.408	20	4.404	10/03/2023	0	71
Danum Capital Berhad	05/30	AAA	4.198	10	4.530	06/12/2022	-33	50
Tenaga Nasional Berhad	11/31	AAA	4.309	7	4.260	10/03/2023	5	50
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.730	20	4.729	02/03/2023	0	71
Pengurusan Air Selangor Sdn Berhad	09/42	AAA	4.722	20	4.779	26/01/2023	-6	61
YTL Power International Berhad	10/24	AA1	4.287	20	4.283	09/02/2023	0	429
Sabah Development Bank Berhad	02/25	AA1	4.540	1	4.539	08/03/2023	0	123
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.018	1	4.063	13/03/2023	-4	17
BEWG (M) Sdn Berhad	07/23	AA	3.560	158	4.103	16/12/2022	-54	38
Southern Power Generation Sdn Berhad	04/24	AA-	4.035	5	3.314	03/11/2021	72	404
BEWG (M) Sdn Berhad	07/24	AA	3.760	50	3.504	27/10/2021	26	58
CIMB Group Holdings Berhad	03/33	AA2	4.300	6	4.298	13/03/2023	0	45
Southern Power Generation Sdn Berhad	10/27	AA-	4.389	5	4.459	21/02/2023	-7	89
Malaysian Resources Corporation Berhad	02/29	AA-	5.350	1	5.106	08/03/2023	24	173
PONSB Capital Berhad	12/28	AA3	4.479	10	4.559	20/02/2023	-8	86
AmBank (M) Berhad	11/28	A1	4.125	15	4.119	27/02/2023	1	51
Eco World International Berhad	05/23	-	4.995	1	5.779	10/03/2023	-78	181
YNH Property Berhad	02/27	A+	5.351	1	5.219	13/03/2023	13	190
DRB-Hicom Berhad	12/29	A+	5.184	1	5.011	03/03/2023	17	149
				<u>654</u>				

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

SkyWorld Capital Berhad's Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Pelabuhan Tanjung Pelepas Sdn Bhd (PTP)	RM2.15 billion Islamic Medium-Term Notes (Sukuk Murabahah Programme)	From AA -IS/Stable to AA IS/Stable	Upgraded

Source: RAM, MARC

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