

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.44	14
5-yr UST	2.55	9
10-yr UST	2.38	4
30-yr UST	2.45	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.18	0	2.96	1
5-yr	3.42	4	3.41	-2
7-yr	3.75	-3	3.52	2
10-yr	3.90	5	4.01	8
15-yr	4.24	1	4.33	2
20-yr	4.42	-2	4.46	1
30-yr	4.53	0	4.57	-9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.32	2
3-yr	3.14	6
5-yr	3.44	8
7-yr	3.59	5
10-yr	3.83	6

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries saw a hefty selloff, as robust US job reports further fanned inflationary ear and boosted Fed rate hike expectations. Markets implied Fed Funds Rate continued pointing to 43bps (OIS) and 45bps (futures) increase at the May FOMC meeting, as the 2-month net upward revision of 95k job gains, bigger than expected decline in unemployment rate to 3.6%, and pick-up in wage growth and participation rate overshadowed the smaller than expected nonfarm job gains of 431k in March. The curve further bear flattened and inverted again, with the 2Y benchmark yields rising a whopping 14bps to 2.44% while the 10Y note yields saw a more modest increase of 4bps to 2.38%, resulting in a negative 2/10 spread of 6bps. An inversion in the yield curve usually preludes a recession in the past. All eyes will be on FOMC minutes later this week, as well as several Fed speaks, for more clues of a 50bps rate hike at the upcoming 5-May FOMC meeting.

MGS/GIII

- Local govies traded mixed last Friday with yields gyrating between -9 to +8bps amid a 26.9% retreat in secondary market volume to RM3.92bn. Meanwhile, IRS levels were seen rebounding by 2-8bps, from prior's 5-8bps decline. Markets remained fixated on concerns over aggressive Fed rate hike path despite looming upside risks to inflation and downside risks to growth as the ongoing Ukraine conflict is set to further worsen the global supply chain constraints. **The 5Y benchmark MGS 11/26 yield saw renewed climb, up 4bps to 3.42% whilst the 10Y MGS 7/32 yield bounced back and closed 5bps higher at 3.90%.** Trades were mainly seen in the benchies, more notably from the front end up to 20Y for MGS and 7Y GII. GII trades eased slightly to form ~23% of overall transactions (prior 27%). Expect short-covering activities to abate this week post month-end and quarter-end closing as market participants look for new leads.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space also saw softer trading momentum on Friday, tracking the softer activities in local govies. Secondary market volume tapered off to RM585m across 40 issuances (prior RM896m and 26 names). The GG and AA-rated part of the curve attracted the most interests, accounted for 45% and 36% of total transactions done for the day. Overall yields closed mixed in a stark divergence between -140bps and +93bps. Govt-guaranteed PRASA '24, '31 and '33 collectively saw RM160m changed hands at 3.19% (+6bps), 4.05% (+18bps) and 4.17% (-35bps) respectively. PTPTN '22 also topped investor radar with RM70m last dealt 11bps inner at 1.93%. CAGA 22-25 dominated the AAA-rated segment (RM65m) done between 2.21-3.20%. Banking issuances were the next hot trades, UOB '28 and '30 (RM40m), BPMB (RM20m), HLFGB '29 (RM10m), and RHBIB '29 (RM10m).

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 08/22	1.75	47	1.82	31/03/2022	-7
MGS 09/22	1.82	105	1.73	31/03/2022	9
MGS 03/23	2.21	160	2.22	31/03/2022	-1
MGS 04/23	2.20	17	2.17	31/03/2022	3
MGS 08/23	2.47	24	2.26	31/03/2022	21
MGS 06/24	2.84	453	2.81	31/03/2022	3
MGS 07/24	2.87	13	2.77	31/03/2022	10
MGS 09/24	2.92	7	2.93	31/03/2022	-1
MGS 03/25	3.18	155	3.18	31/03/2022	0
MGS 09/25	3.24	114	3.20	31/03/2022	4
MGS 04/26	3.41	2	3.35	31/03/2022	6
MGS 07/26	3.47	11	3.47	31/03/2022	0
MGS 11/26	3.42	265	3.39	31/03/2022	4
MGS 03/27	3.54	4	3.51	31/03/2022	3
MGS 05/27	3.55	31	3.54	31/03/2022	1
MGS 11/27	3.55	27	3.56	31/03/2022	-1
MGS 06/28	3.75	283	3.78	31/03/2022	-2
MGS 08/29	3.92	153	3.90	31/03/2022	2
MGS 04/30	3.92	8	3.91	31/03/2022	1
MGS 04/31	3.96	197	3.89	31/03/2022	7
MGS 06/31	3.97	2	3.95	31/03/2022	2
MGS 07/32	3.90	177	3.88	31/03/2022	2
MGS 04/33	4.22	96	4.18	31/03/2022	4
MGS 11/33	4.22	128	4.20	31/03/2022	1
MGS 07/34	4.26	37	4.24	31/03/2022	2
MGS 05/35	4.29	41	4.29	31/03/2022	1
MGS 04/37	4.24	77	4.24	31/03/2022	1
MGS 06/38	4.37	9	4.40	31/03/2022	-3
MGS 05/40	4.42	217	4.44	31/03/2022	-2
MGS 09/43	4.65	1	4.54	31/03/2022	11
MGS 03/46	4.63	11	4.56	31/03/2022	7
MGS 07/48	4.62	0	4.54	31/03/2022	8
MGS 06/50	4.53	137	4.52	31/03/2022	0
GII 04/22	1.77	140	1.77	31/03/2022	0
GII 07/22	1.80	140	1.71	29/03/2022	9
GII 05/23	2.16	0	2.05	31/03/2022	11
GII 10/23	2.29	2	2.31	17/02/2022	-2
GII 05/24	2.86	29	2.89	31/03/2022	-4
GII 10/24	2.96	122	2.95	31/03/2022	1
GII 08/25	3.27	10	3.07	23/03/2022	19
GII 03/26	3.41	3	3.42	31/03/2022	-2
GII 07/27	3.58	0	3.57	31/03/2022	1
GII 09/27	3.52	75	3.49	31/03/2022	2
GII 10/28	3.80	225	3.81	31/03/2022	-1
GII 09/30	3.90	3	3.85	31/03/2022	6
GII 10/30	4.01	22	3.92	31/03/2022	8
GII 11/34	4.25	10	4.28	31/03/2022	-2
GII 07/36	4.33	53	4.30	31/03/2022	2
GII 08/37	4.34	0	4.39	28/03/2022	-5
GII 09/41	4.46	77	4.44	31/03/2022	1
GII 11/49	4.57	0	4.66	31/03/2022	-9
		<u>3923</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	06/22	GG	1.93	70	2.04	25/03/2022	-11	-18
Bank Pembangunan Malaysia Berhad	09/24	GG	3.18	20	2.25	26/01/2021	93	43
Prasarana Malaysia Berhad	09/24	GG	3.19	80	3.13	31/03/2022	6	45
DanaInfra Nasional Berhad	04/25	GG	3.30	5	2.73	23/06/2021	57	12
Prasarana Malaysia Berhad	02/31	GG	4.05	40	3.87	16/03/2022	18	19
Prasarana Malaysia Berhad	03/33	GG	4.17	40	4.52	15/02/2019	-35	29
Pelabuhan Tanjung Pelepas Sdn Berhad	11/33	GG	4.29	10	3.58	23/01/2020	71	41
Cagamas Berhad	08/22	AAA	2.21	40	2.11	29/10/2021	10	10
Cagamas Berhad	09/22	AAA	2.23	15	2.37	10/03/2022	-13	13
Cagamas Berhad	05/23	AAA	2.61	5	2.56	16/02/2022	5	50
Cagamas Berhad	01/25	AAA	3.20	5	3.18	24/03/2022	2	2
Bank Pertanian Malaysia Berhad	11/26	AAA	3.75	20	3.73	15/02/2022	2	34
Tenaga Nasional Berhad	11/36	AAA	4.36	1	4.47	31/03/2022	-11	11
Batu Kawan Berhad	06/23	AA1	2.72	20	2.72	31/03/2022	0	62
Sabah Development Bank Berhad	06/23	AA1	2.72	1	4.08	31/03/2022	-135	62
Sabah Development Bank Berhad	07/24	AA1	3.46	0	3.65	31/03/2022	-19	72
United Overseas Bank (Malaysia) Berhad	07/28	AA1	3.04	30	2.82	16/11/2021	22	-58
Malayan Banking Berhad	01/29	AA1	3.06	1	2.96	10/03/2022	10	-72
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.63	10	3.92	31/03/2022	-29	-21
Anih Berhad	11/22	AA	2.67	10	2.64	25/01/2022	3	57
Gamuda Land (T12) Sdn Berhad	10/27	AA	4.32	15	4.16	20/12/2021	16	70
Anih Berhad	11/27	AA	4.28	10	4.09	17/03/2022	19	67
Anih Berhad	11/29	AA	4.48	5	4.33	18/02/2022	15	64
Southern Power Generation Sdn Berhad	04/34	AA	4.83	10	4.48	06/04/2021	35	95
Hong Leong Financial Group Berhad	06/29	AA2	3.46	10	3.46	31/03/2022	0	-32
Northport (Malaysia) Berhad	12/22	AA-	2.54	2	2.55	29/03/2022	-1	43
MMC Corporation Berhad	04/27	AA-	4.23	20	4.16	28/02/2022	7	81
MMC Corporation Berhad	11/27	AA-	4.31	10	4.30	31/03/2022	1	70
PONSB Capital Berhad	12/28	AA-	4.63	10	4.63	31/03/2022	0	85
Southern Power Generation Sdn Berhad	04/30	AA-	4.49	10	4.33	25/11/2021	16	66
Edra Energy Sdn Berhad	01/23	AA3	2.77	15	2.78	28/03/2022	-1	67
Projek Lebuhraya Usahasama Berhad	01/23	AA3	2.59	10	2.40	24/02/2022	19	48
RHB Islamic Bank Berhad	05/29	AA3	3.52	10	3.42	25/02/2022	11	-25
Tropicana Corporation Berhad	06/23	A+	4.80	1	5.37	31/03/2022	-57	270
Tropicana Corporation Berhad	10/23	A+	5.35	1	4.95	29/03/2022	40	261
Tropicana Corporation Berhad	04/28	A+	6.04	0	5.65	23/03/2022	39	243
Bank Islam Malaysia Berhad	10/30	A1	3.91	20	3.88	27/01/2022	3	5
CIMB Group Holdings Berhad	05/16	A1	4.53	2	4.51	25/03/2022	2	10
Eco World International Berhad	04/23	-	3.84	0	5.25	31/03/2022	-140	174
Eco World International Berhad	05/23	-	3.91	1	5.23	31/03/2022	-132	180
				<u>585</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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