

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 4.30 | 2 |
| 5-yr UST | 4.44 | 4 |
| 10-yr UST | 4.61 | 3 |
| 30-yr UST | 4.83 | 2 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 3.44 | 0 | 3.32 | 0 |
| 5-yr | 3.61 | 0 | 3.63 | 0 |
| 7-yr | 3.78 | 0 | 3.76 | -1 |
| 10-yr | 3.80 | -1 | 3.84 | 0 |
| 15-yr | 3.97 | 0 | 3.95 | 0 |
| 20-yr | 4.06 | 0 | 3.99 | -9 |
| 30-yr | 4.18 | 0 | 4.19 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.58 | 1 |
| 3-yr | 3.52 | 0 |
| 5-yr | 3.57 | 0 |
| 7-yr | 3.65 | 0 |
| 10-yr | 3.74 | 0 |

Source: Bloomberg

Upcoming Government Bond Tender

Reopening auction of RM5.5bn of the benchmark 3Y GII 7/28 on Thursday, 23 Jan

US Treasuries

- US Treasuries were softer in trading on Wednesday amidst solid corporate earnings reports and as government bond supply returned with the auction of 20yr USTs overnight. Benchmark yields were higher across the curve. **The benchmark 2Y UST yield rose by 2bps for the day to 4.30% while the benchmark 10Y UST yield advanced by 3bps to close at 4.61%.** Tonight sees the release of the latest weekly jobless claims, and government bond supply continues with the planned sale of USD20bn in 10yr Treasury Inflation Protected Securities (TIPS).

MGS/GII

- Local govovies were better bid in trading on Wednesday, amidst CPI for December unexpectedly cooling from the month before, and BNM leaving rates on hold for the tenth straight meeting and continuing to strike a neutral tone. Secondary market volume for the day climbed by 24% to RM7.55bn from the RM6.07bn that changed hands on Tuesday. Overall benchmark yields ended the day lower by between 0 to 1bps (prior: lower by 0 to 3bps), except for the 20Y GII which was skewed by some late odd lot trades. **The benchmark 5Y MGS 8/29 yield was little changed for the day at 3.61% while the yield on the benchmark 10Y MGS 7/34 was 1bp lower at 3.80%.** Trading activity for the day was led by the off-the-run MGS 9/25, while decent interest was also seen in the off-the-run MGS 3/25, MGS 7/26 and GII 10/32, as well as in the benchmark 3Y GII, 7Y MGS and 10Y MGS. The share of GII trading for the day climbed to 37% of overall govovies trading from the 39% seen the previous session. The reopening auction of RM5.5bn of the GII 7/28 will take place today, with the bond taking over as the benchmark 3Y GII.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was mixed in trading on Wednesday, with secondary market volume for the day declining by 26% to RM478m versus the RM645m that traded on Tuesday. Trading for the day was led by the GG segment of the market, where interest was dominated by LPPSA 3/31, which closed at 3.80%, 7bps lower versus where it last traded. In the AAA-space, trading was led by PLUS 1/29 (VI240004) and PLUS 1/29 (VK220506), with both bonds settling at 3.88%, unchanged and higher by 13bps respectively versus their last prints. In the AA-rated arena, trading was led by RHB 1/33, which closed at 4.04%, 3bps lower compared to its last trade.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 03/25 | 3.009 | 677 | 3.161 | 01/21/2025 | -15 |
| MGS | 09/25 | 3.200 | 851 | 3.100 | 01/21/2025 | 10 |
| MGS | 04/26 | 3.236 | 112 | 3.286 | 01/21/2025 | -5 |
| MGS | 07/26 | 3.284 | 425 | 3.325 | 01/21/2025 | -4 |
| MGS | 11/26 | 3.317 | 26 | 3.365 | 01/21/2025 | -5 |
| MGS | 05/27 | 3.436 | 118 | 3.434 | 01/21/2025 | 0 |
| MGS | 11/27 | 3.476 | 13 | 3.476 | 01/21/2025 | 0 |
| MGS | 04/28 | 3.521 | 80 | 3.516 | 01/21/2025 | 0 |
| MGS | 06/28 | 3.543 | 41 | 3.545 | 01/21/2025 | 0 |
| MGS | 04/29 | 3.591 | 40 | 3.578 | 01/17/2025 | 1 |
| MGS | 08/29 | 3.606 | 321 | 3.609 | 01/21/2025 | 0 |
| MGS | 04/30 | 3.682 | 2 | 3.685 | 01/21/2025 | 0 |
| MGS | 04/31 | 3.773 | 186 | 3.772 | 01/21/2025 | 0 |
| MGS | 07/32 | 3.783 | 475 | 3.788 | 01/21/2025 | 0 |
| MGS | 11/33 | 3.840 | 260 | 3.841 | 01/21/2025 | 0 |
| MGS | 07/34 | 3.802 | 631 | 3.815 | 01/21/2025 | -1 |
| MGS | 05/35 | 3.852 | 80 | 3.854 | 01/21/2025 | 0 |
| MGS | 04/37 | 3.940 | 22 | 3.940 | 01/21/2025 | 0 |
| MGS | 04/39 | 3.969 | 195 | 3.972 | 01/21/2025 | 0 |
| MGS | 05/40 | 3.990 | 37 | 3.986 | 01/21/2025 | 0 |
| MGS | 09/43 | 4.105 | 4 | 4.069 | 01/17/2025 | 4 |
| MGS | 05/44 | 4.059 | 81 | 4.059 | 01/21/2025 | 0 |
| MGS | 07/48 | 4.021 | 1 | 4.025 | 01/21/2025 | 0 |
| MGS | 06/50 | 4.151 | 7 | 4.046 | 01/21/2025 | 11 |
| MGS | 03/53 | 4.177 | 49 | 4.180 | 01/21/2025 | 0 |
| GII | 08/25 | 3.213 | 160 | 3.207 | 01/21/2025 | 1 |
| GII | 03/26 | 3.305 | 101 | 3.315 | 01/21/2025 | -1 |
| GII | 09/26 | 3.322 | 584 | 3.323 | 01/21/2025 | 0 |
| GII | 07/27 | 3.427 | 10 | 3.438 | 01/16/2025 | -1 |
| GII | 09/27 | 3.472 | 20 | 3.476 | 01/21/2025 | 0 |
| GII | 07/28 | 3.545 | 52 | 3.547 | 01/21/2025 | 0 |
| GII | 10/28 | 3.552 | 2 | 3.556 | 01/21/2025 | 0 |
| GII | 07/29 | 3.628 | 90 | 3.625 | 01/21/2025 | 0 |
| GII | 09/30 | 3.715 | 170 | 3.721 | 01/21/2025 | -1 |
| GII | 10/30 | 3.728 | 2 | 3.721 | 01/21/2025 | 1 |
| GII | 10/31 | 3.762 | 90 | 3.776 | 01/21/2025 | -1 |
| GII | 10/32 | 3.810 | 410 | 3.812 | 01/21/2025 | 0 |
| GII | 06/33 | 3.831 | 71 | 3.841 | 01/21/2025 | -1 |
| GII | 08/33 | 3.831 | 50 | 3.836 | 01/21/2025 | 0 |
| GII | 11/34 | 3.835 | 300 | 3.838 | 01/20/2025 | 0 |
| GII | 03/38 | 3.943 | 111 | 3.944 | 01/20/2025 | 0 |
| GII | 09/39 | 3.972 | 177 | 3.967 | 01/21/2025 | 0 |
| GII | 07/40 | 3.949 | 110 | 3.950 | 01/21/2025 | 0 |
| GII | 09/41 | 3.917 | 1 | 4.013 | 01/17/2025 | -10 |
| GII | 08/43 | 3.988 | 10 | 4.082 | 01/21/2025 | -9 |
| GII | 05/52 | 4.194 | 200 | 4.192 | 01/21/2025 | 0 |
| GII | 03/54 | 4.185 | 90 | 4.185 | 01/21/2025 | 0 |
| | | | 7545 | | | |

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 | 09/29 | GG | 3.669 | 10 | 3.713 | 25/11/2024 | -4 | 5 |
| Lembaga Pembiayaan Perumahan Sektor Aw | 03/31 | GG | 3.798 | 150 | 3.864 | 29/1/2024 | -7 | 10 |
| Prasarana Malaysia Berhad | 06/34 | GG | 3.864 | 50 | 3.882 | 21/1/2025 | -2 | 5 |
| DanaInfra Nasional Berhad | 10/35 | GG | 3.879 | 20 | 3.909 | 14/1/2025 | -3 | 6 |
| Malaysia Rail Link Sdn Berhad | 07/36 | GG | 3.939 | 10 | 3.989 | 14/1/2025 | -5 | 12 |
| DanaInfra Nasional Berhad | 04/43 | GG | 4.074 | 20 | 4.079 | 31/7/2024 | 0 | 2 |
| Cagamas Berhad | 07/27 | AAA | 3.800 | 5 | 3.796 | 14/1/2025 | 0 | 34 |
| Projek Lebuhraya Usahasama Berhad | 01/28 | AAA | 3.846 | 10 | 3.854 | 20/1/2025 | -1 | 39 |
| TM Technology Services Sdn Berhad (fka Wet | 10/28 | AAA | 3.836 | 10 | 3.871 | 24/12/2024 | -4 | 28 |
| Projek Lebuhraya Usahasama Berhad | 01/29 | AAA | 3.876 | 20 | 3.879 | 20/1/2025 | 0 | 32 |
| Projek Lebuhraya Usahasama Berhad | 01/29 | AAA | 3.884 | 20 | 3.752 | 6/9/2024 | 13 | 33 |
| Projek Lebuhraya Usahasama Berhad | 01/35 | AAA | 4.003 | 10 | n/a | n/a | 400 | 18 |
| YTL Power International Berhad | 03/30 | AA1 | 4.051 | 2 | 4.404 | 24/12/2024 | -35 | 43 |
| PONSB Capital Berhad | 12/28 | AA2 | 3.944 | 10 | 3.856 | 10/10/2024 | 9 | 39 |
| PONSB Capital Berhad | 06/29 | AA2 | 3.963 | 10 | 3.956 | 16/1/2025 | 1 | 41 |
| PONSB Capital Berhad | 05/31 | AA2 | 4.018 | 10 | 4.038 | 14/1/2025 | -2 | 32 |
| RHB Bank Berhad | 01/33 | AA2 | 4.036 | 30 | 4.062 | 8/11/2024 | -3 | 23 |
| SP Setia Berhad | 06/26 | AA | 3.813 | 10 | 3.840 | 31/12/2024 | -3 | 54 |
| Point Zone (M) Sdn Berhad | 03/27 | AA | 4.099 | 1 | 3.842 | 20/2/2024 | 26 | 74 |
| Edra Energy Sdn Berhad | 01/26 | AA3 | 3.745 | 20 | 11.566 | 16/12/2024 | -782 | 48 |
| Perbadanan Kemajuan Negeri Selangor | 09/28 | AA3 | 4.027 | 10 | 4.043 | 11/12/2024 | -2 | 47 |
| Perbadanan Kemajuan Negeri Selangor | 10/28 | AA3 | 4.038 | 20 | 4.047 | 16/12/2024 | -1 | 48 |
| Perbadanan Kemajuan Negeri Selangor | 07/31 | AA3 | 4.112 | 5 | n/a | n/a | 411 | 32 |
| Perbadanan Kemajuan Negeri Selangor | 01/32 | AA3 | 4.128 | 10 | 4.159 | 6/1/2025 | -3 | 34 |
| DRB-Hicom Berhad | 12/29 | AA- | 4.636 | 2 | 4.163 | 21/1/2025 | 47 | 102 |
| LBS Bina Group Berhad | 01/32 | AA- | 4.610 | 1 | n/a | n/a | 461 | 82 |
| Southern Power Generation Sdn Berhad | 04/32 | AA- | 4.162 | 3 | 4.698 | 2/11/2023 | -54 | 37 |
| Hong Leong Bank Berhad | 11/17 | A1 | 4.443 | 1 | 3.753 | 16/1/2025 | 69 | 39 |
| Alliance Bank Malaysia Berhad | 11/17 | BBB1 | 4.201 | 1 | 4.192 | 10/12/2024 | 1 | 14 |
| | | | | <u>478</u> | | | | |

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

| Rating Action | | | |
|---|-------------------------------|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Sumitomo Mitsui Banking Corporation Malaysia Berhad | Financial Institution Ratings | AA1/Stable/P1 | Affirmed |

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanela

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.