

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.38	0
5-yr UST	4.60	2
10-yr UST	4.78	2
30-yr UST	4.96	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	3	3.36	2
5-yr	3.63	2	3.64	2
7-yr	3.81	2	3.80	4
10-yr	3.84	2	3.85	2
15-yr	3.97	2	3.97	2
20-yr	4.06	2	4.07	0
30-yr	4.18	0	4.19	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.60	3
3-yr	3.55	3
5-yr	3.62	5
7-yr	3.69	4
10-yr	3.79	5

Source : Bloomberg

Upcoming Government Bond Tender

New issuance of RM3bn new benchmark 15Y GII (maturing in July 2040) on Tuesday, 14 Jan with an additional RM1bn to be privately placed

US Treasuries

- US Treasuries were slightly lower in trading on Monday, led by the longer dated maturities, amidst apprehension over upcoming price reports later this week. Benchmark yields rose across the maturity spectrum, with a marginal bear steepening of the UST curve seen. **The benchmark 2Y UST yield was little changed for the day at 4.38% while the benchmark 10Y UST yield rose 2bps to 4.78%.** Tonight sees the release of the producer price index reports for December as well as the latest NFIB small business confidence index, before the much anticipated consumer price indices on Wednesday.

MGS/GII

- Local govovies were weaker in trading on Monday, as the market took cue from the overnight selloff in the US Treasury market post the better than expected employment report. Secondary market volume climbed by 41% to RM4.52bn from the RM3.21bn that traded on Friday. Overall benchmark yields ended the day higher by between 0 to 4bps (prior: -1 to +1bp). **The benchmark 5Y MGS 8/29 yield was 2bps higher for the day at 3.63% while the yield on the benchmark 10Y MGS 7/34 was also 2bps higher at 3.84%.** Trading activity for the day was led by the benchmark 3Y MGS while decent interest was also seen in the benchmark 5Y MGS, 7Y MGS, 15Y MGS/GII and 30Y GII, as well as in the off-the-run MGS 9/25 and MGS 4/31. The share of GII trading for the day declined to 30% of overall govovies trading from the 43% seen the day before. There are no economic releases for the day ahead, but RM3bn of the new benchmark 15Y GII is set to be auctioned at mid-day.

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Monday, with secondary market volume for the day rising by 23% to RM641m versus the RM521m that changed hands on Friday. Trading for the day was led by the AA-rated segment of the market. In the GG universe, DANA 2/51 led the interest, closing at 4.19%, little changed from where it last traded. In the AAA-space, trading was led by AIRSEL 10/36, which settled at 4.04%, 3bps higher compared to its last print. In the AA-rated arena, decent interest was seen in PONSB 6/29 and SPSETIA 4/32, which closed at 3.97% (unchanged versus its last print) and 4.09% (+9bps) respectively.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/25	3.241	231	3.214	01/10/2025	3
MGS	04/26	3.275	60	3.337	01/10/2025	-6
MGS	05/27	3.482	826	3.448	01/10/2025	3
MGS	11/27	3.480	10	3.473	01/10/2025	1
MGS	04/28	3.528	205	3.515	01/09/2025	1
MGS	06/28	3.560	83	3.541	01/10/2025	2
MGS	08/29	3.634	213	3.610	01/10/2025	2
MGS	04/30	3.714	50	3.684	01/10/2025	3
MGS	04/31	3.796	234	3.772	01/10/2025	2
MGS	07/32	3.806	420	3.787	01/10/2025	2
MGS	04/33	3.858	15	3.829	01/09/2025	3
MGS	11/33	3.848	10	3.823	01/10/2025	2
MGS	07/34	3.841	60	3.820	01/10/2025	2
MGS	05/35	3.847	1	3.859	01/08/2025	-1
MGS	04/37	3.961	64	3.936	01/10/2025	2
MGS	06/38	3.976	91	3.955	01/10/2025	2
MGS	04/39	3.972	379	3.948	01/10/2025	2
MGS	05/40	4.017	40	3.998	01/10/2025	2
MGS	05/44	4.059	134	4.040	01/10/2025	2
MGS	06/50	4.042	3	4.065	01/10/2025	-2
MGS	03/53	4.178	30	4.175	01/10/2025	0
GII	08/25	3.253	40	3.240	01/10/2025	1
GII	03/26	3.322	40	3.315	01/10/2025	1
GII	09/26	3.356	20	3.333	01/10/2025	2
GII	07/29	3.640	190	3.621	01/10/2025	2
GII	09/30	3.734	183	3.706	01/10/2025	3
GII	10/31	3.798	145	3.763	01/10/2025	4
GII	10/32	3.830	10	3.807	01/08/2025	2
GII	08/33	3.849	30	3.827	01/10/2025	2
GII	11/34	3.852	60	3.833	01/10/2025	2
GII	07/36	3.922	72	3.906	01/10/2025	2
GII	09/39	3.974	230	3.951	01/09/2025	2
GII	09/41	4.019	83	4.015	01/10/2025	0
GII	11/49	4.151	30	4.134	01/09/2025	2
GII	05/52	4.107	10	4.189	01/10/2025	-8
GII	03/54	4.190	222	4.182	01/10/2025	1
		4524				

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*
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.907	20	3.958	19/11/2024	-5	9
DanaInfra Nasional Berhad	11/32	GG	3.892	5	3.945	19/11/2024	-5	7
Lembaga Pembiayaan Perumahan Sektor Awam	08/34	GG	3.895	30	3.941	3/12/2024	-5	6
DanaInfra Nasional Berhad	09/35	GG	3.919	20	3.954	28/11/2024	-4	8
DanaInfra Nasional Berhad	03/37	GG	3.949	20	3.959	9/1/2025	-1	11
Pengurusan Air SPV Berhad	06/39	GG	3.999	10	3.989	19/9/2024	1	3
DanaInfra Nasional Berhad	06/43	GG	4.089	10	4.102	7/8/2024	-1	3
DanaInfra Nasional Berhad	02/51	GG	4.189	60	4.190	24/9/2024	0	13
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.200	10	4.210	10/12/2024	-1	14
DanaInfra Nasional Berhad	10/54	GG	4.239	10	4.255	20/12/2024	-2	18
Sarawak Energy Berhad	01/27	AAA	3.723	10	3.648	14/8/2024	7	35
Pengurusan Air SPV Berhad	01/30	AAA	3.893	10	3.915	18/12/2024	-2	26
Pengurusan Air SPV Berhad	02/31	AAA	3.877	10	3.883	10/1/2025	-1	16
Pelaburan Hartanah Berhad	09/31	AAA	3.939	20	3.954	30/12/2024	-2	14
Amanat Lebuhraya Rakyat Berhad	10/32	AAA	4.051	10	4.049	6/1/2025	0	23
Petroleum Sarawak Exploration & Production Sdr	02/33	AAA	4.028	4	4.038	6/12/2024	-1	21
CIMB Islamic Bank Berhad	03/34	AAA	3.980	10	4.029	30/12/2024	-5	15
Pengurusan Air Selangor Sdn Berhad	08/34	AAA	3.972	20	3.996	23/12/2024	-2	13
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.039	40	4.009	10/1/2025	3	20
Pengurusan Air Selangor Sdn Berhad	09/37	AAA	4.069	10	4.097	8/1/2025	-3	10
YTL Power International Berhad	05/27	AA1	3.815	30	3.828	30/12/2024	-1	44
Northern Gateway Infrastructure Sdn Berhad	08/28	AA1	4.089	10	4.090	11/6/2024	0	52
Press Metal Aluminium Holdings Berhad	09/28	AA1	3.908	20	3.997	27/12/2024	-9	34
Malayan Banking Berhad	10/30	AA1	3.699	20	3.747	11/11/2024	-5	-2
Malayan Banking Berhad	01/34	AA1	4.000	10	3.997	2/1/2025	0	17
Hong Leong Investment Bank Berhad	06/34	AA1	4.079	20	n/a	n/a	408	25
UMW Holdings Berhad	11/25	AA+	3.662	10	3.699	10/12/2024	-4	38
Imtiaz Sukuk II Berhad	10/28	AA2	3.848	20	3.847	10/1/2025	0	28
Imtiaz Sukuk II Berhad	05/29	AA2	3.881	20	3.881	8/1/2025	0	32
PONSB Capital Berhad	05/29	AA2	3.956	20	3.959	10/1/2025	0	39
PONSB Capital Berhad	06/29	AA2	3.967	30	3.969	3/1/2025	0	40
AmBank (M) Berhad	06/31	AA2	4.041	28	4.108	30/10/2024	-7	32
Imtiaz Sukuk II Berhad	10/31	AA2	4.001	10	4.018	29/11/2024	-2	20
SP Setia Berhad	04/32	AA	4.090	30	3.998	27/9/2024	9	29
Affin Islamic Bank Berhad	12/27	AA3	4.380	1	4.100	10/1/2025	28	90
Gamuda Berhad	06/33	AA3	4.108	20	4.128	26/11/2024	-2	29
Bank Muamalat Malaysia Berhad	09/22	BBB	5.442	4	5.445	9/1/2025	0	139
				<u>641</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Simpanan Nasional	Financial Institution Ratings RM3.5 billion Islamic Medium-Term Notes Sukuk Wakalah Programme (2021/-)	AAA/Stable/P1 AAA/Stable	Affirmed Affirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.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.