

Global Markets Research
Fixed Income
Fixed Income Daily Market Snapshot
US Treasuries

- US Treasuries generally advanced on Thursday, but off-the-highs amid a slightly lesser-than-expected inflation reading i.e. PCE core data of 5.4% y/y in Feb (Jan: 5.2%), as the month-end and quarter-end rebalancing flows added some demand for the longer tenures. Overall benchmark yields closed mixed between -3 to +3bps across a flatter curve. **The UST 2Y yield closed 3bps higher at 2.30% whilst the much-watched UST 10Y yield edged 1bps down at 2.34%.** The 5s30s part the curve continued to be inverted for the past week but the 2s10s spreads remain in positive territory for now. Fed fund futures traders are now pricing in a 73% chance that the Fed will hike rates by 50bps at its May FOMC meeting. Elsewhere, rising price pressures are being made worse by supply disruptions after western nations imposed sanctions on Russia due to the ongoing war. Meanwhile, expect the March jobs data release tonight to be closely watched.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.30	3
5-yr UST	2.46	2
10-yr UST	2.34	-1
30-yr UST	2.45	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.18	-4	2.95	-4
5-yr	3.39	-8	3.42	-6
7-yr	3.78	-4	3.49	-7
10-yr	3.85	-5	3.92	-4
15-yr	4.24	-8	4.30	-9
20-yr	4.44	-4	4.44	-3
30-yr	4.52	2	4.66	7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.29	0
3-yr	3.08	-5
5-yr	3.36	-6
7-yr	3.54	-8
10-yr	3.77	-7

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies continued to outperform for the 3rd straight session on Thursday led by strong receiving activities in IRS. This followed a roller-coaster week in which bonds whipsawed on combination of earlier fears of an aggressive Fed stance on higher rates along with economic slowdown expectations due to Ukraine war and logistic supply concerns. Overall benchmark MGS/GII yields ended lower between 3-9bps (save for the long-end MGS/GII) amid the impressive doubling of secondary market volume @ RM5.36b. **The 5Y benchmark MGS 11/26 rallied further, pushing yields down 8bps to 3.39% whilst the 10Y MGS 7/32 closed 5bps lower at 3.85%.** Trades were mainly seen in the off-the-run 22-23's, 25's, 5Y MGS and 7Y MGS/GII. GII trades increased slightly to form ~27% of overall transactions. Expect short-covering activities to abate early next week as market participants look for new leads.

Corp Bonds/Sukuk

- On Thursday, the Corporate Bonds/Sukuk space too saw strong momentum, taking cue from the strong bids seen in local govies. Interest was seen mainly seen along AA part of the curve followed by the GG-sector. Overall yields closed mostly higher and spanned across 26 names amid the jump in secondary market volume to RM896m. Govt-guaranteed PRASA 8/23 rose 11bps compared to previous-done levels to 2.65% on substantial trades totaling RM140m whilst DANA and GOVCO 32's jumped 20-21bps to 4.15-17% area. AAA-rated TNB 11/36 ended 18bps higher at 4.47%. The AA-sector saw construction-based WCT and GAMUDA 23's settle 0-3bps lower at 4.00% and 2.70% each. Meanwhile, CELLCO 30-31's spiked 21-22bps between 4.98-5.05%. The banking/finance space saw HFLG 29NC24 edge 1bps lower at 3.46% whilst AmBank Islamic 28NC23 closed unchanged at 3.51%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.821	132	1.693	29/03/2022	13
MGS	09/22	1.732	665	1.749	29/03/2022	-2
MGS	03/23	2.216	457	2.211	30/03/2022	1
MGS	04/23	2.169	75	2.019	30/03/2022	15
MGS	08/23	2.255	22	2.256	29/03/2022	0
MGS	06/24	2.810	112	2.871	30/03/2022	-6
MGS	07/24	2.774	4	2.943	30/03/2022	-17
MGS	09/24	2.931	20	2.917	30/03/2022	1
MGS	03/25	3.177	691	3.220	30/03/2022	-4
MGS	09/25	3.202	167	3.259	30/03/2022	-6
MGS	04/26	3.354	3	3.390	30/03/2022	-4
MGS	07/26	3.474	2	3.480	29/03/2022	-1
MGS	11/26	3.386	426	3.468	30/03/2022	-8
MGS	03/27	3.514	10	3.614	29/03/2022	-10
MGS	05/27	3.539	15	3.587	30/03/2022	-5
MGS	11/27	3.562	26	3.670	30/03/2022	-11
MGS	06/28	3.778	250	3.824	30/03/2022	-5
MGS	08/29	3.900	73	3.948	30/03/2022	-5
MGS	04/30	3.913	74	3.978	30/03/2022	-7
MGS	04/31	3.890	33	3.949	30/03/2022	-6
MGS	06/31	3.950	7	3.999	30/03/2022	-5
MGS	07/32	3.849	46	3.903	30/03/2022	-5
MGS	04/33	4.178	25	4.244	30/03/2022	-7
MGS	11/33	4.201	32	4.320	29/03/2022	-12
MGS	07/34	4.239	27	4.260	30/03/2022	-2
MGS	05/35	4.285	115	4.344	30/03/2022	-6
MGS	04/37	4.236	127	4.317	30/03/2022	-8
MGS	06/38	4.399	3	4.457	30/03/2022	-6
MGS	05/40	4.444	77	4.487	30/03/2022	-4
MGS	03/46	4.563	1	4.632	30/03/2022	-7
MGS	07/48	4.535	70	4.592	30/03/2022	-6
MGS	06/50	4.522	122	4.499	30/03/2022	2
GII	04/22	1.766	113	1.813	30/03/2022	-5
GII	11/22	1.824	12	1.836	17/03/2022	-1
GII	05/23	2.054	37	2.019	24/03/2022	3
GII	07/23	2.158	22	2.235	24/03/2022	-8
GII	11/23	2.298	6	2.252	29/03/2022	5
GII	05/24	2.894	11	2.905	30/03/2022	-1
GII	10/24	2.953	50	2.995	30/03/2022	-4
GII	03/26	3.423	74	3.488	29/03/2022	-6
GII	06/27	3.675	20	2.944	12/04/2021	73
GII	09/27	3.493	346	3.563	30/03/2022	-7
GII	10/28	3.808	408	3.831	30/03/2022	-2
GII	07/29	3.906	2	3.864	30/03/2022	4
GII	09/30	3.848	5	3.728	15/03/2022	12
GII	10/30	3.924	20	3.962	30/03/2022	-4
GII	11/34	4.276	59	4.222	24/03/2022	5
GII	07/36	4.301	133	4.396	28/03/2022	-9
GII	09/39	4.384	9	4.600	28/03/2022	-22
GII	09/41	4.444	96	4.475	30/03/2022	-3
GII	11/49	4.655	30	4.590	30/03/2022	7
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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*	
Prasarana Malaysia Berhad	08/23	GG	2.652	140	2.547	17/03/2022	11	57
Prasarana Malaysia Berhad	09/24	GG	3.134	20	2.423	10/09/2021	71	39
Prasarana Malaysia Berhad	02/26	GG	3.580	30	3.317	01/12/2021	26	25
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	3.624	15	3.449	23/03/2022	18	30
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.760	10	-	-	-	33
DanaInfra Nasional Berhad	02/28	GG	3.901	10	3.178	25/05/2021	72	28
DanaInfra Nasional Berhad	02/28	GG	3.810	5	3.710	23/03/2022	10	19
DanaInfra Nasional Berhad	05/28	GG	3.922	20	3.712	15/12/2021	21	30
Perbadanan Tabung Pendidikan Tinggi Nasional	10/28	GG	3.980	10	3.742	26/01/2022	24	20
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	3.911	20	3.355	08/09/2021	56	13
DanaInfra Nasional Berhad	04/29	GG	3.940	5	3.799	17/02/2022	14	16
DanaInfra Nasional Berhad	03/32	GG	4.169	70	3.961	22/03/2022	21	30
GovCo Holdings Berhad	09/32	GG	4.150	20	3.955	28/02/2022	20	28
DanaInfra Nasional Berhad	04/48	GG	4.690	5	4.590	09/02/2022	10	22
DanaInfra Nasional Berhad	02/49	GG	4.720	5	4.761	30/03/2022	-4	25
Cagamas Berhad	10/23	AAA	2.750	10	2.238	10/02/2021	51	1
Cagamas Berhad	11/25	AAA	3.348	10	3.369	24/03/2022	-2	2
Pengurusan Air SPV Berhad	10/26	AAA	3.821	10	3.652	21/03/2022	17	40
Cagamas Berhad	11/29	AAA	4.158	30	4.609	14/11/2011	-45	31
Tenaga Nasional Berhad	11/36	AAA	4.470	10	4.288	25/03/2022	18	19
Batu Kawan Berhad	06/23	AA1	2.723	60	2.640	09/02/2022	8	64
Sabah Development Bank Berhad	07/24	AA1	3.651	1	4.239	28/03/2022	-59	91
Sabah Development Bank Berhad	07/26	AA1	4.147	1	4.601	30/03/2022	-45	82
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.917	5	3.314	28/03/2022	60	7
Hong Leong Financial Group Berhad	06/29	AA2	3.459	90	3.472	29/03/2022	-1	-32
Cellco Capital Berhad	03/30	AA	4.980	20	4.759	10/03/2022	22	114
Cellco Capital Berhad	03/31	AA	5.050	30	4.839	10/03/2022	21	118
WCT Holdings Berhad	03/23	AA-	3.998	40	4.000	29/03/2022	0	192
Gamuda Berhad	03/23	AA3	2.697	40	2.731	29/03/2022	-3	61
PONSB Capital Berhad	12/26	AA3	4.323	10	4.160	18/03/2022	16	90
PONSB Capital Berhad	12/28	AA3	4.631	10	4.536	01/03/2022	10	85
MMC Corporation Berhad	11/27	AA-	4.298	10	4.238	28/03/2022	6	67
MMC Corporation Berhad	03/28	AA-	4.359	20	4.277	09/03/2022	8	73
AmBank Islamic Berhad	10/28	A1	3.513	100	3.510	18/03/2022	0	-27
CIMB Group Holdings Berhad	05/16	A1	2.996	1	2.914	09/03/2022	8	-147
Alliance Bank Malaysia Berhad	10/35	A2	4.258	1	4.230	23/03/2022	3	-2
Eco World International Berhad	04/23	-	5.246	1	3.916	23/03/2022	133	316
Eco World International Berhad	05/23	-	5.231	1	4.631	30/03/2022	60	315
YNH Property Berhad	08/19	-	6.098	1	6.593	30/03/2022	-50	163
Cypark Renewable Energy Sdn Berhad	09/20	-	6.565	1	6.710	25/03/2022	-15	210
				<u>896</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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