

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.42	-4
5-yr UST	2.55	-1
10-yr UST	2.40	1
30-yr UST	2.46	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.22	4	2.95	-1
5-yr	3.43	1	3.40	-1
7-yr	3.82	6	3.54	2
10-yr	3.93	4	4.02	1
15-yr	4.28	4	4.29	-4
20-yr	4.48	6	4.48	3
30-yr	4.54	1	4.57	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.31	-1
3-yr	3.11	-3
5-yr	3.43	0
7-yr	3.61	2
10-yr	3.84	1

Source : Bloomberg

Upcoming Government Bond Tender

New Issuance of RM4.5b 10.5Y GII 10/32 on Wednesday, 6<sup>th</sup> March, 2022

US Treasuries

- US Treasuries closed generally mixed on Monday on low volumes, reflecting a consolidation period, but nevertheless saw the longer-ends extending out from the 10-year sector pressured. Overall benchmark yields closed mixed between -4 to +2bps across a steeper curve. **The UST 2Y yield closed 4bps lower at 2.42% whilst the much-watched UST 10Y edged 1bps up at 2.40%.** The prominent part of the yield curve i.e. 2s10s spreads has been inverted since last Thursday; supposedly an early predictor of a possible recession in the near future. CME group's FedWatch is now pricing in a 75% chance that the Fed will hike rates by 50bps at its May FOMC meeting. Elsewhere, the Fed's possible winding down of its balance sheet in the coming months may see a rebound in cash holdings. Meanwhile, the Fed is scheduled to release the minutes of the March FOMC meeting on 7-April.

MGS/GII

- Local govies saw MGS end weaker whilst GII closed mixed on Monday as the surge in prices in the later part of last week fizzled out. Activity in the secondary market was muted with trades trickling in only in late afternoon. Overall benchmark MGS/GII yields ended mostly mixed-to-higher between -4 to +6bps amid the 50% pullback in secondary market volume @ RM1.94b. **The 5Y benchmark MGS 11/26 yield edged 1bps up at 3.43% whilst the 10Y MGS 7/32 jumped 4bps higher to 3.93%.** Trades were mainly seen in the off-the-run 31's, 3Y MGS and 30Y MGS. GII trades maintained to form ~21% of overall transactions. Expect attention to shift to the upcoming auction involving the new issuance of 10.5-year GII this Wednesday.

Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw weaker participation; with investors mostly sidelined. Interest was seen mainly seen along AA part of the curve followed by the single-A rated bonds. Overall yields closed mostly higher and spanned across 26 names as secondary market volume more than halved to a mere RM228m. The sole govt-guaranteed trade consisted of PRASA 8/28 which spiked 24bps compared to previous-done levels to 3.91%. AAA-rated TOYOTA 10/24 and TNB 8/38 rose 12-13bps to 3.81% and 4.60% each. The AA-sector saw energy-related bonds EDRA 35-36's jump 19-25bps between 4.81-91% area whereas GAMUDA 3/23 settled unchanged at 2.70%. The banking/finance space saw AmBank Islamic 28NC23 move 3bps lower at 3.24%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.689	28	1.751	01/04/2022	-6
MGS	09/22	1.668	7	1.824	01/04/2022	-16
MGS	03/23	2.154	19	2.208	01/04/2022	-5
MGS	04/23	2.161	5	2.203	01/04/2022	-4
MGS	08/23	2.39	73	2.469	01/04/2022	-8
MGS	06/24	2.859	98	2.837	01/04/2022	2
MGS	07/24	2.908	38	2.869	01/04/2022	4
MGS	09/24	2.935	7	2.924	01/04/2022	1
MGS	03/25	3.223	137	3.182	01/04/2022	4
MGS	09/25	3.276	78	3.243	01/04/2022	3
MGS	04/26	3.433	18	3.412	01/04/2022	2
MGS	07/26	3.461	17	3.474	01/04/2022	-1
MGS	11/26	3.432	42	3.423	01/04/2022	1
MGS	05/27	3.533	15	3.547	01/04/2022	-1
MGS	11/27	3.555	99	3.552	01/04/2022	0
MGS	06/28	3.815	56	3.753	01/04/2022	6
MGS	08/29	3.924	5	3.916	01/04/2022	1
MGS	04/30	3.998	31	3.921	01/04/2022	8
MGS	04/31	3.989	235	3.957	01/04/2022	3
MGS	06/31	4.002	2	3.971	01/04/2022	3
MGS	07/32	3.933	75	3.897	01/04/2022	4
MGS	04/33	4.221	7	4.220	01/04/2022	0
MGS	11/33	4.288	1	4.215	01/04/2022	7
MGS	07/34	4.282	65	4.261	01/04/2022	2
MGS	05/35	4.325	40	4.294	01/04/2022	3
MGS	04/37	4.284	51	4.242	01/04/2022	4
MGS	05/40	4.479	178	4.423	01/04/2022	6
MGS	07/48	4.591	3	4.619	01/04/2022	-3
MGS	06/50	4.54	111	4.526	01/04/2022	1
GII	04/22	1.418	1	1.770	01/04/2022	-35
GII	07/22	1.763	88	1.800	01/04/2022	-4
GII	05/23	1.994	1	2.160	01/04/2022	-17
GII	11/23	2.289	7	2.298	31/03/2022	-1
GII	10/24	2.951	14	2.964	01/04/2022	-1
GII	08/25	3.261	21	3.267	01/04/2022	-1
GII	03/26	3.401	17	3.407	01/04/2022	-1
GII	07/27	3.63	13	3.580	01/04/2022	5
GII	09/27	3.541	73	3.517	01/04/2022	2
GII	10/28	3.826	17	3.798	01/04/2022	3
GII	07/29	3.898	24	3.906	31/03/2022	-1
GII	10/30	4.023	52	4.008	01/04/2022	1
GII	08/33	4.249	2	4.072	24/03/2022	18
GII	07/36	4.287	54	4.326	01/04/2022	-4
GII	09/41	4.483	12	4.456	01/04/2022	3
			<u>1935</u>			

## 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
Toyota Capital Malaysia Sdn Berhad	10/24	AAA	3.808	10	3.687	15/03/2022	12	59
Danum Capital Berhad	05/27	AAA	3.798	10	3.498	30/09/2021	30	35
Tenaga Nasional Berhad	08/38	AAA	4.600	10	4.469	22/03/2022	13	32
GENM Capital Berhad	08/25	AA1	4.347	1	4.355	15/03/2022	-1	113
Genting RMTN Berhad	03/27	AA1	5.180	1	5.149	25/03/2022	3	174
Cellco Capital Berhad	03/25	AA	4.118	10	3.920	30/03/2021	20	90
Cellco Capital Berhad	03/26	AA	4.417	20	4.291	13/01/2022	13	106
CIMB Group Holdings Berhad	09/29	AA	3.450	20	3.395	16/02/2022	6	-36
Gamuda Berhad	03/23	AA3	2.700	10	2.697	31/03/2022	0	60
Edra Energy Sdn Berhad	01/35	AA3	4.811	10	4.619	11/03/2022	19	53
Edra Energy Sdn Berhad	07/36	AA3	4.910	10	4.661	05/01/2022	25	63
reNIKOLA Solar Sdn Berhad	05/38	AA3	5.170	30	5.242	20/09/2021	-7	89
TG Excellence Berhad	02/20	AA-	4.477	2	4.067	28/03/2022	41	3
YNH Property Berhad	02/25	A+	5.044	2	5.475	31/03/2022	-43	183
Bank Islam Malaysia Berhad	11/27	A1	2.870	33	2.935	03/01/2022	-6	-77
AmBank Islamic Berhad	02/28	A1	3.238	25	3.271	18/03/2022	-3	-40
Tropicana Corporation Berhad	06/23	A+	4.217	1	4.801	01/04/2022	-58	211
Tropicana Corporation Berhad	10/25	A+	4.730	1	5.038	30/03/2022	-31	138
Tropicana Corporation Berhad	04/26	A+	5.799	1	5.756	30/03/2022	4	244
Eco World International Berhad	04/23	-	3.845	1	3.843	01/04/2022	0	174
Eco World International Berhad	05/23	-	4.629	1	3.910	01/04/2022	72	252
				<u>228</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Serba Dinamik Holdings Berhad	Islamic Medium-Term Notes (IMTN) Islamic Commercial Papers (ICP) programme	From CIS/MARC-4 IS to D IS	Downgraded

Source: RAM, MARC

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