

## Global Markets Research

## Fixed Income

## Fixed Income Daily Market Snapshot

## US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.12	2
5-yr UST	3.68	0
10-yr UST	3.55	-2
30-yr UST	3.73	-3

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.35	0	3.31	0	
5-yr	3.52	-1	3.61	1	
7-yr	3.81	0	3.87	0	
10-yr	3.93	3	3.96	2	
15-yr	4.14	-1	4.17	4	
20-yr	4.19	2	4.17	0	
30-yr	4.43	0	4.45	4	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	0
3-yr	3.53	0
5-yr	3.59	-2
7-yr	3.71	-4
10-yr	3.86	-4

Source : Bloomberg

## Upcoming Government Bond Tender

Nil

- US Treasuries lacked direction on Thursday, extending its lacklustre movements seen prior day. Some impact was felt in the front-ends as initial jobless claims for the week ended 25<sup>th</sup> March, saw a modest increase. The curve was slightly flatter again as overall benchmark yields ended mixed between -3 to +2bps across; with the longer-ends better-bid. **The benchmark UST 2Y yield edged 2bps higher at 4.12% whilst the much-watched UST 10Y ended 2bps lower instead at 3.55%.** Interest rate volatility is seen continuing its retreat from elevated levels seen last week as extreme flight to safety flows reverse. US Treasury's cash balance has fallen to below \$200b; i.e.; well below the \$500b estimate for this quarter-end which was predicted by Treasury some two months back in its attempt to cap the debt limit. Meanwhile, expect attention to shift to February inflation reading contained in the the PCE data release later tonight.

## MGS/GII

- Local govies especially GII were slightly pressured on Thursday from after-effects of a somewhat hawkish stance from BNM prior day. Overall benchmark MGS/GII yields ended mostly mixed-to-higher between -1 to +4bps across; amid the near-halving of secondary market volume to RM1.87b. **The benchmark 5Y MGS 11/27 yield edged 1bps lower at 3.52% whilst the 10Y MGS 7/32 rose 3bps to 3.93%.** Interest was mainly seen in off-the-run 23's and new 30Y MGS benchmark. GII transactions sustained to form 19% of overall trades. Elsewhere, the auction consisting of new issuance of 30Y MGS saw muted participation with BTC ratio of a mere 1.97x and awarded at 4.457%.

## Corp Bonds/Sukuk

- On Thursday, Corporate Bonds/Sukuk too saw activity dwindle as secondary market volume more than halved to RM442m, with interest seen across the GG-AA part of the curve. Overall yields ended mostly mixed, across a sharply lower number of trades totaling ~23. Govt-guaranteed DANA 11/25 declined 5bps compared to previous-done levels to 3.58%. AAA-rated SEB saw sizeable RM90m worth of trades registered as yields moved 4bps lower to 4.25%. PLUS 38 meantime edged 1bps lower at 4.74% whereas PLUS 27 closed unchanged at 4.13%. In the AA-space, energy-related bonds saw YTL Power 3/33 also edge 1bps down at 4.80%. Meanwhile, the banking/finance space was relatively quiet whilst registering some odd-lot trades.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	04/23	2.620	100	2.219	29/03/2023	40
MGS	08/23	2.665	378	2.709	29/03/2023	-4
MGS	06/24	3.047	7	3.051	29/03/2023	0
MGS	07/24	3.003	20	2.963	29/03/2023	4
MGS	09/24	3.015	22	3.012	28/03/2023	0
MGS	03/25	3.187	67	3.179	29/03/2023	1
MGS	09/25	3.256	61	3.265	29/03/2023	-1
MGS	07/26	3.347	160	3.346	29/03/2023	0
MGS	11/26	3.398	61	3.393	29/03/2023	1
MGS	03/27	3.506	6	3.510	29/03/2023	0
MGS	11/27	3.520	95	3.532	29/03/2023	-1
MGS	06/28	3.630	28	3.626	29/03/2023	0
MGS	04/29	3.830	45	3.820	29/03/2023	1
MGS	08/29	3.863	8	3.849	29/03/2023	1
MGS	07/32	3.925	41	3.898	29/03/2023	3
MGS	07/34	4.109	2	4.098	29/03/2023	1
MGS	04/37	4.160	1	4.160	29/03/2023	0
MGS	06/38	4.137	61	4.146	29/03/2023	-1
MGS	10/42	4.190	70	4.167	29/03/2023	2
MGS	03/46	4.242	2	4.341	29/03/2023	-10
MGS	06/50	4.433	7	4.433	29/03/2023	0
MGS	03/53	4.420	272	-	-	-
GII	05/23	2.260	45	2.317	29/03/2023	-6
GII	08/25	3.330	20	3.329	29/03/2023	0
GII	10/25	3.305	20	3.305	29/03/2023	0
GII	03/26	3.496	3	3.440	28/03/2023	6
GII	09/26	3.428	40	3.428	29/03/2023	0
GII	09/27	3.573	46	3.531	29/03/2023	4
GII	07/28	3.609	52	3.600	29/03/2023	1
GII	07/29	3.857	20	3.849	27/03/2023	1
GII	10/30	3.905	50	3.850	29/03/2023	5
GII	10/32	3.964	43	3.949	29/03/2023	2
GII	03/38	4.165	10	4.130	29/03/2023	4
GII	08/43	4.166	2	4.163	28/03/2023	0
GII	05/52	4.450	3	4.411	21/03/2023	4
			<u>1867</u>			

## 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	11/25	GG	3.578	60	3.628	23/03/2023	-5	23
Lembaga Pembiayaan Perumahan Sektor Awam	08/29	GG	3.929	40	-	-	-	26
Cagamas Berhad	10/23	AAA	3.501	5	3.500	28/03/2023	0	40
Cagamas Berhad	01/25	AAA	3.810	10	3.830	29/03/2023	-2	59
Projek Lebuhraya Usahasama Berhad	01/27	AAA	4.131	5	4.132	29/03/2023	0	69
Johor Corporation	06/27	AAA	4.541	15	4.540	17/03/2023	0	110
Malaysia Airport Holdings Berhad	11/27	AAA	4.290	30	4.301	23/03/2023	-1	76
Petroleum Sarawak Exploration & Production Sdn Bert	02/30	AAA	4.405	10	4.460	15/03/2023	-5	59
Sarawak Energy Berhad	04/31	AAA	4.248	90	4.289	01/03/2023	-4	41
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/31	AAA	4.311	25	4.328	22/03/2023	-2	47
TNB Power Generation Sdn Berhad	03/33	AAA	4.510	5	4.580	28/03/2023	-7	59
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.739	10	4.745	28/03/2023	-1	59
TNB Power Generation Sdn Berhad	03/43	AAA	4.779	5	-	-	-	59
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.301	1	4.061	29/03/2023	24	38
YTL Power International Berhad	03/33	AA1	4.800	25	4.810	23/03/2023	-1	88
Fortune Premiere Sdn Berhad	09/25	AA	4.297	10	4.330	29/03/2023	-3	108
WCT Holdings Berhad	04/24	AA-	5.100	90	-	-	-	200
UEM Sunrise Berhad	01/26	AA-	5.130	2	5.226	17/02/2023	-10	178
Malaysian Resources Corporation Berhad	02/27	AA-	4.914	1	4.943	27/03/2023	-3	491
MCIS Insurance Berhad	12/31	A2	5.025	1	4.709	22/03/2023	32	116
Tropicana Corporation Berhad	06/24	A+	5.689	2	5.843	15/11/2022	-15	259
YNH Property Berhad	02/27	A+	5.898	1	5.898	29/03/2023	0	246
Tropicana Corporation Berhad	09/19	A	7.959	1	7.910	29/03/2023	5	377
				442				

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

SkyWorld Capital Berhad's Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Alam Flora Sdn Bhd	RM700 million Islamic Commercial Papers and Islamic Medium-Term Notes (ICP/IMTN) programmes.	MARC-1 IS/AA IS	Assigned
United Overseas Bank (Malaysia) Bhd	Proposed RM5 billion Senior Medium-Term Notes	AAA/Stable	Reaffirmed
	Basel III Compliant Tier-2 Subordinated Islamic Medium-Term Notes	AA1/Stable	Reaffirmed
	UOB (Malaysia) Berhad	AAA/Stable/P1	Affirmed
	Senior Notes	AAA/Stable	Reaffirmed
	Tier-2 Subordinated Notes	AA1/Stable	Reaffirmed

Source: RAM, MARC

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