

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.16	27
5-yr UST	3.74	19
10-yr UST	3.58	12
30-yr UST	3.70	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.44	0	3.34	-5
5-yr	3.55	1	3.58	0
7-yr	3.83	2	3.84	-1
10-yr	3.91	3	3.96	5
15-yr	4.06	-1	4.15	0
20-yr	4.10	2	4.20	11
30-yr	4.41	4	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	-4
3-yr	3.55	-3
5-yr	3.62	-2
7-yr	3.70	-5
10-yr	3.83	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries reversed prior day's moves amid risk-on appetite on Thursday, following news that major banks are expected to inject ~\$30b into First Republic Bank to prevent a 4th bank failure in the US. The rebound in equities saw bonds dented in a volatile session. The curve flattened as overall benchmark yields jumped between 6-27bps higher across led by the front ends. **The benchmark UST 2Y yield spiked 27bps to 4.16% whilst the much-watched UST 10Y jumped 12 bps higher to 3.58%.** Markets have now begun re-pricing for a rate hike despite the recent flattening of the yield curve (denoted by the 2s10s spread) to about -58bps. Underlining the shift in re-pricing was ECB's latest 50bps rate hike. Elsewhere, the Fed is still expected to have its hands full between managing financial stability versus inflation. Meanwhile, expect some attention to shift to the Industrial production numbers along with the University of Michigan sentiment indices later tonight.

MGS/GII

- Local govies relented to further selling pressure on Thursday despite starting on a stronger footing whilst surprisingly ignoring the prominent IRS yield movements that ended lower. The curve shifted up as overall benchmark MGS/GII yields closed mostly higher between -5 to +11bps across, amid the slight 3% decrease in secondary market volume @ RM4.16b. **The benchmark 5Y MGS 11/27 yield edged 1bps up at 3.55% whilst the 10Y MGS 7/32 rose 3bps higher to 3.91%.** Interest was mainly seen in off-the-run 23's, benchmark 3Y MGS and new benchmark 7Y GII. GII transactions spiked to form 51% of overall trades. Expect attention to shift to the release of February trade data today.

Corp Bonds/Sukuk

- On Thursday, Corporate Bonds/Sukuk saw lesser momentum with interest still mainly across the GG-AA part of the curve as secondary market volumes sustained at RM494m. Overall yields ended mixed across a lower number of trades totaling ~25. Govt-guaranteed DANA 10/36 moved 3bps higher compared to previous-done levels at 4.21% whilst the longer-end 2049 tranches ended 0-7bps lower between 4.48-4.9% levels. AAA-rated BAKUN 8/29 declined 8bps lower to 4.16% whilst TNB 8/33 edged 2bps up at 4.46%. In the AA-space, KLK 3/37 fell 10bps to 4.63% whilst GENM Capital 3/27 bonds rose 4bps to 4.85%. Meanwhile, the banking/finance space was relatively quiet with odd-lot transactions seen in Sabah Development bank and UOB Bank bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	04/23	2.483	390	2.591	15/03/2023	-11
MGS	08/23	2.669	280	2.870	15/03/2023	-20
MGS	06/24	3.092	4	3.143	15/03/2023	-5
MGS	07/24	3.144	31	3.196	15/03/2023	-5
MGS	09/24	3.152	9	3.228	15/03/2023	-8
MGS	03/25	3.367	64	3.310	15/03/2023	6
MGS	09/25	3.414	165	3.353	15/03/2023	6
MGS	07/26	3.439	351	3.416	15/03/2023	2
MGS	11/26	3.523	1	3.423	15/03/2023	10
MGS	03/27	3.566	2	3.654	08/03/2023	-9
MGS	11/27	3.551	91	3.537	15/03/2023	1
MGS	06/28	3.627	25	3.605	15/03/2023	2
MGS	04/29	3.801	51	3.842	15/03/2023	-4
MGS	08/29	3.849	37	3.849	15/03/2023	0
MGS	04/30	3.830	36	3.807	15/03/2023	2
MGS	04/31	3.919	26	3.864	15/03/2023	6
MGS	06/31	3.918	4	3.911	15/03/2023	1
MGS	07/32	3.911	105	3.878	15/03/2023	3
MGS	11/33	3.923	50	3.873	15/03/2023	5
MGS	07/34	4.084	1	4.050	15/03/2023	3
MGS	05/35	4.088	6	4.169	14/03/2023	-8
MGS	04/37	4.128	91	4.102	15/03/2023	3
MGS	06/38	4.059	21	4.067	15/03/2023	-1
MGS	05/40	4.183	2	4.172	15/03/2023	1
MGS	10/42	4.098	21	4.075	15/03/2023	2
MGS	03/46	4.338	7	4.342	15/03/2023	0
MGS	07/48	4.406	1	4.369	14/03/2023	4
MGS	06/50	4.407	177	4.366	15/03/2023	4
GII	05/23	2.732	410	2.788	14/03/2023	-6
GII	07/23	2.858	120	3.007	21/02/2023	-15
GII	05/24	3.181	5	3.170	15/03/2023	1
GII	08/24	3.209	3	3.189	13/03/2023	2
GII	10/24	3.292	8	3.288	14/03/2023	0
GII	10/25	3.343	447	3.393	15/03/2023	-5
GII	03/26	3.533	1	3.477	15/03/2023	6
GII	09/26	3.523	160	3.481	13/03/2023	4
GII	07/27	3.599	1	3.620	15/03/2023	-2
GII	07/28	3.578	30	3.578	15/03/2023	0
GII	12/28	3.727	20	3.730	13/03/2023	0
GII	07/29	3.841	92	3.850	15/03/2023	-1
GII	09/30	3.855	367	3.844	15/03/2023	1
GII	10/30	3.903	1	3.895	15/03/2023	1
GII	10/32	3.963	155	3.915	15/03/2023	5
GII	11/34	4.049	40	4.041	14/03/2023	1
GII	10/35	4.120	10	4.230	02/03/2023	-11
GII	07/36	4.176	110	4.261	03/03/2023	-9
GII	03/38	4.148	20	4.153	15/03/2023	0
GII	09/41	4.261	91	4.307	15/03/2023	-5
GII	08/43	4.203	1	4.089	15/03/2023	11
GII	11/49	4.450	15	4.457	15/03/2023	-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*
DanaInfra Nasional Berhad	10/36	GG	4.210	50	4.179	26/01/2023	3	15
DanaInfra Nasional Berhad	02/49	GG	4.499	20	4.500	15/03/2023	0	39
DanaInfra Nasional Berhad	09/49	GG	4.481	5	4.550	10/03/2023	-7	37
Bakun Hydro Power Generation Sdn Berhad (fka Sara Aman Sukuk Berhad)	08/23	AAA	3.681	115	3.442	12/07/2022	24	50
Bank Pembangunan Malaysia Berhad	05/24	AAA	3.853	5	3.796	30/01/2023	6	67
Bank Pembangunan Malaysia Berhad	11/26	AAA	4.027	10	4.068	14/02/2023	-4	55
Cagamas Berhad	07/27	AAA	4.078	30	4.129	09/03/2023	-5	61
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.228	40	4.243	21/02/2023	-2	70
Projek Lebuhraya Usahasama Berhad	01/29	AAA	4.320	20	4.271	14/02/2023	5	65
Tenaga Nasional Berhad	06/29	AAA	4.150	15	4.129	14/02/2023	2	48
Bakun Hydro Power Generation Sdn Berhad (fka Sara Tenaga Nasional Berhad)	08/29	AAA	4.164	40	4.248	15/02/2023	-8	50
Tenaga Nasional Berhad	08/33	AAA	4.460	40	4.438	15/03/2023	2	55
Infracap Resources Sdn Berhad	04/36	AAA	4.659	40	4.719	27/01/2023	-6	60
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.568	10	4.619	07/03/2023	-5	51
Pengurusan Air Selangor Sdn Berhad	07/37	AAA	4.888	4	4.629	09/03/2023	26	83
Pengurusan Air Selangor Sdn Berhad	10/41	AAA	4.802	1	4.920	09/09/2022	-12	69
Sabah Development Bank Berhad	02/25	AA1	4.551	1	4.540	14/03/2023	1	124
GENM Capital Berhad	03/27	AA1	4.850	10	4.810	02/03/2023	4	485
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.305	2	4.018	14/03/2023	29	40
Kuala Lumpur Kepong Berhad	03/37	AA1	4.629	10	4.727	19/01/2023	-10	57
Imtiaz Sukuk II Berhad	04/28	AA2	4.284	10	4.984	22/11/2022	-70	76
UEM Sunrise Berhad	04/25	AA-	5.093	1	5.080	09/03/2023	1	178
Malaysian Resources Corporation Berhad	02/29	AA-	5.104	5	5.350	14/03/2023	-25	144
Edra Energy Sdn Berhad	07/28	AA3	4.509	10	4.577	01/03/2023	-7	98
Tropicana Corporation Berhad	09/19	A	7.055	1	8.043	15/03/2023	-99	295
				494				

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

SkyWorld Capital Berhad's Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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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