

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries relented further to losses on Tuesday, taking cue from weaker Bunds and also higher odds of a 25bps rate hike in this week's FOMC meeting. Risk-on weighed on USTs throughout the session as waning bank stress in the financial sector pushed yields higher. The curve continued to bear-flattened as overall benchmark yields rose between 7-19bps across, led again by the front ends. **The benchmark UST 2Y yield spiked again by 19bps instead to 4.17% whilst the much-watched UST 10Y jumped 12bps higher to 3.61%.** Meanwhile, the US Treasury sold \$12b of 20Y bonds at a BTC ratio of 2.53x (previous six auction average: 2.64x); yielding 3.909% (previous auction: 3.977%). US Treasury secretary Yellen's comments that the government is prepared to backstop depositors was seen to restore some certainty for now. Meanwhile, expect spotlight to fall on the FOMC meeting to determine the Fed Funds Rate on Thursday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.17	19
5-yr UST	3.75	16
10-yr UST	3.61	12
30-yr UST	3.73	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.42	3	3.35	1
5-yr	3.53	2	3.60	-3
7-yr	3.81	1	3.87	2
10-yr	3.95	2	3.96	1
15-yr	4.08	0	4.12	0
20-yr	4.15	5	4.20	0
30-yr	4.41	1	4.41	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.52	2
3-yr	3.53	2
5-yr	3.63	7
7-yr	3.74	6
10-yr	3.87	5

Source : Bloomberg

MGS/GII

- Local govies retraced to post losses on Tuesday led by higher IRS levels and lag-effect from risk-on mode in the US. The curve shifted higher as overall benchmark MGS/GII yields closed mostly higher between -2 to +5bps across, amid the halving of secondary market volume @ RM2.1b. **Both the benchmark 5Y MGS 11/27 and 10Y MGS 7/32 yields edged 2bps higher at 3.53% and 3.95% each.** Interest was mainly seen in off-the-run 23's, 25's and benchmarks 10Y MGS. GII transactions rose to form 30% of overall trades. Meanwhile, expect some attention to shift to the release of February inflation data on Friday.

Corp Bonds/Sukuk

- On Tuesday, Corporate Bonds/Sukuk saw a renewed spike in activity with a ~52% jump in secondary market volume @ RM1.34b. Interest was mainly seen across the GG to single-A part of the curve as overall yields ended mixed across higher number of trades totaling ~43. Govt-guaranteed PRASA 12/25 declined 34bps compared to previous-done levels at 3.66% whilst the 2026 tranches settled between 1-61bps at 3.70% levels. AAA-rated RANTAU 3/29 edged 2bps lower at 4.12% whilst its 5/31 tranche ended 6bps lower at 4.28%. In the AA-space, SOUTHERN Power energy-related bonds dominated; with the 2027-2029 tranches closing mostly lower i.e.; between 7-54bps to within the 4.37-52% area. KLK 9/29 however closed unchanged at 4.24%. Meanwhile, the banking/finance space was relatively quiet.

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	08/23	2.498	121	2.604	20/03/2023	-11
MGS	06/24	3.032	57	2.916	20/03/2023	12
MGS	07/24	3.029	1	2.932	20/03/2023	10
MGS	09/24	3.075	5	3.058	20/03/2023	2
MGS	03/25	3.328	190	3.245	20/03/2023	8
MGS	07/25	3.317	60	3.375	14/03/2023	-6
MGS	09/25	3.311	224	3.383	20/03/2023	-7
MGS	04/26	3.386	1	3.381	20/03/2023	1
MGS	07/26	3.422	137	3.391	20/03/2023	3
MGS	11/26	3.480	14	3.472	17/03/2023	1
MGS	05/27	3.501	9	3.501	20/03/2023	0
MGS	11/27	3.534	93	3.511	20/03/2023	2
MGS	06/28	3.595	17	3.612	20/03/2023	-2
MGS	04/29	3.800	1	3.833	20/03/2023	-3
MGS	08/29	3.849	23	3.876	20/03/2023	-3
MGS	04/30	3.814	114	3.806	20/03/2023	1
MGS	04/31	3.907	6	3.946	20/03/2023	-4
MGS	07/32	3.952	291	3.930	20/03/2023	2
MGS	04/33	3.984	34	3.996	17/03/2023	-1
MGS	07/34	4.073	14	4.075	20/03/2023	0
MGS	05/35	4.145	1	4.146	20/03/2023	0
MGS	04/37	4.156	32	4.160	20/03/2023	0
MGS	05/40	4.236	3	4.189	20/03/2023	5
MGS	10/42	4.153	2	4.105	20/03/2023	5
MGS	06/50	4.407	16	4.397	20/03/2023	1
GII	05/23	2.438	284	2.584	20/03/2023	-15
GII	07/23	2.815	5	2.729	20/03/2023	9
GII	11/23	2.989	16	3.004	20/03/2023	-2
GII	10/25	3.351	11	3.342	20/03/2023	1
GII	03/26	3.462	3	3.480	20/03/2023	-2
GII	07/27	3.589	21	3.611	20/03/2023	-2
GII	09/27	3.569	66	3.605	20/03/2023	-4
GII	07/28	3.598	12	3.624	20/03/2023	-3
GII	10/28	3.711	1	3.674	15/03/2023	4
GII	09/30	3.866	100	3.845	20/03/2023	2
GII	10/30	3.883	2	3.880	20/03/2023	0
GII	10/32	3.958	50	3.944	20/03/2023	1
GII	06/33	4.032	20	4.024	20/03/2023	1
GII	07/36	4.217	1	4.164	20/03/2023	5
GII	08/43	4.203	41	4.199	17/03/2023	0
GII	05/52	4.411	1	4.430	20/03/2023	-2
			<u>2101</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Prasarana Malaysia Berhad	12/25	GG	3.659	45	3.994	07/12/2022	-34	25
Pengurusan Air SPV Berhad	02/26	GG	3.700	60	2.868	19/05/2021	83	29
Pengurusan Air SPV Berhad	02/26	GG	3.700	95	3.718	16/02/2023	-2	29
Prasarana Malaysia Berhad	08/26	GG	3.699	30	3.707	10/03/2023	-1	29
Prasarana Malaysia Berhad	08/26	GG	3.705	5	4.310	19/10/2022	-61	29
Danainfra Nasional Berhad	07/27	GG	3.751	10	3.743	30/01/2023	1	28
Danum Capital Berhad	05/23	AAA	3.531	50	3.475	17/03/2023	6	37
Cagamas Berhad	10/25	AAA	3.848	230	3.848	20/03/2023	0	43
Cagamas Berhad	12/25	AAA	3.948	300	-	-	-	53
Projek Lebuhraya Usahasama Berhad	01/26	AAA	4.114	25	4.111	20/03/2023	0	70
Bank Pembangunan Malaysia Berhad	06/26	AAA	3.968	10	4.431	15/02/2023	-46	55
Projek Lebuhraya Usahasama Berhad	01/27	AAA	4.136	35	4.134	20/03/2023	0	67
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.216	15	4.211	20/03/2023	0	70
Rantau Abang Capital Berhad	03/29	AAA	4.121	40	4.143	20/02/2023	-2	45
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	4.348	10	4.695	13/01/2023	-35	49
Rantau Abang Capital Berhad	05/31	AAA	4.280	5	4.337	20/02/2023	-6	43
Pengerang LNG (Two) Sdn Berhad	10/31	AAA	4.429	1	4.418	01/09/2022	1	54
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.729	1	4.730	14/03/2023	0	473
YTL Power International Berhad	08/23	AA1	4.110	15	4.063	10/02/2023	5	95
Northern Gateway Infrastructure Sdn Berhad	08/24	AA1	4.060	5	4.494	10/10/2018	-43	90
Sabah Development Bank Berhad	05/25	AA1	5.058	1	5.052	20/03/2023	1	175
Kuala Lumpur Kepong Berhad	09/29	AA1	4.237	30	4.240	17/03/2023	0	41
Northern Gateway Infrastructure Sdn Berhad	08/32	AA1	4.645	19	4.690	14/04/2022	-5	75
Pelabuhan Tanjung Pelepas Sdn Berhad	06/30	AA	4.578	30	5.000	03/01/2023	-42	75
Besraya (M) Sdn Berhad	07/24	AA2	4.074	30	4.024	01/09/2022	5	407
Press Metal Aluminium Holdings Berhad	08/25	AA2	4.144	10	4.285	04/01/2023	-14	84
CIMB Group Holdings Berhad	03/33	AA2	4.368	2	4.282	17/03/2023	9	44
UEM Sunrise Berhad	03/26	AA-	4.476	1	4.670	06/03/2023	-19	106
Southern Power Generation Sdn Berhad	04/27	AA-	4.378	40	4.448	21/02/2023	-7	91
Southern Power Generation Sdn Berhad	04/28	AA-	4.429	40	4.971	27/10/2022	-54	92
Southern Power Generation Sdn Berhad	04/29	AA-	4.520	10	4.609	15/02/2023	-9	452
Southern Power Generation Sdn Berhad	10/29	AA-	4.588	10	4.351	26/01/2022	24	76
Point Zone (M) Sdn Berhad	03/30	AA-	4.498	15	4.568	15/03/2023	-7	67
Point Zone (M) Sdn Berhad	03/33	AA-	4.709	25	4.809	13/03/2023	-10	78
UMW Holdings Berhad	04/18	AA-	5.437	1	4.832	20/03/2023	61	129
Perbadanan Kemajuan Negeri Selangor	03/24	AA3	4.432	20	4.222	25/07/2022	21	127
Affin Islamic Bank Berhad	12/27	AA3	4.504	1	4.505	17/03/2023	0	99
Dialog Group Berhad	11/20	A1	5.201	3	5.251	09/03/2023	-5	105
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.707	60	5.708	20/03/2023	0	220
Tropicana Corporation Berhad	09/19	A	7.102	1	8.203	20/03/2023	-110	295
IJM Land Berhad	03/19	A2	5.371	1	4.850	01/03/2023	52	122
YNH Property Berhad	08/19	-	5.996	1	6.063	21/02/2023	-7	600
Cypark Renewable Energy Sdn Berhad	09/20	-	7.016	1	7.549	28/02/2023	-53	287
				<u>1336</u>				

*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

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