

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries rallied last Friday as traders and investors sought the safety of bonds amid a sharp pullback in equities. The weaker Michigan survey on consumer sentiment and easing of inflationary expectations also lent bonds a bid. The curve bull-flattened as overall benchmark yields fell between 8-32bps across, led by the front ends. **The benchmark UST 2Y rallied the most with yields plunging 32bps to 3.84% whilst the much-watched UST 10Y fell 15bps to 3.43%.** Banking sector jitters affected sentiment as major banks were weighing options to impose restrictions on trading lines with Credit Suisse Group AG. Elsewhere, Fed-dated OIS was pricing-in a 37% probability of a 25bps rate hike with peak terminal rates at ~4.88% at the time of writing. Meanwhile, expect spotlight to fall on the FOMC meeting to determine the Fed Funds Rate on Thursday, 23<sup>rd</sup> of March.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.84	-32
5-yr UST	3.50	-24
10-yr UST	3.43	-15
30-yr UST	3.63	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.44	0	3.39	4
5-yr	3.56	1	3.64	6
7-yr	3.83	0	3.85	0
10-yr	3.94	3	3.99	3
15-yr	4.10	4	4.18	3
20-yr	4.13	3	4.20	0
30-yr	4.42	1	4.43	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.57	4
3-yr	3.58	3
5-yr	3.66	4
7-yr	3.77	7
10-yr	3.90	7

Source : Bloomberg

##### MGS/GII

- Local govies ended weaker due to another round of selling last Friday; whilst relenting to higher IRS levels. The curve shifted up as overall benchmark MGS/GII yields closed mostly higher between 0-6bps across, amid the sustained secondary market volume of RM4.3b. **The benchmark 5Y MGS 11/27 yield edged 1bps up at 3.56% whilst the 10Y MGS 7/32 rose 3bps higher to 3.94%.** Interest was mainly seen in off-the-run 23-24's, benchmarks 3Y GII and 10Y MGS. GII transactions spiked to form 51% of overall trades. Expect attention to shift to the release of February trade data which was postponed earlier to today.

##### Corp Bonds/Sukuk

- Last Friday, Corporate Bonds/Sukuk saw a spike in activity with interest seen mainly across the GG-AA part of the curve as secondary market volumes doubled to RM1.13b. Overall yields ended mixed across similar number of trades totaling ~25. Govt-guaranteed JKSB 7/41 jumped 12bps higher to 4.52% whereas the long-end DANA 5/51 closed unchanged at 4.54%. AAA-rated CAGAMAS 10/25 and 11/27 registered RM200m worth of nominal trades with the former plunging 50bps lower to 3.85%; whilst the later declined 8bps to 4.05%. In the AA-space, BGSM 8/25 bonds closed unchanged at 4.07% whereas CELCOM saw both its 8/24 and 10/26 tranches close at 3.88% (unchanged) and at 4.05% (19bps lower) respectively. Meanwhile, the banking/finance space saw AmBank 28NC23 move 13bps higher to close at 4.17%.

#### 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	04/23	2.302	470	2.483	16/03/2023	-18
MGS	08/23	2.661	762	2.669	16/03/2023	-1
MGS	06/24	3.018	300	3.092	16/03/2023	-7
MGS	07/24	3.125	3	3.144	16/03/2023	-2
MGS	09/24	3.180	3	3.152	16/03/2023	3
MGS	03/25	3.324	161	3.367	16/03/2023	-4
MGS	09/25	3.405	3	3.414	16/03/2023	-1
MGS	04/26	3.414	3	3.410	15/03/2023	0
MGS	11/26	3.472	1	3.523	16/03/2023	-5
MGS	05/27	3.566	1	3.631	16/03/2023	-6
MGS	11/27	3.558	154	3.551	16/03/2023	1
MGS	06/28	3.643	5	3.627	16/03/2023	2
MGS	04/29	3.801	15	3.801	16/03/2023	0
MGS	08/29	3.876	173	3.849	16/03/2023	3
MGS	04/30	3.830	157	3.830	16/03/2023	0
MGS	04/31	3.951	2	3.919	16/03/2023	3
MGS	06/31	3.932	158	3.918	16/03/2023	1
MGS	07/32	3.937	301	3.911	16/03/2023	3
MGS	04/33	3.996	30	3.941	16/03/2023	6
MGS	11/33	3.973	60	3.923	16/03/2023	5
MGS	07/34	4.097	28	4.084	16/03/2023	1
MGS	05/35	4.143	66	4.088	16/03/2023	5
MGS	04/37	4.147	20	4.128	16/03/2023	2
MGS	06/38	4.096	12	4.059	16/03/2023	4
MGS	05/40	4.218	1	4.183	16/03/2023	4
MGS	10/42	4.128	41	4.098	16/03/2023	3
MGS	03/46	4.362	5	4.338	16/03/2023	2
MGS	06/50	4.421	4	4.407	16/03/2023	1
GII	05/23	2.627	490	2.732	16/03/2023	-11
GII	05/24	3.213	6	3.181	16/03/2023	3
GII	10/24	3.303	1	3.292	16/03/2023	1
GII	10/25	3.387	360	3.343	16/03/2023	4
GII	09/27	3.661	217	3.593	15/03/2023	7
GII	07/28	3.642	2	3.578	16/03/2023	6
GII	09/30	3.851	100	3.855	16/03/2023	0
GII	10/32	3.990	50	3.963	16/03/2023	3
GII	11/34	4.108	60	4.049	16/03/2023	6
GII	03/38	4.179	50	4.148	16/03/2023	3
GII	09/39	4.173	1	4.130	14/03/2023	4
GII	11/49	4.476	1	4.450	16/03/2023	3
GII	05/52	4.430	20	4.391	13/03/2023	4
			4298			

## 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	11/37	GG	4.254	20	-	-	-	17
Jambatan Kedua Sdn Berhad	07/41	GG	4.517	5	4.400	15/02/2023	12	37
DanaInfra Nasional Berhad	05/51	GG	4.540	10	4.540	15/03/2023	0	40
Danum Capital Berhad	05/23	AAA	3.475	250	3.453	17/02/2023	2	30
Cagamas Berhad	10/25	AAA	3.849	200	4.350	27/10/2022	-50	41
Pengurusan Air SPV Berhad	06/26	AAA	3.918	20	4.088	29/04/2022	-17	48
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/26	AAA	3.984	5	4.538	20/10/2022	-55	54
Johor Corporation	06/27	AAA	4.540	5	4.470	14/03/2023	7	103
Cagamas Berhad	11/27	AAA	4.054	200	4.138	03/03/2023	-8	48
Cagamas Berhad	01/28	AAA	4.029	50	-	-	-	46
Toyota Capital Malaysia Sdn Berhad	01/28	AAA	4.229	10	4.319	09/03/2023	-9	66
Tenaga Nasional Berhad	08/32	AAA	4.399	40	4.269	03/02/2023	13	50
Danum Capital Berhad	02/35	AAA	4.450	15	4.436	27/02/2023	1	50
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.775	120	4.759	02/03/2023	2	69
Celcom Networks Sdn Berhad	08/24	AA+	3.879	5	3.879	24/02/2023	0	70
Celcom Networks Sdn Berhad	10/26	AA+	4.047	30	4.238	20/09/2022	-19	54
Kuala Lumpur Kepong Berhad	09/29	AA1	4.240	30	4.620	24/02/2023	-38	40
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.016	1	4.305	16/03/2023	-29	6
Fortune Premiere Sdn Berhad	10/25	AA	4.416	10	4.613	11/01/2023	-20	98
Imtiaz Sukuk II Berhad	10/27	AA2	4.189	5	4.278	10/02/2023	-9	419
CIMB Group Holdings Berhad	03/33	AA2	4.282	1	4.300	14/03/2023	-2	33
Point Zone (M) Sdn Berhad	03/29	AA-	4.464	15	4.511	07/03/2023	-5	76
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn I	12/23	AA3	4.625	24	4.615	23/02/2023	1	145
BGSM Management Sdn Berhad	08/25	AA3	4.068	20	4.068	10/03/2023	0	75
AmBank Islamic Berhad	10/28	A1	4.172	40	4.045	25/01/2023	13	47
				<u>1131</u>				

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

SkyWorld Capital Berhad's Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
BEWG (M) Sdn Bhd	RM400 million Sukuk Wakalah	AA IS/Stable	Affirmed
Gamuda Berhad	RM5.0bil Islamic Medium-Term Notes Programme (2015/2045)	AA3/Stable	Reaffirmed
	RM800 mil Islamic Medium-Term Notes Programme (2013/2038)	AA3/Stable	Reaffirmed
	RM800 mil Islamic Medium-Term Notes Programme (2015/2045)	AA3/Stable	Reaffirmed
	RM2.0 bil Islamic Commercial Papers Programme (2022-2029)	P1	Reaffirmed
Bandar Serai Develoment Sdn BHd	RM1.0bil Islamic Medium-Term Notes Programme (2014/2044)	AA3/Stable	Reaffirmed
Gamuda Land (T12) Sdn B	RM2.0bil Islamic Medium-Term Notes Programme (2020/2050)	AA3/Stable	Reaffirmed
	RM2.0 bil Islamic Commercial Papers Programme (2020-2027)	P1	Reaffirmed

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; 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.