

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs clawed back from early losses post-FOMC meeting on Wednesday to post slight weakness. Bonds surprisingly capped losses despite the earlier wind-down in asset purchases from \$15b in November to \$30b per month in December, January, February and finally ending with \$15b in March. The curve inched slightly higher with overall benchmark yields closing higher between 0-1bps across. **The UST 2Y yield edged 1bps up at 0.67% whilst the much-watched 10Y ended within 1bps higher 1.44%.** Fed Chair Powell said that central bank will ensure that elevated inflation will not be entrenched due to Fed policy and also easing of supply bottlenecks; whilst the return to a higher workforce participation is an ongoing process. Policy-makers pencilled in three (3) interest rate increases next year in the dot-plot projections. Meanwhile, swaps tied to FOMC meeting dates also briefly priced in three (3) rate hikes for December 2022 before edging back to ~72bps; with the initial hike being fully priced into the May 2022 meeting.

MGS/GII

- Local govies generally drifted weaker on Wednesday amid an 8.5% decline in secondary market volume @ RM2.79b. Overall benchmark MGS/GII yields closed higher between 0-15bps across the curve save for the 7Y MGS. **The 5Y benchmark MGS 11/26 yield rose 4bps to 3.17% whilst the 10Y benchmark MGS 4/31 yield edged 2bps up at 3.58%** compared to prior day's close. Interest was mainly seen in the 7Y MGS/GII and also 30Y MGS. GII transactions fell to form 21% of overall trades. The penultimate auction for the year consisting of the reopening of 3Y MGS 6/24 saw tepid interest with participation mainly from inter-bank participants as BTC managed a poor 1.15x whilst being awarded at 2.881%.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space attracted higher interest on Wednesday amid improved secondary market volume of RM388m. Transactions were seen across the GG to single-A part of the curve as overall yields closed mixed again, spanning across 37 names. Govt-guaranteed DANA dominated trades with the 2028 tranches declining 11-12bps compared to previous-done levels between 3.69-71%; whilst the the longer-ends i.e. 4/48 and 2/49 tranches settled 3-4bps lower at 4.50% and 4.52% each. AAA-rated SEB moved 4bps lower at 4.23%. In the AA-space, toll-operator ANIH 11/28 jumped 32bps to 4.23% whereas BGSM 8/25 eased 3bps to 3.54%. MMC Corp 27-28's saw decent bids, resulting in yields settling 0-4bps lower between 4.22-33% area on RM60m worth of nominal trades. Meanwhile the banking/finance space was relatively quiet with several odd-lot trades seen in CIMB Group and SABAH Development Bank bonds.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.67	1
5-yr UST	1.24	1
10-yr UST	1.44	0
30-yr UST	1.83	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.89	12	2.95	15
5-yr	3.17	4	3.14	0
7-yr	3.45	-1	3.36	0
10-yr	3.58	2	3.65	1
15-yr	3.87	1	4.01	3
20-yr	4.13	2	4.18	0
30-yr	4.27	9	4.47	3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	4
3-yr	2.73	0
5-yr	2.94	1
7-yr	3.18	-1
10-yr	3.40	0

Source : Bloomberg

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	03/22	1.731	115	1.740	14/12/2021	-1
MGS	08/22	1.695	3	1.743	10/12/2021	-5
MGS	09/22	1.680	7	1.692	10/12/2021	-1
MGS	03/23	2.182	73	2.172	14/12/2021	1
MGS	06/24	2.890	1401	2.768	14/12/2021	12
MGS	07/24	2.872	12	2.786	14/12/2021	9
MGS	09/24	2.843	15	2.825	14/12/2021	2
MGS	03/25	2.936	56	2.780	14/12/2021	16
MGS	09/25	2.987	124	2.897	14/12/2021	9
MGS	11/26	3.174	87	3.133	14/12/2021	4
MGS	05/27	3.259	42	3.231	14/12/2021	3
MGS	11/27	3.299	11	3.281	14/12/2021	2
MGS	06/28	3.452	228	3.465	14/12/2021	-1
MGS	09/28	3.566	5	3.407	01/12/2021	16
MGS	08/29	3.554	5	3.547	14/12/2021	1
MGS	04/30	3.598	3	3.622	14/12/2021	-2
MGS	04/31	3.579	21	3.557	14/12/2021	2
MGS	04/33	3.767	3	3.765	14/12/2021	0
MGS	07/34	3.896	5	3.890	14/12/2021	1
MGS	05/35	3.865	1	3.855	14/12/2021	1
MGS	04/37	4.021	4	4.000	14/12/2021	2
MGS	06/38	4.158	2	4.149	13/12/2021	1
MGS	05/40	4.135	73	4.107	14/12/2021	3
MGS	06/50	4.266	122	4.177	14/12/2021	9
GII	03/22	1.749	21	1.779	13/12/2021	-3
GII	04/22	1.718	41	1.779	13/12/2021	-6
GII	07/22	1.785	15	1.781	09/12/2021	0
GII	10/24	2.948	8	2.799	14/12/2021	15
GII	08/25	3.064	6	3.056	14/12/2021	1
GII	09/26	3.257	30	3.213	30/11/2021	4
GII	07/27	3.397	60	3.394	14/12/2021	0
GII	09/27	3.365	2	3.363	14/12/2021	0
GII	10/28	3.491	134	3.499	14/12/2021	-1
GII	10/30	3.645	20	3.638	14/12/2021	1
GII	10/35	4.054	1	3.978	02/12/2021	8
GII	07/36	4.013	33	3.979	14/12/2021	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*
DanaInfra Nasional Berhad	02/28	GG	3.69	10	3.80	14/10/2021	-11	39
DanaInfra Nasional Berhad	05/28	GG	3.71	10	3.83	14/10/2021	-12	41
DanaInfra Nasional Berhad	09/34	GG	4.13	20	4.07	22/06/2021	6	24
Lembaga Pembiayaan Perumahan Sektor Aw	03/45	GG	4.40	10	-	-	-	28
Lembaga Pembiayaan Perumahan Sektor Aw	03/46	GG	4.43	20	4.45	13/12/2021	-2	31
DanaInfra Nasional Berhad	04/48	GG	4.50	5	4.54	08/12/2021	-4	38
DanaInfra Nasional Berhad	02/49	GG	4.52	5	4.55	08/12/2021	-3	40
Danum Capital Berhad	02/25	AAA	3.15	15	3.27	12/10/2021	-12	27
Tenaga Nasional Berhad	11/31	AAA	4.01	10	-	-	-	43
Sarawak Energy Berhad	04/36	AAA	4.23	10	4.27	13/12/2021	-4	34
Tenaga Nasional Berhad	11/36	AAA	4.40	1	4.40	14/12/2021	0	51
Tenaga Nasional Berhad	11/41	AAA	4.59	1	4.59	14/12/2021	0	47
Sabah Development Bank Berhad	06/23	AA1	4.14	1	4.14	09/12/2021	0	230
YTL Power International Berhad	05/27	AA1	4.73	1	4.70	26/11/2021	3	155
GENM Capital Berhad	07/28	AA1	4.52	1	4.68	10/12/2021	-16	105
YTL Corporation Berhad	06/34	AA1	5.23	12	4.70	04/08/2021	53	134
YTL Corporation Berhad	11/36	AA1	5.32	10	5.25	09/03/2021	7	143
Celcom Networks Sdn Berhad	08/27	AA+	3.86	10	3.95	25/10/2021	-9	56
SP Setia Berhad	06/26	AA	3.78	10	3.79	17/11/2021	-1	60
Anih Berhad	11/28	AA	4.23	20	3.91	28/09/2021	32	76
Bermaz Auto Berhad	12/23	AA3	3.30	2	3.26	05/08/2021	4	96
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.82	20	3.85	23/11/2021	-2	95
BGSM Management Sdn Berhad	08/25	AA3	3.54	20	3.57	02/11/2021	-3	51
Bumitama Agri Ltd	07/26	AA3	3.83	30	3.41	06/09/2021	42	65
Gamuda Land (T12) Sdn Berhad	10/27	AA3	4.14	10	4.15	02/12/2021	-1	84
WCT Holdings Berhad	01/25	AA-	4.60	5	4.60	14/12/2021	0	172
UEM Sunrise Berhad	10/25	AA-	4.45	20	4.52	10/11/2021	-7	142
WCT Holdings Berhad	04/26	AA-	4.91	5	4.91	14/12/2021	0	188
MMC Corporation Berhad	11/27	AA-	4.22	40	4.26	27/10/2021	-4	91
MMC Corporation Berhad	03/28	AA-	4.33	20	4.33	02/12/2021	0	102
Quantum Solar Park (Semenanjung) Sdn Berh	10/29	AA-	4.37	1	4.43	28/10/2021	-7	85
UMW Holdings Berhad	04/18	AA-	4.45	20	4.32	30/11/2021	13	33
Tropicana Corporation Berhad	06/23	A+	4.49	1	5.04	10/12/2021	-55	215
Tropicana Corporation Berhad	10/25	A+	4.79	1	4.80	14/12/2021	0	177
CIMB Group Holdings Berhad	05/16	A1	3.50	1	3.86	14/12/2021	-36	-62
IJM Land Berhad	03/19	A2	4.87	10	4.90	14/12/2021	-3	75
Cypark Renewable Energy Sdn Berhad	09/20	-	6.70	1	6.70	09/12/2021	0	258
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
ANIH Berhad	RM2.5 billion Senior Sukuk Musharakah Programme	AA-IS/Stable	Affirmed
AZRB Capital Sdn Bhd	RM535.0 million Islamic Medium-Term Notes (Sukuk Murabahah)	AA-IS/Stable	Reaffirmed
Evyap Sabun Malaysia Sdn Bhd	RM500.0 million Sukuk Wakalah Programme	AA-IS/Stable	Affirmed
Cellco Capital Bhd	RM520 million issuance (Issue 1) under its Islamic Commercial Papers/Islamic Medium-Term Notes (Sukuk Ijarah Programme) with a combined limit of up to RM1.0 billion	MARC-1IS /AA-IS/Stable	Affirmed

Source: RAM, MARC

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