

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to outperform for the 2nd day running following dovish comments from Fed official Waller; whilst brushing aside the weaker-than-anticipated 7Y note auction. Block trades especially seen in both 2Y and 5Y futures also boosted underlying bonds as well. The curve bull-steepened as overall benchmark yields ended lower between 3-12bps across led by the front end. **The UST 2Y yield rallied the most with yields ending 12bps lower at 4.74% whilst the much-watched UST 10Y ended 7bps lower at 4.32%.** The Treasury's last coupon offering for November consisting of \$39b 7Y notes chalked a mere BTC ratio of 2.44x (previous six auction average: 2.60x) and awarded at 4.399% (previous auction: 4.908%). Meanwhile, expect attention to shift to the release of the 2nd reading of 3Q2023 GDP data tonight.

MGS/GII

- Local govies ended stronger due to delayed response from the strength seen in UST's prior day; whilst brushing aside the continued huge supply of 7Y debt via upcoming auction today. The lower IRS mid-levels also boosted underlying bonds. Overall benchmark MGS/GII yields closed lower between 1-5bps, amid a huge 74% jump in secondary market volume to RM2.75b. **Both the benchmarks 5Y MGS 4/28 and 10Y MGS 11/33 yields edged 2bps lower at 3.66% and 3.84% each.** Interest was mainly seen in the off-the-run 24-25's and benchmarks 3Y MGS, 10Y MGS. GII transactions fell to form 32% of overall trades. Meanwhile, expect some attention to shift to the 7Y GII auction today.

Corp Bonds/Sukuk

- On Tuesday, the Corporate Bonds/Sukuk space saw sustained interest with secondary market volume at ~ RM634m. Trades were seen mainly across the GG-AA part of the curve with yields mostly mixed instead, on a higher print of 40 names. Govt-guaranteed DANA dominated trades, with the 4/35 and 10/37 tranches settling 0-4bps higher compared to previous-done levels at 4.09% and 4.15% each. AAA-rated DANGA 9/33 fell 10bps to 4.17% whereas TNB 6/saw different fortunes for 2 of its tranches. TNB 6/37 too ended 10bps lower at 4.35% whilst TNB 8/40 jumped 11bps higher to 4.44%. The AA-space saw UMW 11/25 decline 10bps to 3.98% whereas SDARBY Property 8/26 moved 17bps sharply lower to 3.92%. Meanwhile, among banks/financials, CIMB Group Holdings 6/24 eased 3bps to 3.81%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.74	-12
5-yr UST	4.28	-11
10-yr UST	4.32	-7
30-yr UST	4.51	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	-4	3.60	-1
5-yr	3.66	-2	3.72	-2
7-yr	3.88	-2	3.94	-5
10-yr	3.84	-2	3.93	-2
15-yr	4.03	-1	4.05	-1
20-yr	4.20	-2	4.24	-1
30-yr	4.32	-3	4.42	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.69	-2
3-yr	3.68	-2
5-yr	3.75	-3
7-yr	3.87	-4
10-yr	4.03	-3

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5.0b of GII 9/30 on Wednesday, 29th of November, 2023

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	06/24	3.080	717	3.100	27/11/2023	-2
MGS	07/24	3.150	48	3.154	27/11/2023	0
MGS	09/24	3.112	32	3.148	27/11/2023	-4
MGS	03/25	3.335	133	3.376	27/11/2023	-4
MGS	09/25	3.430	162	3.385	27/11/2023	5
MGS	04/26	3.520	53	3.441	23/11/2023	8
MGS	07/26	3.499	52	3.543	27/11/2023	-4
MGS	11/27	3.653	10	3.626	27/11/2023	3
MGS	04/28	3.655	10	3.673	27/11/2023	-2
MGS	06/28	3.666	9	3.673	27/11/2023	-1
MGS	04/30	3.881	183	3.899	27/11/2023	-2
MGS	04/31	3.928	1	3.922	27/11/2023	1
MGS	06/31	3.917	2	3.917	27/11/2023	0
MGS	07/32	3.921	16	3.933	27/11/2023	-1
MGS	04/33	3.953	24	3.946	27/11/2023	1
MGS	11/33	3.843	210	3.866	27/11/2023	-2
MGS	07/34	3.994	2	4.009	27/11/2023	-2
MGS	05/35	4.046	20	4.043	27/11/2023	0
MGS	06/38	4.032	6	4.047	27/11/2023	-1
MGS	05/40	4.210	13	4.204	27/11/2023	1
MGS	10/42	4.195	38	4.216	27/11/2023	-2
MGS	03/46	4.331	4	4.321	27/11/2023	1
MGS	07/48	4.292	3	4.347	27/11/2023	-6
MGS	06/50	4.346	22	4.354	27/11/2023	-1
MGS	03/53	4.321	91	4.351	27/11/2023	-3
GII	08/24	3.206	30	3.161	20/11/2023	4
GII	10/24	3.208	30	3.292	27/11/2023	-8
GII	08/25	3.305	6	3.299	21/11/2023	1
GII	10/25	3.377	40	3.374	27/11/2023	0
GII	03/26	3.499	5	3.500	24/11/2023	0
GII	09/26	3.597	348	3.610	27/11/2023	-1
GII	09/27	3.669	10	3.672	23/11/2023	0
GII	07/28	3.716	20	3.734	27/11/2023	-2
GII	09/30	3.940	97	3.991	27/11/2023	-5
GII	10/30	3.954	1	3.954	27/11/2023	0
GII	10/32	3.956	32	3.946	27/11/2023	1
GII	06/33	3.975	31	3.994	23/11/2023	-2
GII	08/33	3.934	20	3.958	27/11/2023	-2
GII	11/34	4.016	1	4.040	27/11/2023	-2
GII	03/38	4.050	11	4.060	27/11/2023	-1
GII	09/39	4.166	41	4.157	27/11/2023	1
GII	09/41	4.223	43	4.075	27/11/2023	15
GII	08/43	4.239	8	4.245	27/11/2023	-1
GII	05/52	4.420	120	4.433	27/11/2023	-1
			<u>2752</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
DanaInfra Nasional Berhad	11/25	GG	3.496	20	3.596	08/11/2023	-10	9
Prasarana Malaysia Berhad	03/28	GG	3.748	10	3.777	10/11/2023	-3	16
DanaInfra Nasional Berhad	04/35	GG	4.089	10	4.050	15/09/2023	4	23
Lembaga Pembiayaan Perumahan Sektor Awam	03/36	GG	4.099	10	4.090	23/08/2023	1	24
DanaInfra Nasional Berhad	10/37	GG	4.149	125	4.149	27/11/2023	0	10
DanaInfra Nasional Berhad	05/41	GG	4.274	60	4.469	31/10/2023	-20	23
DanaInfra Nasional Berhad	07/44	GG	4.379	40	4.388	08/11/2023	-1	17
Glacier Assets Berhad	03/24	AAA	4.306	10	3.657	22/03/2021	65	104
Aman Sukuk Berhad	05/24	AAA	3.599	20	3.600	27/11/2023	0	33
Cagamas Berhad	07/24	AAA	3.634	2	3.703	26/07/2022	-7	36
Toyota Capital Malaysia Sdn Berhad	01/25	AAA	3.894	10	3.828	29/08/2023	7	62
Glacier Assets Berhad	03/25	AAA	4.471	10	4.952	13/10/2022	-48	120
Pengerang LNG (Two) Sdn Berhad	10/27	AAA	4.006	10	4.009	28/06/2023	0	42
Public Islamic Bank Berhad	12/27	AAA	4.026	2	4.029	15/11/2023	0	44
Pengerang LNG (Two) Sdn Berhad	10/28	AAA	4.057	2	3.799	18/02/2022	26	41
Malaysia Airport Holdings Berhad	12/28	AAA	3.968	2	4.003	15/09/2023	-4	32
Sarawak Energy Berhad	07/30	AAA	4.168	1	4.168	17/11/2023	0	28
CIMB Islamic Bank Berhad	11/30	AAA	4.310	2	-	-	-	42
Amanat Lebuhraya Rakyat Berhad	10/32	AAA	4.299	10	4.298	21/11/2023	0	41
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.179	30	4.352	08/11/2023	-17	29
Pengurusan Air Selangor Sdn Berhad	04/33	AAA	4.188	10	4.329	08/11/2023	-14	30
Danga Capital Berhad	09/33	AAA	4.169	10	4.267	07/11/2023	-10	31
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.237	20	4.238	23/11/2023	0	38
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.420	20	4.439	17/11/2023	-2	37
Tenaga Nasional Berhad	06/37	AAA	4.345	10	4.449	22/11/2023	-10	30
Pengurusan Air Selangor Sdn Berhad	07/37	AAA	4.550	2	4.409	20/11/2023	14	50
Tenaga Nasional Berhad	08/40	AAA	4.439	20	4.328	27/11/2023	11	39
CIMB Group Holdings Berhad	06/24	AA1	3.811	70	3.837	06/11/2023	-3	54
Sabah Development Bank Berhad	07/24	AA1	5.304	1	6.046	17/11/2023	-74	203
Sabah Development Bank Berhad	05/25	AA1	5.474	1	5.296	27/11/2023	18	220
Genting RMTN Berhad	03/27	AA1	4.838	10	4.835	27/11/2023	0	132
GENM Capital Berhad	05/28	AA1	4.957	5	5.188	26/10/2023	-23	137
RHB Bank Berhad	11/28	AA1	4.188	10	4.189	23/11/2023	0	54
GENM Capital Berhad	07/33	AA1	5.443	10	5.388	11/09/2023	5	159
Sime Darby Property Berhad	08/26	AA+	3.916	10	4.083	31/10/2023	-17	40
Dialog Group Berhad	01/32	AA2	4.429	8	4.478	13/10/2023	-5	54
Northport (Malaysia) Berhad	12/24	AA	3.916	20	3.925	16/08/2023	-1	65
Tanjung Bin Energy Sdn Berhad	09/26	AA3	5.149	10	5.157	27/11/2023	-1	164
Edra Energy Sdn Berhad	01/38	AA3	4.800	2	4.868	09/11/2023	-7	75
Affin Bank Berhad	06/18	A3	4.750	1	5.200	22/11/2023	-45	54
				634				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Amanat Lebuhraya Rakyat Berhad's (ALR)	RM5.5 billion sukuk programme	AAA IS	Affirmed
Malaysia Steel Works (KL) Bhd	RM130.0 million Bank Pembangunan Malaysia Berhad-guaranteed Sukuk Ijarah Programme	AAA IS(BG)	Affirmed
MMC Corporation Berhad (MMC)	RM2.5 billion Sukuk Murabahah Programme	AA-IS	Affirmed
AZRB Capital Sdn Bhd (ACSB)	RM535.0 million Islamic Medium-Term Notes (Sukuk Murabahah)	AA-IS	Affirmed
Exsim Capital Resources Berhad	RM365 mil fifth issuance (Tranche 5 IMTN) under the RM2 bil Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Assigned

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

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.