

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US financial markets closed on Monday in observation of Martin Luther King's Day. To recap, US Treasuries ended weaker last Friday, on profit-taking activities following earlier gains sparked from cooling inflation data. However they lagged global peers; providing mere returns of ~0.6% last week compared to ~2.0% based on the Bloomberg Global Aggregate Treasuries Index. Elsewhere, Treasury secretary, Yellen notified Congress that the US government's outstanding debt obligations is expected to hit statutory limits of ~\$31.2 trillion this Thursday; requiring the Treasury to commence measures in avoiding a default. Hence, demand for overnight Repo facility is robust with about \$2 trillion in daily placements. Expect short-duration i.e. 3Y tenures and below to attract short-dated safe assets pending further clarity on the above. Meanwhile, the economic calendar remains light tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.23	0
5-yr UST	3.61	0
10-yr UST	3.51	0
30-yr UST	3.61	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.54	0	3.61	0
5-yr	3.80	3	3.84	5
7-yr	3.98	4	4.02	0
10-yr	3.96	3	4.08	4
15-yr	4.15	3	4.18	3
20-yr	4.30	2	4.39	-1
30-yr	4.46	1	4.58	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.74	4
3-yr	3.64	4
5-yr	3.70	3
7-yr	3.86	4
10-yr	3.97	3

Source : Bloomberg

MGS/GII

- Local govies saw substantial profit-taking activities across most tenures on Monday following the 5-10bps rally seen prior week. The higher IRS levels dented underlying bonds on lack of meaningful catalysts whilst US markets were closed yesterday. Overall benchmark MGS/GII yields settled higher between 0-5bps across (save for the 20Y GII), amid the halving of market volume @ RM2.21b. **Both benchmarks 5Y MGS 11/27 and 10Y MGS 7/32 yields rose 3bps to 3.80% and 3.96% each.** Interest was seen in off-the-run 23's, 28's and 32's. Meanwhile, expect attention to shift to the release of trade data tomorrow.

Corp Bonds/Sukuk

- On Monday, Corporate Bonds/Sukuk continued to draw strong interest especially across the GG-AA part of the curve. Overall secondary market volume notched RM934m; lower than prior day's RM1.58b which was mainly due to the recording of maiden trades from recently issued PLUS bonds. Govt-guaranteed LPPSA dominated trades in this sector with the 10/25 tranche spiking 114bps compared to previous-done levels to 3.84%. The 4/33 tranche ended 15bps up at 4.22% whilst the 10/38 tranche declined 10bps to 4.37% . PLUS 33-37 notched RM680m worth of nominal trades, closing 0-6bps higher between 4.61-89%. In the AA-space, there were various odd-lot trades seen. Meanwhile, the banking/finance space was relatively quiet with several odd-lot trades seen in SABH Dev, AmBank and Affin bank bonds.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	3.022	353	2.935	13/01/2023	9
MGS	04/23	2.992	120	2.850	13/01/2023	14
MGS	06/24	3.432	1	3.410	12/01/2023	2
MGS	09/24	3.400	29	3.446	13/01/2023	-5
MGS	03/25	3.544	113	3.540	13/01/2023	0
MGS	09/25	3.575	55	3.592	13/01/2023	-2
MGS	04/26	3.622	20	3.723	12/01/2023	-10
MGS	07/26	3.666	10	3.641	13/01/2023	2
MGS	11/26	3.704	6	3.676	13/01/2023	3
MGS	11/27	3.795	134	3.769	13/01/2023	3
MGS	06/28	3.886	272	3.892	13/01/2023	-1
MGS	04/29	3.984	21	3.941	13/01/2023	4
MGS	08/29	3.972	53	3.974	13/01/2023	0
MGS	04/30	3.882	60	3.913	13/01/2023	-3
MGS	04/31	4.034	144	4.042	13/01/2023	-1
MGS	07/32	3.964	71	3.938	13/01/2023	3
MGS	05/35	4.197	36	4.182	13/01/2023	1
MGS	04/37	4.210	31	4.179	13/01/2023	3
MGS	06/38	4.149	137	4.123	13/01/2023	3
MGS	05/40	4.345	1	4.288	13/01/2023	6
MGS	10/42	4.298	9	4.276	13/01/2023	2
MGS	07/48	4.427	5	4.535	12/01/2023	-11
MGS	06/50	4.459	31	4.446	13/01/2023	1
GII	07/23	3.197	160	3.190	11/01/2023	1
GII	10/24	3.539	1	3.546	11/01/2023	-1
GII	08/25	3.617	1	3.599	13/01/2023	2
GII	10/25	3.606	70	3.606	13/01/2023	0
GII	03/26	3.655	1	3.633	13/01/2023	2
GII	09/27	3.838	1	3.786	13/01/2023	5
GII	07/29	4.024	81	4.024	13/01/2023	0
GII	10/30	4.059	1	4.041	13/01/2023	2
GII	10/32	4.079	130	4.042	13/01/2023	4
GII	11/34	4.146	10	4.130	11/01/2023	2
GII	07/36	4.226	1	4.283	12/01/2023	-6
GII	03/38	4.178	40	4.148	13/01/2023	3
GII	09/39	4.231	1	4.269	12/01/2023	-4
GII	09/41	4.394	1	4.401	11/01/2023	-1
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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	10/25	GG	3.843	10	2.701	09/07/2021	114	30
Lembaga Pembiayaan Perumahan Sektor Awam	04/33	GG	4.219	100	4.069	21/02/2022	15	24
DanaInfra Nasional Berhad	11/33	GG	4.228	30	4.222	13/01/2023	1	25
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.368	5	4.469	27/12/2022	-10	22
Zamarad Assets Berhad	03/24	AAA	4.149	10	3.964	15/09/2022	19	88
Projek Lebuhraya Usahasama Berhad	01/25	AAA	4.061	5	-	-	-	58
Infracap Resources Sdn Berhad	04/26	AAA	4.118	10	3.771	11/11/2021	35	57
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.608	150	4.579	11/01/2023	3	63
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.747	250	4.729	13/01/2023	2	77
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.777	260	4.777	10/01/2023	0	80
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.890	30	4.830	13/01/2023	6	74
Tenaga Nasional Berhad	08/38	AAA	4.653	60	4.669	13/01/2023	-2	50
YTL Power International Berhad	03/23	AA1	4.002	1	4.110	21/12/2022	-11	74
Sabah Development Bank Berhad	12/23	AA1	4.976	1	5.008	08/12/2022	-3	171
Sabah Development Bank Berhad	07/24	AA1	5.344	1	4.773	02/12/2022	57	187
CIMB Group Holdings Berhad	09/32	AA2	4.399	1	4.471	13/01/2023	-7	42
Konsortium KAJV Sdn Bhd	05/25	AA-	4.627	1	5.177	12/01/2023	-55	115
Eco World Capital Berhad	10/27	AA-	5.307	5	5.306	10/01/2023	0	151
Yinson Holdings Berhad	12/26	A1	5.341	1	5.343	05/01/2023	0	165
AmBank (M) Berhad	10/32	A1	4.557	2	4.675	13/01/2023	-12	58
MCIS Insurance Berhad	12/31	A2	5.251	1	5.285	13/01/2023	-3	127
Affin Bank Berhad	07/18	A3	4.832	1	4.817	11/01/2023	1	54
DRB-Hicom Berhad	12/14	A-	6.400	2	5.856	30/12/2022	54	211
YNH Property Berhad	08/19	-	6.599	1	6.585	13/01/2023	1	231
				<u>934</u>				

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

ting Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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