

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.51	17
5-yr UST	1.76	16
10-yr UST	1.88	15
30-yr UST	2.25	14

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	-2	2.80	-1
5-yr	3.25	-3	3.27	0
7-yr	3.51	-3	3.40	-3
10-yr	3.66	-1	3.71	0
15-yr	4.09	3	4.07	0
20-yr	4.21	1	4.27	0
30-yr	4.38	0	4.49	2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	-2
3-yr	2.84	-6
5-yr	3.13	-4
7-yr	3.33	-3
10-yr	3.55	-4

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 15Y MGS 4/37 on Friday, 4th March, 2022

US Treasuries

- US Treasuries reversed prior days gains and fell sharply on Wednesday, with risk appetite returning as Fed Chair Powell backed the central bank's expectations for a 25bps lift-off in the upcoming March FOMC meeting. The curve shifted sharply higher as overall benchmark yields ended between 14-17bps higher. **The UST 2Y yield spiked 17bps to 1.51% whilst the much-watched UST 10Y yield rose 15bps to 1.88%.** However, TIPS outperformed as crude oil led gains for commodity prices driven by shortages arising from Russia's attack on Ukraine. Elsewhere, the unprecedented sanctions by the West on Russia may prompt global banks to drop assets and clients linked to the country as they slowly navigate these unfolding events. Meanwhile, investors are pricing-in a 5% probability of a 50bps hike, way lower than the 50% seen few weeks back. Expect attention to shift to Fed Chair Powell's ongoing congressional testimony and also initial jobs claims as at 26th Feb.

MGS/GIII

- Wednesday's session saw elevated activity in local govovies a day before MPC meeting amid safe-haven inflows and bargain-hunting activities. The front-ends and belly ended mostly richer and outperformed other parts of the curve. Overall benchmark MGS/GII yields closed mostly mixed-to-lower i.e. between -3 to +3bps amid a strong 40% jump in secondary market volume @ RM5.13b. **The 5Y benchmark MGS 11/26 yield closed 3bps lower at 3.25% whilst the 10Y MGS 7/32 yield edged 1bps down at 3.66%.** Interest was mainly seen in the off-the-run 22-23's, 31's, benchmark 7Y,10Y MGS and also benchmark 5Y,7Y GII papers. GII trades maintained to form ~39% of overall transactions. Meanwhile, we expect no change on the OPR rate which will be decided by the MPC today; with interest eventually shifting to the 15Y MGS auction tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw further improvement in appetite on Wednesday with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed, spanning only across 29 names despite a 53% jump in secondary market volume of RM714m. Govt-guaranteed PLUS 12/38 garnered attention with RM260m in nominal amounts traded; with yields rising 9bps compared to previous-done levels at 4.38%. DANA 32's on the other hand declined 10-15bps to 3.93% levels. AAA-rated SEB 8/25 eased by 7bps to settle at 3.30%. AA-rated plantation giant KLK saw its short-tenured 9/22 tranche spike 25bps to 2.35% whilst BGSM 3/26 settled 7bps lower at 3.66%. Meanwhile, the banking/finance space saw HLA 30NC25 move 6bps lower to 3.84% whereas BPMB 6/26 jumped 9bps to 3.59%. PUBLIC 29NC24 meantime was well-bid, resulting in a 9bps slide to 3.33%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.737	458	1.780	01/03/2022	-4
MGS	08/22	1.751	40	1.792	01/03/2022	-4
MGS	09/22	1.683	13	1.798	01/03/2022	-12
MGS	03/23	1.922	116	1.885	01/03/2022	4
MGS	04/23	1.916	49	1.916	01/03/2022	0
MGS	08/23	2.213	114	2.208	28/02/2022	0
MGS	06/24	2.698	131	2.712	01/03/2022	-1
MGS	07/24	2.752	131	2.764	01/03/2022	-1
MGS	09/24	2.792	18	2.812	01/03/2022	-2
MGS	03/25	2.933	60	2.929	01/03/2022	0
MGS	09/25	3.022	14	3.017	01/03/2022	0
MGS	04/26	3.194	36	3.210	28/02/2022	-2
MGS	07/26	3.241	5	3.248	01/03/2022	-1
MGS	11/26	3.247	188	3.280	01/03/2022	-3
MGS	05/27	3.375	122	3.376	01/03/2022	0
MGS	11/27	3.385	47	3.364	01/03/2022	2
MGS	06/28	3.513	220	3.543	01/03/2022	-3
MGS	08/29	3.630	45	3.646	01/03/2022	-2
MGS	04/30	3.706	4	3.728	01/03/2022	-2
MGS	04/31	3.689	366	3.682	01/03/2022	1
MGS	06/31	3.730	2	3.757	01/03/2022	-3
MGS	07/32	3.658	466	3.666	01/03/2022	-1
MGS	11/33	3.940	25	3.952	01/03/2022	-1
MGS	07/34	4.020	171	3.993	01/03/2022	3
MGS	05/35	4.091	234	4.064	01/03/2022	3
MGS	04/37	3.989	10	3.984	01/03/2022	0
MGS	06/38	4.176	1	4.270	01/03/2022	-9
MGS	05/40	4.208	5	4.198	01/03/2022	1
MGS	03/46	4.456	3	4.381	01/03/2022	8
MGS	06/50	4.378	26	4.382	01/03/2022	0
GII	03/22	1.771	412	1.749	01/03/2022	2
GII	04/22	1.768	224	1.783	28/02/2022	-1
GII	07/22	1.700	180	1.700	01/03/2022	0
GII	05/23	2.090	6	2.130	01/03/2022	-4
GII	08/24	2.771	20	2.793	01/03/2022	-2
GII	10/24	2.796	450	2.809	01/03/2022	-1
GII	08/25	3.060	1	3.097	01/03/2022	-4
GII	03/26	3.270	27	3.266	01/03/2022	0
GII	06/27	3.419	30	3.471	25/02/2022	-5
GII	07/27	3.470	2	3.449	25/02/2022	2
GII	09/27	3.397	250	3.425	01/03/2022	-3
GII	10/28	3.585	225	3.603	01/03/2022	-2
GII	10/30	3.713	137	3.718	01/03/2022	0
GII	07/36	4.069	8	4.067	01/03/2022	0
GII	09/39	4.263	2	4.263	01/03/2022	0
GII	09/41	4.266	40	4.266	28/02/2022	0
			5131			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
GovCo Holdings Berhad	09/22	GG	2.200	40	2.088	21/09/2021	11	21
PR1MA Corporation Malaysia	10/24	GG	3.002	100	3.021	25/02/2022	-2	30
DanaInfra Nasional Berhad	03/32	GG	3.930	30	4.029	23/02/2022	-10	27
DanaInfra Nasional Berhad	05/32	GG	3.928	20	4.078	15/02/2022	-15	26
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.959	40	3.990	10/01/2022	-3	30
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.380	260	4.295	30/07/2021	9	31
DanaInfra Nasional Berhad	09/40	GG	4.461	15	4.410	30/09/2021	5	25
Sarawak Energy Berhad	08/25	AAA	3.296	10	3.367	22/02/2022	-7	60
Bank Pembangunan Malaysia Berhad	06/26	AAA	3.591	10	3.499	06/12/2021	9	49
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.598	10	3.607	17/02/2022	-1	31
CIMB Bank Berhad	05/27	AAA	3.707	10	3.719	21/12/2021	-1	42
Pengurusan Air SPV Berhad	02/32	AAA	4.119	5	4.119	01/03/2022	0	46
Pengurusan Air Selangor Sdn Berhad	10/41	AAA	4.645	1	4.789	23/02/2022	-14	44
Genting Capital Berhad	06/22	AA1	3.449	10	3.534	25/01/2022	-9	146
Kuala Lumpur Kepong Berhad	09/22	AA1	2.353	50	2.100	14/01/2022	25	36
Sabah Development Bank Berhad	06/23	AA1	3.584	1	4.059	01/03/2022	-48	159
Public Bank Berhad	12/29	AA1	3.325	20	3.418	09/02/2022	-9	-31
TR1plc Medical Sdn Berhad	10/34	AA1	4.661	10	4.563	20/12/2021	10	60
TR1plc Medical Sdn Berhad	10/35	AA1	4.720	5	4.688	13/12/2021	3	65
BGSM Management Sdn Berhad	03/26	AA3	3.658	10	3.729	21/02/2022	-7	56
Hong Leong Assurance Berhad	01/30	AA3	3.842	20	3.907	18/02/2022	-6	20
Edra Energy Sdn Berhad	01/38	AA3	4.850	10	4.818	23/12/2021	3	78
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/39	AA-	5.710	13	5.228	15/01/2021	48	164
Sinar Kamiri Sdn Berhad	01/35	AA-	5.721	5	5.239	09/07/2020	48	166
Sinar Kamiri Sdn Berhad	01/36	AA-	5.790	5	5.339	09/07/2020	45	172
YNH Property Berhad	02/27	A+	5.370	1	5.440	25/02/2022	-7	209
Alliance Bank Malaysia Berhad	10/30	A2	3.614	2	3.505	24/02/2022	11	-5
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.719	1	3.554	24/02/2022	17	8
LBS Bina Group Berhad	03/20	-	5.741	1	6.399	22/02/2022	-66	153
				<u>714</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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