

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.53	2
5-yr UST	1.73	-2
10-yr UST	1.84	-4
30-yr UST	2.22	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	0	2.80	1
5-yr	3.27	3	3.27	0
7-yr	3.51	0	3.38	-1
10-yr	3.67	1	3.71	0
15-yr	4.07	-2	4.04	-3
20-yr	4.18	-3	4.27	0
30-yr	4.37	-1	4.49	2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	2
3-yr	2.87	3
5-yr	3.14	1
7-yr	3.34	1
10-yr	3.55	0

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM3.0b 15Y MGS 4/37 on Friday, 4<sup>th</sup> March, 2022

US Treasuries

- US Treasuries generally lacked clear direction on Thursday before ending the day slightly stronger as traders were reluctant to wholly-engage due to uncertainties. Fed Chair Powell reiterated that he supported a 25bps rate hike this month; ahead of tomorrow’s highly-anticipated jobs report. The curve flattened as overall benchmark yields ended mostly lower between 2-4bps save for the short-end which under-performed. **The UST 2Y yield edged 2bps higher to 1.53% whilst the much-watched UST 10Y yield declined 4bps to 1.84%.** The Intercontinental Exchange’s MOVE Index, a key gauge of Treasury market volatility is seen rising past 110 for the 1<sup>st</sup> time since the onset of the pandemic. Expect market price action to oscillate between geopolitical risks and strong domestic economic data, with high inflation being a major threat. Meanwhile, at the time of writing bonds are advancing across the curve following reports that Russia has shelled Ukraine’s nuclear plant. Expect attention tonight to shift to Fed Chair Powell’s ongoing congressional testimony and release of jobs report for February .

MGS/GII

- Thursday’s session saw the front-end a tad weaker due to profit-taking activities, whilst the longer-ends were reasonably well-bid as there were no surprises during the MPC meeting which saw the OPR stay pat at 1.75%. IRS saw better paying interest along the curve with yields inching ~1-2bps higher. Overall benchmark MGS/GII yields closed mostly mixed i.e. between -3 to +3bps amid a 25% drop in secondary market volume @ RM3.83b. **The 5Y benchmark MGS 11/26 yield closed 3bps higher at 3.27% whilst the 10Y MGS 7/32 yield edged 1bps up at 3.67%.** Interest was mainly seen in the off-the-run 22-23’s, 24’s and also benchmark 7Y,10Y MGS. GII trades maintained to form ~42% of overall transactions. Meanwhile, expect attention to shift to the 15Y MGS auction today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw sentiment ease on Thursday with interest seen mainly across the AAA to single-A part of the curve instead. Overall yields closed mostly mixed-to-higher but surprisingly spanned across 34 names despite a sharp pullback in secondary market volume @ RM430m. The sole govt-guaranteed trade consisted of PTPTN 8/32 which closed unchanged compared to previous-done levels at 3.96%. AAA-rated AMAN 4/24 spiked 56bps to 2.95% whilst BAKUN 8/24 settled 4bps lower at 2.84%. AA-rated energy-related bonds EDRA 38 and Southern Power 10/23 edged 0-1bps lower at 4.85% and 3.04% each. Meanwhile, the banking/finance space saw PUBLIC 29NC24 edge 1bps up at 3.33% on substantial trades totaling RM100m. Hong Leong Financial Group meantime settled unchanged at 3.44%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.796	268	1.737	02/03/2022	6
MGS	08/22	1.646	190	1.751	02/03/2022	-11
MGS	09/22	1.750	32	1.683	02/03/2022	7
MGS	03/23	1.807	333	1.922	02/03/2022	-12
MGS	04/23	1.954	46	1.916	02/03/2022	4
MGS	08/23	2.194	21	2.213	02/03/2022	-2
MGS	06/24	2.699	77	2.698	02/03/2022	0
MGS	07/24	2.755	16	2.752	02/03/2022	0
MGS	09/24	2.730	15	2.792	02/03/2022	-6
MGS	03/25	2.934	30	2.933	02/03/2022	0
MGS	09/25	3.017	29	3.022	02/03/2022	0
MGS	04/26	3.195	1	3.194	02/03/2022	0
MGS	07/26	3.217	9	3.241	02/03/2022	-2
MGS	11/26	3.273	135	3.247	02/03/2022	3
MGS	05/27	3.336	52	3.375	02/03/2022	-4
MGS	11/27	3.364	46	3.385	02/03/2022	-2
MGS	06/28	3.509	248	3.513	02/03/2022	0
MGS	08/29	3.641	22	3.630	02/03/2022	1
MGS	04/30	3.693	6	3.706	02/03/2022	-1
MGS	04/31	3.714	173	3.689	02/03/2022	2
MGS	07/32	3.668	326	3.658	02/03/2022	1
MGS	04/33	3.894	6	3.895	02/03/2022	0
MGS	11/33	3.939	2	3.940	02/03/2022	0
MGS	07/34	4.004	7	4.020	02/03/2022	-2
MGS	05/35	4.068	83	4.091	02/03/2022	-2
MGS	04/37	4.081	21	3.989	02/03/2022	9
MGS	06/38	4.192	2	4.176	02/03/2022	2
MGS	05/40	4.183	3	4.208	02/03/2022	-3
MGS	07/48	4.502	2	4.468	02/03/2022	3
MGS	06/50	4.368	42	4.378	02/03/2022	-1
GII	03/22	1.771	190	1.771	02/03/2022	0
GII	04/22	1.762	275	1.768	02/03/2022	-1
GII	07/22	1.705	31	1.700	02/03/2022	1
GII	05/23	2.039	415	2.090	02/03/2022	-5
GII	08/24	2.809	320	2.771	02/03/2022	4
GII	10/24	2.801	60	2.796	02/03/2022	1
GII	08/25	3.092	6	3.060	02/03/2022	3
GII	03/26	3.273	48	3.270	02/03/2022	0
GII	07/27	3.448	3	3.470	02/03/2022	-2
GII	09/27	3.386	154	3.397	02/03/2022	-1
GII	10/28	3.593	70	3.585	02/03/2022	1
GII	06/33	3.943	20	3.938	18/02/2022	0
GII	11/34	4.017	1	4.043	01/03/2022	-3
			<u>3832</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.958	40	3.959	02/03/2022	0	29
Putrajaya Holdings Sdn Berhad	04/22	AAA	2.183	5	2.095	07/07/2021	9	18
Putrajaya Holdings Sdn Berhad	04/22	AAA	2.246	20	2.099	18/11/2021	15	24
Telekom Malaysia Berhad	06/22	AAA	2.209	10	2.218	10/09/2021	-1	20
Al Dzahab Assets Berhad	06/23	AAA	2.978	10	3.818	20/08/2019	-84	97
Aman Sukuk Berhad	04/24	AAA	2.953	45	2.397	16/02/2021	56	54
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/24	AAA	2.838	20	2.883	28/02/2022	-4	43
Malaysia Airports Capital Berhad	12/24	AAA	3.229	10	3.199	21/01/2022	3	52
Public Bank Berhad	04/25	AAA	3.276	10	2.892	19/08/2021	38	57
Sarawak Energy Berhad	04/31	AAA	4.059	2	3.999	14/01/2022	6	40
Sarawak Energy Berhad	11/33	AAA	4.190	10	4.179	27/01/2022	1	52
Tenaga Nasional Berhad	11/36	AAA	4.250	1	4.267	01/03/2022	-2	20
Tenaga Nasional Berhad	08/38	AAA	4.459	10	4.428	26/01/2022	3	41
Sabah Development Bank Berhad	08/22	AA1	3.230	10	3.736	06/09/2019	-51	122
Public Bank Berhad	12/29	AA1	3.334	100	3.325	02/03/2022	1	-31
TRIpIc Medical Sdn Berhad	10/34	AA1	4.660	10	4.661	02/03/2022	0	61
TRIpIc Medical Sdn Berhad	10/35	AA1	4.719	5	4.720	02/03/2022	0	67
Imtiaz Sukuk II Berhad	10/22	AA2	2.387	10	2.440	01/03/2022	-5	38
Hong Leong Financial Group Berhad	06/29	AA2	3.440	15	3.441	23/02/2022	0	-15
Gamuda Berhad	11/22	AA3	2.545	2	2.542	14/02/2022	0	54
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.484	4	3.523	23/02/2022	-4	107
Gamuda Land (T12) Sdn Berhad	08/25	AA3	3.678	10	3.738	21/01/2022	-6	97
Gamuda Land (T12) Sdn Berhad	08/30	AA3	4.607	1	4.480	09/04/2021	13	96
Edra Energy Sdn Berhad	01/38	AA3	4.849	10	4.850	02/03/2022	0	80
MMC Corporation Berhad	04/23	AA-	3.000	2	3.012	01/03/2022	-1	99
Southern Power Generation Sdn Berhad	10/23	AA-	3.039	20	3.046	20/05/2021	-1	63
Sinar Kamiri Sdn Berhad	01/35	AA-	5.720	5	5.721	02/03/2022	0	167
Sinar Kamiri Sdn Berhad	01/36	AA-	5.789	5	5.790	02/03/2022	0	174
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/39	AA-	5.709	13	5.710	02/03/2022	0	166
Tropicana Corporation Berhad	06/24	A+	5.105	1			511	270
YNH Property Berhad	02/27	A+	5.369	2	5.370	02/03/2022	0	208
Hong Leong Financial Group Berhad	11/17	A1	3.654	10	4.819	06/09/2021	-117	-57
Eco World International Berhad	04/23	-	3.533	1	3.673	28/02/2022	-14	153
YNH Property Berhad	08/19	-	6.341	4	6.338	02/03/2022	0	212
				<u>430</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Exsim Capital Resources Berhad	RM300 mil third issuance (Tranche 3 IMTN) of RM2 bil Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Assigned

Source: RAM, MARC

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