

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied strongly into its month-end, led by heavy volumes seen in futures as safe-haven bids took centre-stage following sanctions imposed by the West on Russia and its continued tensions with Ukraine. The curve shifted sharply lower as overall benchmark yields ended between 11-15bps lower. **Both the UST 2Y and much-watched 10Y yields plunged 14bps each to 1.43% and 1.83% respectively.** The 2-year yield's plunge suggests that the Fed may be constrained by tightening financial conditions despite surging commodity prices which cause inflation. Concerns over the impact of these sanctions is expected to impact liquidity. Expect attention to shift to both the Markit and ISM manufacturing data releases today followed by the upcoming congressional testimony on economy/monetary policy by Fed Chair Powell later this week.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.43	-14
5-yr UST	1.72	-15
10-yr UST	1.83	-14
30-yr UST	2.16	-11

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.71	3	2.81	-167
5-yr	3.29	-2	3.29	0
7-yr	3.59	2	3.43	0
10-yr	3.67	0	3.73	1
15-yr	4.06	1	4.05	0
20-yr	4.20	-2	4.27	0
30-yr	4.39	-2	4.45	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	0
3-yr	2.89	-3
5-yr	3.15	-2
7-yr	3.36	0
10-yr	3.55	0

Source : Bloomberg

MGS/GII

- On Monday, local govies moved in narrow ranges, closing mixed for the month with the longer-ends better-bid. Overall benchmark MGS/GII yields closed again between -2 to +3bps (save for the adjustment in skewed trade seen prior day in the short GII) amid the doubling of secondary market volume to RM3.42b. **The 5Y benchmark MGS 11/26 yield edged 2bps lower at 3.29% whilst the 10Y MGS 7/32 closed within 1bps higher at 3.67%.** Interest was mainly seen in the off-the-run 22's, benchmark 3Y, 10Y, 30Y MGS, and also 5Y GII. GII trades eased to form ~31% of overall transactions. Elsewhere, at the time of writing, PMI manufacturing for February continued to hold well above 50. This follows prior day's affirmation of Malaysia's long-term foreign-currency issuer default rating at BBB+/Stable by Fitch Ratings. Expect attention to focus on the the OPR decision on Thursday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw overall activity decline on Monday with transactions seen across the GG-AA part of the curve. Overall yields closed mostly mixed, spanning across 30 names amid a 41% plunge in secondary market volume of RM298m. Govt-guaranteed GOVCO 32's closed mixed with the 2/32 tranche declining 9bps to 3.93% whilst the 9/32 tranche jumped 14bps higher to 3.96%. AAA-rated AMAN edged 2bps to 2.50% whereas SEB 27 eased 3bps at 3.64%. In the AA-sector, both BUMITAMA 7/24 and BGSM 9/23 closed unchanged at 3.31% and 2.87% each. Meanwhile, the banking/finance space saw MAYBANK 29NC24 ended unchanged at 2.99% whereas its 2117NC26 perps moved 3bps lower at 3.60%. PUBLIC Bank 29NC24 too settled unchanged at 3.20%.

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	1.767	11	1.785	25/02/2022	-2
MGS	08/22	1.789	17	1.750	25/02/2022	4
MGS	09/22	1.642	17	1.722	24/02/2022	-8
MGS	03/23	1.877	16	1.878	25/02/2022	0
MGS	04/23	1.887	6	1.955	24/02/2022	-7
MGS	08/23	2.208	7	2.232	25/02/2022	-2
MGS	06/24	2.708	242	2.683	25/02/2022	3
MGS	07/24	2.799	4	2.779	25/02/2022	2
MGS	09/24	2.784	26	2.804	25/02/2022	-2
MGS	03/25	2.945	71	2.945	25/02/2022	0
MGS	09/25	3.030	20	3.021	25/02/2022	1
MGS	04/26	3.210	1	3.217	24/02/2022	-1
MGS	07/26	3.246	21	3.263	25/02/2022	-2
MGS	11/26	3.287	106	3.309	25/02/2022	-2
MGS	05/27	3.396	10	3.392	25/02/2022	0
MGS	11/27	3.416	188	3.441	25/02/2022	-2
MGS	06/28	3.585	39	3.566	25/02/2022	2
MGS	08/29	3.669	67	3.679	25/02/2022	-1
MGS	04/31	3.701	95	3.713	25/02/2022	-1
MGS	06/31	3.742	8	3.758	25/02/2022	-2
MGS	07/32	3.670	559	3.667	25/02/2022	0
MGS	04/33	3.887	64	3.922	24/02/2022	-4
MGS	11/33	3.962	3	3.963	21/02/2022	0
MGS	07/34	4.009	21	4.024	25/02/2022	-1
MGS	05/35	4.056	41	4.050	24/02/2022	1
MGS	06/38	4.172	8	4.185	24/02/2022	-1
MGS	05/40	4.199	209	4.219	25/02/2022	-2
MGS	09/43	4.377	15	4.391	25/02/2022	-1
MGS	03/46	4.464	7	4.463	25/02/2022	0
MGS	07/48	4.474	17	4.528	25/02/2022	-5
MGS	06/50	4.391	427	4.407	25/02/2022	-2
GII	03/22	1.778	253	1.769	25/02/2022	1
GII	04/22	1.783	83	1.807	25/02/2022	-2
GII	07/22	1.750	60	1.751	24/02/2022	0
GII	05/23	2.110	1	2.039	24/02/2022	7
GII	08/24	2.774	10	2.810	23/02/2022	-4
GII	10/24	2.805	81	4.470	25/02/2022	-167
GII	08/25	3.095	8	3.088	22/02/2022	1
GII	03/26	3.292	10	3.297	25/02/2022	-1
GII	09/27	3.433	363	3.433	25/02/2022	0
GII	10/28	3.619	77	3.611	25/02/2022	1
GII	07/29	3.638	5	3.639	22/02/2022	0
GII	10/30	3.734	47	3.727	25/02/2022	1
GII	11/34	4.022	25	4.023	23/02/2022	0
GII	07/36	4.053	17	4.052	25/02/2022	0
GII	08/37	4.192	1	4.220	26/01/2022	-3
GII	09/39	4.270	14	4.271	24/01/2022	0
GII	09/41	4.266	21	4.266	21/02/2022	0
GII	11/49	4.449	2	4.504	22/02/2022	-5
			<u>3422</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Pengurusan Air SPV Berhad	02/23	GG	2.321	35	2.272	09/02/2022	5	31
Prasarana Malaysia Berhad	08/26	GG	3.472	10	3.479	16/02/2022	-1	37
Bank Pembangunan Malaysia Berhad	09/29	GG	3.873	2	3.057	21/12/2020	82	23
GovCo Holdings Berhad	02/32	GG	3.929	37	4.019	18/02/2022	-9	26
GovCo Holdings Berhad	09/32	GG	3.955	5	3.820	23/06/2021	14	29
Mercedes-Benz Services Malaysia Sdn Berhad	06/22	AAA	2.350	10	2.371	22/02/2022	-2	34
Aman Sukuk Berhad	03/23	AAA	2.502	30	2.521	16/02/2022	-2	50
Putrajaya Bina Sdn Berhad	03/23	AAA	2.487	5	2.372	13/09/2021	12	48
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/24	AAA	2.883	30	3.090	09/02/2022	-21	47
Sarawak Energy Berhad	01/27	AAA	3.640	40	3.670	11/02/2022	-3	35
Infracap Resources Sdn Berhad	04/28	AAA	4.039	20	4.059	21/01/2022	-2	61
Tenaga Nasional Berhad	11/36	AAA	4.271	1	4.278	25/02/2022	-1	22
Sabah Development Bank Berhad	04/26	AA1	4.628	3	4.149	17/02/2022	48	153
Malayan Banking Berhad	01/29	AA1	2.986	10	2.985	09/12/2021	0	-60
Public Bank Berhad	07/29	AA1	3.196	10	3.198	15/02/2022	0	-39
Celcom Networks Sdn Berhad	10/26	AA+	3.760	2	3.849	16/11/2021	-9	47
Bumitama Agri Ltd	07/24	AA2	3.306	10	3.307	25/02/2022	0	90
Perbadanan Kemajuan Negeri Selangor	08/23	AA3	3.583	1	3.298	10/11/2021	29	158
BGSM Management Sdn Berhad	09/23	AA3	2.874	10	2.879	22/02/2022	0	46
Tadaw Energy Sdn Berhad	07/26	AA3	4.243	2	4.219	29/12/2021	2	114
Malayan Banking Berhad	02/17	AA3	3.598	10	3.631	10/02/2022	-3	-62
UEM Sunrise Berhad	10/25	AA-	4.702	3	4.480	17/01/2022	22	160
UEM Sunrise Berhad	09/26	AA-	4.878	2	4.877	23/02/2022	0	159
MMC Corporation Berhad	04/27	AA-	4.162	2	4.162	25/02/2022	0	87
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	AA-	4.407	1	4.369	15/12/2021	4	76
Penang Port Sdn Berhad	12/31	AA-	4.467	2	4.469	23/02/2022	0	80
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA-	5.486	4	5.488	23/02/2022	0	144
Matrix Concepts Holdings Berhad	03/23	-	4.478	1	4.299	19/11/2021	18	247
Eco World International Berhad	05/23	-	5.665	1	4.912	22/02/2022	75	366
YNH Property Berhad	08/19	-	5.839	1	6.340	25/02/2022	-50	162
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Point Zone (M) Sdn Bhd	Islamic Medium-Term Notes (Sukuk Wakalah) programme of RM3.0 billion	AA-IS (CG)	Assigned
YNH Property Berhad	Islamic Medium-Term Notes Programme (Sukuk Wakalah) of up to RM700 million)	A+ IS/Stable	Assigned

Source: RAM, MARC

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