

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries underwent a relief rally after the Fed announced a modest 25bps rate hike in the Fed Funds Rate to 4.75-5.00% on Wednesday, in line with our expectations. Although Fed Chair Powell's press conference revealed that there may be more rate hikes to come with the latest dot plot suggesting one more hike; swaps pricing revealed potential cuts instead towards the end of this year. The curve bull-steepened as overall benchmark yields plunged between 8-24bps across, led again by the front ends. **The benchmark UST 2Y rallied with yields ending 23bps lower at 3.94%, mainly due to large futures block buying whilst the much-watched UST 10Y fell 18bps to 3.44%.** Meanwhile, investors are mulling if the latest rate hike may be the last for the year if the banking sector turmoil turns into broader financial contagion. Fed officials estimate of implied Fed Fund rate is now projected at 5.125% for 2023, post-FOMC. Meanwhile, expect attention to shift to the jobless claims report as at 18th of March later tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.94	-23
5-yr UST	3.51	-24
10-yr UST	3.44	-18
30-yr UST	3.65	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.41	-1	3.33	-2
5-yr	3.51	-2	3.59	0
7-yr	3.81	-1	3.87	0
10-yr	3.93	-2	3.95	-1
15-yr	4.10	2	4.15	3
20-yr	4.17	2	4.25	5
30-yr	4.42	2	4.41	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	1
3-yr	3.52	-1
5-yr	3.61	-2
7-yr	3.73	-2
10-yr	3.86	-1

Source : Bloomberg

MGS/GII

- Local govies saw the front-end better-bid whilst the longer-ends came under pressure; causing the curves to steepen as IRS receivers were seen being slightly dominant. Overall benchmark MGS/GII yields closed mostly mixed between -2 to +5bps across, amid the near-doubling of secondary market volume @ RM3.85b. **Both the benchmark 5Y MGS 11/27 and 10Y MGS 7/32 yields edged 2bps lower at 3.51% and 3.93% each.** Interest was mainly seen in off-the-run 23's, 33-34's and benchmarks 10Y MGS/GII. GII transactions rose to form 42% of overall trades. Meanwhile, expect some attention to shift to the release of February inflation data tomorrow.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- On Wednesday, Corporate Bonds/Sukuk saw a pullback in activity as secondary market volume fell 33% to RM895m. Interest was mainly seen across the GG-AA part of the curve as overall yields ended mixed-to-higher across a sustained number of trades totaling ~41. Govt-guaranteed PTPTN saw RM200m exchange hands as yields spiked 49bps compared to previous-done levels at 3.35%. AAA-rated BAKUN 30 and 31 saw different fortunes with the former plunging 48bps to 4.24% whereas the later jumped 32bps higher instead to 4.33%. In the AA-space, BKAWAN 2/29 declined 5bps to 4.24% whilst energy-related bonds JEP 12/23 eased 10bps to 4.12%. BGSM however rose 5bps to 3.94%. Meanwhile, the banking/finance space was relatively active with Public Islamic 32NC27 falling 30bps to 4.20%, whereas AmBank 28NC23 ended 28bps higher instead at 4.42%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	04/23	2.395	313	2.584	20/03/2023	-19
MGS	08/23	2.538	358	2.498	21/03/2023	4
MGS	06/24	2.990	2	3.032	21/03/2023	-4
MGS	07/24	3.053	38	3.029	21/03/2023	2
MGS	09/24	3.122	1	3.075	21/03/2023	5
MGS	03/25	3.284	118	3.328	21/03/2023	-4
MGS	07/25	3.322	10	3.317	21/03/2023	0
MGS	09/25	3.361	1	3.311	21/03/2023	5
MGS	04/26	3.378	10	3.386	21/03/2023	-1
MGS	07/26	3.409	80	3.422	21/03/2023	-1
MGS	11/26	3.418	42	3.480	21/03/2023	-6
MGS	05/27	3.548	14	3.501	21/03/2023	5
MGS	11/27	3.510	101	3.534	21/03/2023	-2
MGS	06/28	3.626	50	3.595	21/03/2023	3
MGS	04/29	3.822	183	3.800	21/03/2023	2
MGS	08/29	3.867	59	3.849	21/03/2023	2
MGS	04/30	3.806	40	3.814	21/03/2023	-1
MGS	04/31	3.916	41	3.907	21/03/2023	1
MGS	06/31	3.910	30	3.932	17/03/2023	-2
MGS	07/32	3.931	244	3.952	21/03/2023	-2
MGS	04/33	3.971	109	3.984	21/03/2023	-1
MGS	11/33	4.017	4	3.973	17/03/2023	4
MGS	07/34	4.084	101	4.073	21/03/2023	1
MGS	05/35	4.148	119	4.145	21/03/2023	0
MGS	04/37	4.188	26	4.156	21/03/2023	3
MGS	06/38	4.102	21	4.084	20/03/2023	2
MGS	05/40	4.236	12	4.236	21/03/2023	0
MGS	10/42	4.169	8	4.153	21/03/2023	2
MGS	09/43	4.311	71	4.285	14/03/2023	3
MGS	06/50	4.423	11	4.407	21/03/2023	2
GII	05/23	2.598	45	2.438	21/03/2023	16
GII	11/23	2.881	3	2.989	21/03/2023	-11
GII	05/24	3.135	80	3.130	20/03/2023	0
GII	10/24	3.204	1	3.166	20/03/2023	4
GII	08/25	3.383	1	3.381	15/03/2023	0
GII	10/25	3.332	41	3.351	21/03/2023	-2
GII	03/26	3.441	2	3.462	21/03/2023	-2
GII	07/27	3.592	3	3.589	21/03/2023	0
GII	09/27	3.574	117	3.569	21/03/2023	0
GII	07/28	3.594	53	3.598	21/03/2023	0
GII	10/28	3.681	16	3.711	21/03/2023	-3
GII	07/29	3.859	151	3.862	17/03/2023	0
GII	09/30	3.866	110	3.866	21/03/2023	0
GII	10/30	3.919	1	3.883	21/03/2023	4
GII	10/32	3.952	391	3.958	21/03/2023	-1
GII	08/33	4.031	240	3.995	22/02/2023	4
GII	11/34	4.119	320	4.108	17/03/2023	1
GII	07/36	4.313	42	4.217	21/03/2023	10
GII	03/38	4.148	10	4.122	20/03/2023	3
GII	09/41	4.254	1	4.300	20/03/2023	-5
GII	08/43	4.250	1	4.203	21/03/2023	5
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Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)		
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	3.351	200	2.860	25/03/2022	49	18
DanaInfra Nasional Berhad	11/28	GG	3.789	115	3.699	05/01/2022	9	12
GovCo Holdings Berhad	02/24	GG	3.361	100	3.416	15/03/2023	-5	19
Lembaga Pembiayaan Perumahan Sektor Awam	04/24	GG	3.387	40	2.905	16/03/2022	48	22
DanaInfra Nasional Berhad	07/27	GG	3.751	35	3.751	21/03/2023	0	28
Prasarana Malaysia Berhad	08/23	GG	3.270	10	3.350	07/03/2023	-8	10
Prasarana Malaysia Berhad	07/29	GG	3.940	10	4.138	05/08/2022	-20	27
Prasarana Malaysia Berhad	01/48	GG	4.499	5	4.570	08/03/2023	-7	34
Cagamas Berhad	09/24	AAA	3.770	15	3.800	14/03/2023	-3	47
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/30	AAA	4.238	30	4.718	27/04/2022	-48	42
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/31	AAA	4.328	30	4.010	30/11/2021	32	47
Sarawak Energy Berhad	01/27	AAA	3.984	30	3.998	09/03/2023	-1	52
Sarawak Energy Berhad	07/29	AAA	4.133	20	4.108	09/02/2023	3	47
Toyota Capital Malaysia Sdn Berhad	12/24	AAA	3.998	15	4.035	08/03/2023	-4	70
Amanat Lebuhraya Rakyat Berhad	10/25	AAA	4.007	10	4.115	12/01/2023	-11	59
Danga Capital Berhad	02/26	AAA	3.915	10	3.918	10/03/2023	0	50
Mercedes-Benz Services Malaysia Sdn Berhad	03/26	AAA	3.975	10	4.019	02/03/2023	-4	56
Petroleum Sarawak Exploration & Production Sdn Bert	02/33	AAA	4.574	10	4.569	13/03/2023	0	457
TNB Northern Energy Berhad	11/23	AAA	3.810	10	3.601	26/09/2022	21	64
Rantau Abang Capital Berhad	05/31	AAA	4.258	5	4.280	21/03/2023	-2	40
Pengurusan Air SPV Berhad	06/26	AAA	3.915	3	3.888	15/03/2023	3	50
Public Islamic Bank Berhad	07/32	AA1	4.198	20	4.498	04/01/2023	-30	31
Sabah Credit Corporation	01/27	AA1	4.258	5	4.232	15/03/2023	3	79
Sabah Development Bank Berhad	02/25	AA1	4.540	1	4.542	20/03/2023	0	124
Sabah Development Bank Berhad	03/25	AA1	5.061	1	4.072	24/02/2023	99	506
Batu Kawan Berhad	02/29	AA1	4.238	30	4.290	02/02/2023	-5	57
YTL Power International Berhad	10/24	AA1	4.948	20	4.287	14/03/2023	66	165
Batu Kawan Berhad	06/23	AA1	3.612	10	3.513	17/02/2023	10	44
TRIpIc Medical Sdn Berhad	10/35	AA1	4.890	10	5.070	15/09/2022	-18	79
UniTapah Sdn Berhad	12/24	AA1	4.150	10	3.119	28/05/2021	103	85
Malaysia Airport Holdings Berhad	12/14	AA2	4.883	2	4.806	02/03/2023	8	488
Jimah East Power Sdn Berhad	12/23	AA-	4.117	20	4.214	15/12/2022	-10	95
BGSM Management Sdn Berhad	06/24	AA3	3.939	20	3.891	08/02/2023	5	77
Point Zone (M) Sdn Berhad	03/27	AA-	4.270	10	4.276	20/03/2023	-1	80
TG Excellence Berhad	02/20	AA-	6.268	5	5.105	10/03/2023	116	211
AmBank (M) Berhad	11/28	A1	4.416	15	4.141	15/03/2023	28	75
MNRB Holdings Berhad	03/29	A1	5.075	2	4.555	18/07/2022	52	141
YNH Property Berhad	02/27	A+	5.709	1	5.351	14/03/2023	36	224
Alliance Bank Malaysia Berhad	10/30	A2	4.936	1	4.939	17/03/2023	0	108
Tropicana Corporation Berhad	09/19	A	7.280	1	7.620	15/12/2022	-34	313
Affin Bank Berhad	07/18	A3	5.753	1	5.754	20/03/2023	0	575
				895				

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

SkyWorld Capital Berhad's Rating Action

Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Sdn Bhd	RM192.3 million Green SRI Sukuk	From A+ IS/Negative to A+Stable	Outlook upgraded
Singer (Malaysia) Sdn Bhd	RM300.0 million Medium-Term Notes (MTN) Programme	A/Stable	Assigned
UDA Holdings Berhad	Islamic Commercial Papers (ICP) programme of up to RM100.0 million	MARC-1 IS	Assigned
	Islamic Medium-Term Notes (IMTN) programme of up to RM1.0 billion with a combined aggregate limit of up to RM1.0 billion	AA-IS/Stable	Assigned
Sabah Development Berhad	Islamic Medium-Term Notes Programme of up to RM10.0 bil	AAA/Stable	Reaffirmed

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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