

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.52	9
5-yr UST	2.70	15
10-yr UST	2.55	15
30-yr UST	2.57	12

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.19	-3	2.99	4
5-yr	3.46	3	3.54	0
7-yr	3.78	-4	3.80	-2
10-yr	3.94	1	4.02	0
15-yr	4.29	1	4.32	3
20-yr	4.49	1	4.43	-6
30-yr	4.49	-5	4.54	-3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.31	0
3-yr	3.13	2
5-yr	3.43	-1
7-yr	3.63	2
10-yr	3.83	-1

Source : Bloomberg

Upcoming Government Bond Tender

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

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries plunged on Tuesday, following Governor Brainard's hawkish comments reinforcing that the Fed will likely step-up monetary policy tightening measures by swiftly decreasing its debt holdings. The curve shifted sharply higher as overall benchmark yields spiked between 9-15bps. **The UST 2Y yield jumped 9bps higher to 2.52% whilst the much-watched UST 10Y yield spiked 15bps, the most since March 2020, to 2.55%.** Parts of the yield curve i.e. 5s30s spreads remain inverted. Swaps traders are now anticipating an ~85% probability that the Fed will hike rates by 50bps at its May FOMC meeting. Selling pressure also emanated from the stronger-than-expected service sector employment by ISM for March. Meanwhile, the Fed is scheduled to release the minutes of the March FOMC meeting on 7-April.

MGS/GII

- Local govvnies saw slight improvement with both MGS/GII closing mostly mixed with some demand for the long-ends as the World Bank trimmed the nation's 2022 GDP growth forecast slightly lower to 5.5% from 5.8% previously. Nevertheless activity in the secondary market continued to be muted as overall benchmark MGS/GII yields ended between -6 to +4bps amid the further slide in secondary market volume @ RM1.80b. **The 5Y benchmark MGS 11/26 yield moved 3bps higher to 3.46% whilst the 10Y MGS 7/32 edged 1bps up to 3.94%.** Trades were mainly seen in the off-the-run 27's, 3Y MGS and 10Y MGS. GII trades dropped to form a mere ~11% of overall transactions. Elsewhere, expect attention to shift to the upcoming auction involving the new issuance of 10.5-year GII today.

Corp Bonds/Sukuk

- On Monday, the Corporate Bonds/Sukuk space saw improved participation with interest seen mainly seen along AA-part of the curve followed by the AAA-rated space. Overall yields closed mostly higher and spanned across 37 names as secondary market volume more than doubled to RM606m. Govt-guaranteed BPMB 9/29 jumped 22bps higher compared to previous-done levels to 4.09% whilst SME 4/27 spiked 63bps to 3.83%. AAA-rated Petroleum Sarawak 3/28 too rose 16bps to 4.07% whereas BAKUN 8/29 saw yields jump the most by 65bps to 4.13%. The AA-sector saw highway operator ANIH saw a slew of 2026-2028 tranches totaling RM150m exchange hands. ANIH 26 and 28 moved 18-20bps higher to end at 4.13% and 4.41% each whilst the 2027 tranche settled unchanged at 4.27%. BGSM 9/23 edged 2bps up at 2.89%. Meanwhile, the banking/finance space saw both BPMB and RHB 30NC5 bond yields move higher to 3.85% and 3.01% respectively whereas AmBank 28NC23 rallied 14bps to close 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	1.759	62	1.689	04/04/2022	7
MGS	09/22	1.781	104	1.668	04/04/2022	11
MGS	03/23	2.190	13	2.154	04/04/2022	4
MGS	08/23	2.307	4	2.390	04/04/2022	-8
MGS	06/24	2.818	114	2.859	04/04/2022	-4
MGS	07/24	2.894	2	2.908	04/04/2022	-1
MGS	09/24	2.934	13	2.935	04/04/2022	0
MGS	03/25	3.192	682	3.223	04/04/2022	-3
MGS	09/25	3.303	34	3.276	04/04/2022	3
MGS	07/26	3.426	55	3.461	04/04/2022	-3
MGS	11/26	3.457	1	3.432	04/04/2022	2
MGS	03/27	3.536	20	3.540	01/04/2022	0
MGS	05/27	3.544	118	3.533	04/04/2022	1
MGS	11/27	3.584	16	3.555	04/04/2022	3
MGS	06/28	3.779	14	3.815	04/04/2022	-4
MGS	08/29	3.919	11	3.924	04/04/2022	0
MGS	04/31	3.990	72	3.989	04/04/2022	0
MGS	07/32	3.939	100	3.933	04/04/2022	1
MGS	11/33	4.261	6	4.288	04/04/2022	-3
MGS	05/35	4.319	10	4.325	04/04/2022	-1
MGS	04/37	4.290	59	4.284	04/04/2022	1
MGS	06/38	4.392	2	4.426	04/04/2022	-3
MGS	05/40	4.488	86	4.479	04/04/2022	1
MGS	07/48	4.534	1	4.591	04/04/2022	-6
MGS	06/50	4.486	2	4.540	04/04/2022	-5
GII	04/22	1.782	68	1.418	04/04/2022	36
GII	11/22	1.850	40	1.824	31/03/2022	3
GII	11/22	1.850	20	1.801	28/12/2021	5
GII	10/24	2.991	10	2.951	04/04/2022	4
GII	09/26	3.475	3	3.525	29/03/2022	-5
GII	07/27	3.589	20	3.630	04/04/2022	-4
GII	07/36	4.317	1	4.287	04/04/2022	3
GII	09/41	4.425	32	4.483	04/04/2022	-6
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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	09/22	GG	2.148	30	1.985	14/03/2022	16	1
Small Medium Enterprise Development Bank Malaysia Berhad	04/27	GG	3.830	10	3.201	21/09/2021	63	40
DanInfra Nasional Berhad	04/29	GG	3.990	5	-	-	-	19
Bank Pembangunan Malaysia Berhad	09/29	GG	4.090	10	3.873	28/02/2022	22	29
Cagamas Berhad	02/23	AAA	2.388	20	2.470	03/02/2022	-8	25
Telekom Malaysia Berhad	12/24	AAA	3.290	20	3.149	16/03/2022	14	9
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.850	10	3.668	16/03/2022	18	42
Pengurusan Air SPV Berhad	06/27	AAA	3.950	10	3.737	21/03/2022	21	52
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	4.065	10	3.908	20/01/2022	16	43
Pengurusan Air SPV Berhad	02/29	AAA	4.133	10	3.911	07/12/2021	22	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/29	AAA	4.129	10	3.483	27/08/2021	65	33
Danum Capital Berhad	05/30	AAA	4.170	20	4.065	10/02/2022	11	30
Bank Pembangunan Malaysia Berhad	03/32	AAA	4.280	10	4.064	17/03/2022	22	34
Infracap Resources Sdn Berhad	04/36	AAA	4.779	10	4.639	11/03/2022	14	50
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.620	10	4.500	22/03/2022	12	34
Tenaga Nasional Berhad	11/36	AAA	4.366	1	4.360	01/04/2022	1	8
Tenaga Nasional Berhad	08/37	AAA	4.569	40	4.474	25/03/2022	9	29
Sabah Development Bank Berhad	04/23	AA1	3.518	20	3.503	24/11/2021	1	138
Encorp Systembilt Sdn Berhad	11/23	AA1	3.030	10	4.458	07/06/2017	-143	26
Genting RMTN Berhad	03/27	AA1	5.180	1	5.180	04/04/2022	0	175
First Abu Dhabi Bank PJSC	12/27	AA1	4.142	100	3.959	24/01/2022	18	51
Bumitama Agri Ltd	07/26	AA2	4.106	1	3.973	16/02/2022	13	76
Anih Berhad	11/26	AA	4.126	50	3.928	15/03/2022	20	69
Anih Berhad	11/27	AA	4.273	10	4.278	01/04/2022	0	64
Anih Berhad	11/28	AA	4.408	90	4.228	22/03/2022	18	61
UEM Sunrise Berhad	12/22	AA-	3.298	10	3.309	15/03/2022	-1	116
BGSM Management Sdn Berhad	09/23	AA3	2.891	20	2.874	28/02/2022	2	76
MMC Corporation Berhad	03/28	AA-	4.369	20	4.359	31/03/2022	1	74
RHB Bank Berhad	11/30	AA3	3.909	10	3.859	09/02/2022	5	0
AmBank (M) Berhad	11/28	A1	3.507	15	3.650	04/02/2022	-14	-29
DRB-Hicom Berhad	12/22	A+	3.500	3	3.544	08/03/2022	-4	137
Tropicana Corporation Berhad	06/23	A+	4.215	2	4.217	04/04/2022	0	208
Tropicana Corporation Berhad	09/19	A	6.110	2	6.888	29/03/2022	-78	164
Eco World International Berhad	05/23	-	3.899	2	4.629	04/04/2022	-73	176
Eco World Capital Services Berhad	03/26	-	5.213	1	5.223	31/03/2022	-1	186
YNH Property Berhad	08/19	-	6.143	3	6.020	24/03/2022	12	167
YNH Property Berhad	08/19	-	5.738	2	5.739	04/04/2022	0	126
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TNB Power Generation Sdn Bhd	proposed sukuk programme of up to RM10.0 billion	AAA IS/Stable	Assigned
Projek Lintasan Sungai Besi – Ulu Klang Sdn Bhd's (PLSUKE)	Sukuk Wakalah Programme of up to RM2.0 billion	AA AIS(FG)/Stable	Affirmed
TSH Sukuk Murabahah Sdn Bhd	RM150 million Medium-Term Notes (IMTN) Programme	From A+ IS to AA-IS/Stable	Affirmed

Source: RAM, MARC

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