

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries rallied on Tuesday following speculation that the upcoming FOMC meeting may be the last such tightening move by the Fed this year. Bonds were also fuelled by European rates, led by Italian Bonds due to softer European PMI prints. The curve bull-flattened as overall benchmark yields closed lower between 2-7bps across. **The benchmark UST 2Y yield edged 2bps lower at 4.21% whilst the UST 10Y ended 6bps lower at 3.45%.** Treasury's \$42b of 2-year note auction saw strong bidding metrics on a BTC ratio of 2.94x (the highest since May 2020) and awarded at 4.139% (previous auction: 4.373%). It benefited from strong demand for short maturities. Elsewhere, demand for the Fed's Reverse Repo agreement facility fell to the lowest level in 2 months as T-Bill auctions attracted funds due to higher rates offered. Meanwhile, expect attention to shift to the release of advance 4Q2022 GDP data tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.21	-2
5-yr UST	3.58	-5
10-yr UST	3.45	-6
30-yr UST	3.61	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.31	1	3.37	2
5-yr	3.51	-1	3.53	1
7-yr	3.67	-6	3.83	1
10-yr	3.72	-17	3.88	2
15-yr	3.97	0	4.02	-8
20-yr	4.14	8	4.18	-12
30-yr	4.24	-11	4.35	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.46	-4
3-yr	3.33	-3
5-yr	3.43	4
7-yr	3.56	3
10-yr	3.66	1

Source : Bloomberg

##### MGS/GII

- Government bonds generally fared well last Friday ahead of the long extended Chinese Lunar New Year holidays save for the front-end and belly of the GII curve. Overall benchmark MGS/GII yields settled mostly mixed-to-lower i.e.; between -17 to +8bps across, amid the 41% drop in market volume @ RM6.87b. **The benchmark 5Y MGS 11/27 yield edged 1bps lower at 3.51% whilst the 10Y MGS 7/32 rallied the most and ended 17bps lower at 3.72%.** Interest was mainly seen in off-the-run 23's's and also benchmark 3Y GII, 5Y, 10Y MGS. Meanwhile, the economic calendar remains light this week.

##### Corp Bonds/Sukuk

- Last Friday, Corporate Bonds/Sukuk saw activity taper-off sharply ahead of the long weekend break with lesser interest seen across the curve. Overall secondary market volume fell almost two-thirds to to RM306m with total trades (above RM500k) registering 43; as yields ended mostly mixed-to-lower again. Govt-guaranteed trades were dominated by DANA with the 8/29 and 5/31 tranches closing 13-15bps lower at 3.99% and 4.05% each. AAA-rated Pet Sarawak 11/29 and MAHB 11/30 fell 17-19bps to 4.32% and 4.40% each. In the AA-space, toll operator ANIH 11/28 bonds settled 48bps sharply lower at 4.50%. Meanwhile, the banking/finance space was relatively quiet with odd-lot transactins seen in AmBank and Affin Islamic 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	2.816	1151	2.777	19/01/2023	4
MGS	04/23	2.851	145	2.790	18/01/2023	6
MGS	06/24	3.186	18	3.253	19/01/2023	-7
MGS	07/24	3.203	21	3.222	19/01/2023	-2
MGS	09/24	3.181	40	3.300	19/01/2023	-12
MGS	03/25	3.312	517	3.303	19/01/2023	1
MGS	09/25	3.335	16	3.335	19/01/2023	0
MGS	04/26	3.380	1	3.431	19/01/2023	-5
MGS	07/26	3.380	65	3.421	19/01/2023	-4
MGS	11/26	3.441	18	3.438	19/01/2023	0
MGS	05/27	3.526	2	3.588	19/01/2023	-6
MGS	11/27	3.510	660	3.522	19/01/2023	-1
MGS	06/28	3.590	81	3.784	19/01/2023	-19
MGS	04/29	3.674	222	3.730	19/01/2023	-6
MGS	08/29	3.755	140	3.885	19/01/2023	-13
MGS	04/31	3.788	6	3.818	19/01/2023	-3
MGS	06/31	3.812	3	4.042	18/01/2023	-23
MGS	07/32	3.723	624	3.894	19/01/2023	-17
MGS	04/33	3.891	22	3.976	19/01/2023	-9
MGS	11/33	3.925	9	4.108	18/01/2023	-18
MGS	07/34	4.026	17	4.009	19/01/2023	2
MGS	05/35	4.049	136	4.077	19/01/2023	-3
MGS	04/37	4.061	51	4.066	19/01/2023	0
MGS	06/38	3.973	218	3.973	19/01/2023	0
MGS	05/40	4.144	22	4.284	19/01/2023	-14
MGS	10/42	4.141	195	4.065	19/01/2023	8
MGS	09/43	4.254	30	4.310	19/01/2023	-6
MGS	03/46	4.270	1	4.257	19/01/2023	1
MGS	07/48	4.390	2	4.465	19/01/2023	-8
MGS	06/50	4.239	153	4.347	19/01/2023	-11
GII	05/23	2.922	450	2.720	19/01/2023	20
GII	11/23	3.272	2	3.320	18/01/2023	-5
GII	10/24	3.280	5	3.324	19/01/2023	-4
GII	08/25	3.346	2	3.467	19/01/2023	-12
GII	10/25	3.368	416	3.349	19/01/2023	2
GII	03/26	3.465	12	3.441	19/01/2023	2
GII	09/26	3.470	10	3.593	18/01/2023	-12
GII	09/27	3.528	117	3.516	19/01/2023	1
GII	10/28	3.728	22	3.746	19/01/2023	-2
GII	07/29	3.825	378	3.814	19/01/2023	1
GII	10/30	3.850	30	3.864	19/01/2023	-1
GII	10/32	3.876	361	3.856	19/01/2023	2
GII	06/33	4.011	80	3.989	19/01/2023	2
GII	07/36	4.054	15	4.000	19/01/2023	5
GII	08/37	4.070	20	4.084	19/01/2023	-1
GII	03/38	4.015	50	4.091	19/01/2023	-8
GII	09/39	4.256	60	4.231	16/01/2023	3
GII	09/41	4.184	6	4.307	19/01/2023	-12
GII	05/47	4.470	30	4.572	11/01/2023	-10
GII	11/49	4.303	95	4.398	19/01/2023	-9
GII	05/52	4.355	122	4.387	19/01/2023	-3
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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	10/28	GG	3.960	20	3.911	31/03/2022	5	34
DanaInfra Nasional Berhad	08/29	GG	3.990	10	4.138	24/08/2022	-15	28
DanaInfra Nasional Berhad	05/31	GG	4.054	20	4.179	28/03/2022	-13	33
GovCo Holdings Berhad	06/31	GG	4.118	10	4.278	06/09/2022	-16	40
Prasarana Malaysia Berhad	08/36	GG	4.191	5	4.756	13/07/2022	-57	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.184	5	4.901	12/10/2022	-72	21
DanaInfra Nasional Berhad	04/37	GG	4.210	30	4.286	19/01/2023	-8	24
DanaInfra Nasional Berhad	04/37	GG	4.209	40	-	-	-	24
Prasarana Malaysia Berhad	09/42	GG	4.370	5	4.750	01/12/2022	-38	23
Petroleum Sarawak Exploration & Production Sdn Bert	11/29	AAA	4.318	10	4.488	27/12/2022	-17	61
Malaysia Airport Holdings Berhad	11/30	AAA	4.397	10	4.590	08/12/2022	-19	68
Projek Lebuh raya Usahasama Berhad	01/31	AAA	4.490	4	4.604	29/12/2022	-11	77
Sarawak Energy Berhad	04/31	AAA	4.311	10	4.648	02/12/2022	-34	59
Tenaga Nasional Berhad	08/32	AAA	4.433	1	4.834	17/01/2023	-40	70
Sarawak Energy Berhad	06/35	AAA	4.615	4	4.720	10/01/2023	-11	88
Pengurusan Air SPV Berhad	02/36	AAA	4.622	4	4.389	10/03/2022	23	65
Infracap Resources Sdn Berhad	04/36	AAA	4.806	2	4.808	19/01/2023	0	84
GENM Capital Berhad	07/28	AA1	5.193	1	4.999	19/01/2023	19	170
Genting Capital Berhad	06/27	AA1	4.731	4	4.859	11/01/2023	-13	132
Fortune Premiere Sdn Berhad	09/25	AA	4.441	10	4.518	17/01/2023	-8	113
Anih Berhad	11/28	AA	4.501	10	4.986	07/10/2022	-48	88
Imtiaz Sukuk II Berhad	05/27	AA2	4.297	3	4.929	09/11/2022	-63	89
MMC Corporation Berhad	04/23	AA-	3.734	4	3.781	13/01/2023	-5	54
Malaysian Resources Corporation Berhad	08/23	AA-	4.796	4	4.842	05/01/2023	-5	161
Sinar Kamiri Sdn Berhad	01/26	AA-	5.385	6	4.118	06/01/2021	127	207
UEM Sunrise Berhad	05/26	AA-	5.375	4	5.455	26/10/2022	-8	206
UTM Solar Power Dua Sdn Berhad	03/32	AA-	5.493	8	-	-	-	176
UMW Holdings Berhad	04/18	AA-	5.320	1	4.997	10/01/2023	32	118
Country Garden Real Estate Sdn Berhad	03/23	AA3	5.599	2	5.697	19/01/2023	-10	241
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn I	07/23	AA3	4.505	2	3.668	24/05/2022	84	131
Tanjung Bin Energy Sdn Berhad	03/26	AA3	5.580	8	5.492	19/01/2023	9	227
Golden Assets International Finance Limited	04/27	AA3	4.552	3	4.554	19/01/2023	0	114
Perbadanan Kemajuan Pertanian Negeri Pahang (fka L	10/27	AA3	5.426	4	4.370	16/02/2021	106	193
Affin Islamic Bank Berhad	12/27	AA3	4.473	4	4.474	18/01/2023	0	98
SAJ Capital Sdn Berhad	01/28	AA-	4.838	8	4.868	15/09/2022	-3	135
Tanjung Bin Energy Sdn Berhad	03/32	AA3	6.153	4	6.198	06/01/2023	-5	242
DRB-Hicom Berhad	12/29	A+	5.395	16	5.744	15/11/2022	-35	540
AmBank (M) Berhad	10/32	A1	4.555	2	4.673	19/01/2023	-12	82
Tropicana Corporation Berhad	06/25	A+	6.093	1	6.692	17/01/2023	-60	282
George Kent (Malaysia) Berhad	03/26	A+	5.847	6	6.064	14/11/2022	-22	253
DRB-Hicom Berhad	12/14	A-	5.705	1	6.400	16/01/2023	-70	156
Tropicana Corporation Berhad	09/19	A	6.147	1	7.199	05/01/2023	-105	200
WCT Holdings Berhad	09/19	A	5.936	2	6.218	10/06/2022	-28	179
				<u>306</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
DIALOG Group Berhad	RM3 bil Senior Islamic Medium-Term Notes and RM3 bil Subordinated Perpetual Islamic Notes	AA2/Stable and A1/Stable	Reaffirmed
Pacific & Orient Insurance Co. Berhad	Insurer financial strength	From A2/Negative/P1 to A3/Stable/P2.	Downgraded

Source: RAM, MARC

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