

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs continued to see the front-end and belly sell-off whilst flattening the curve; as a rate hike premium continued to be priced into the March FOMC by traders. Overall benchmark yields closed higher between 2-4bps across save for the long-bond. **The UST 2Y yield jumped 4bps to 0.87% whilst the much-watched 10Y yield edged 2bps higher at 1.72%.** Again, there was no let-up in the robust IG issuance slate. Comments from Fed official Bullard that a March hike was possible, piled some pressure on Treasuries. An avalanche of coupon offerings amounting to ~\$110b next week and corporate offerings may see investors sidelined for now; but more importantly expect attention to shift to the all-important jobs data for December.

MGS/GII

- Local govies closed weaker across most tenures on Thursday, taking cue from rising IRS levels. Overall benchmark MGS/GII yields closed between 0-7bps across the curve amid a 22% rise in secondary market volume @ RM2.85b. **The 5Y benchmark MGS 11/26 yield jumped 7bps to 3.28% whilst the 10Y benchmark MGS 4/31 rose 4bps to 3.66%** compared to prior day's close. Interest was mainly seen in the off-the-run 22's and also 10Y MGS, 15Y GII. GII dropped to form a mere 15% of overall trades. The inaugural i.e. 1st auction of the year consisting of the 5Y MGS despite drawing a long tail; surprisingly notched strong bidding metrics of 2.329x and awarded at 3.273%. The calendar remains light this week with the exception of the announcement of foreign reserves as at 31st December, later today.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk drew steady investor interest on Thursday amid secondary market volume of RM509m. Transactions were still seen mainly across the GG-AA part of the curve as overall yields closed mixed, spanning across 28 names. Govt-guaranteed DANA 7/27 and 11/49 settled 1-5bps lower compared to previous-done levels at 3.61% and 4.53% respectively. AAA-rated TNB Western continued to attract attention with the 2026 tranches spiking 44-95bps to close at 4.00% and 4.28% each with transacted volumes totaling RM160m. In the AA-space, energy-related bonds TG BIN Power 24-25's closed mixed on yields at 3.32% and 3.64% each whereas TBEI 2025-2026 tranches jumped 34-39bps between 4.03-4.14% (the exception being the 9/26 tranche which made its debut at 4.24% instead). Meanwhile the banking/finance space saw RM40m worth of MAYBANK 2117NC26 perps exchange hands, edging 2bps lower at 3.88%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.87	4
5-yr UST	1.47	4
10-yr UST	1.72	2
30-yr UST	2.08	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.82	0	2.95	4
5-yr	3.28	7	3.23	0
7-yr	3.45	1	3.36	2
10-yr	3.66	4	3.68	4
15-yr	3.95	2	3.97	1
20-yr	4.15	4	4.17	0
30-yr	4.24	1	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.18	0
3-yr	2.83	4
5-yr	3.07	5
7-yr	3.26	4
10-yr	3.50	7

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.670	201	1.740	05/01/2022	-7
MGS	03/23	2.240	14	2.177	05/01/2022	6
MGS	06/24	2.818	51	2.836	04/01/2022	-2
MGS	07/24	2.832	5	2.865	05/01/2022	-3
MGS	03/25	2.959	50	2.921	04/01/2022	4
MGS	09/25	3.030	8	3.016	05/01/2022	1
MGS	11/26	3.283	913	3.211	04/01/2022	7
MGS	05/27	3.320	53	3.257	05/01/2022	6
MGS	11/27	3.327	2	3.313	05/01/2022	1
MGS	06/28	3.452	12	3.437	05/01/2022	2
MGS	04/31	3.658	608	3.617	05/01/2022	4
MGS	06/31	3.708	12	3.661	05/01/2022	5
MGS	04/33	3.855	85	3.852	05/01/2022	0
MGS	11/33	3.887	50	3.832	31/12/2021	6
MGS	05/35	3.953	114	3.932	05/01/2022	2
MGS	04/37	3.935	10	3.960	05/01/2022	-2
MGS	05/40	4.148	112	4.112	05/01/2022	4
MGS	03/46	4.318	50	4.281	05/01/2022	4
MGS	07/48	4.376	40	4.330	05/01/2022	5
MGS	06/50	4.241	22	4.230	05/01/2022	1
GII	03/22	1.778	12	1.761	05/01/2022	2
GII	04/22	1.771	20	1.771	05/01/2022	0
GII	05/23	2.277	1	2.194	05/01/2022	8
GII	10/24	2.951	38	2.916	05/01/2022	4
GII	08/25	3.115	1	3.102	23/12/2021	1
GII	03/26	3.225	35	3.228	05/01/2022	0
GII	09/27	3.364	10	3.343	05/01/2022	2
GII	07/29	3.538	3	3.597	20/12/2021	-6
GII	10/30	3.680	21	3.639	05/01/2022	4
GII	07/36	3.967	208	3.953	05/01/2022	1
GII	09/41	4.170	11	4.166	04/01/2022	0
GII	11/49	4.446	74	4.449	04/01/2022	0
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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*	
DanaInfra Nasional Berhad	07/27	GG	3.611	20	3.620	20/12/2021	-1	28
DanaInfra Nasional Berhad	11/49	GG	4.529	20	4.576	02/12/2021	-5	39
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.436	10	2.333	17/08/2021	10	55
Cagamas Berhad	10/24	AAA	3.075	10	2.886	22/11/2021	19	24
Cagamas Berhad	11/24	AAA	3.114	10	2.710	03/09/2021	40	28
TNB Western Energy Berhad	01/26	AAA	3.575	70	2.628	02/09/2020	95	51
TNB Western Energy Berhad	07/26	AAA	3.637	90	3.198	31/05/2021	44	38
Malaysia Airport Holdings Berhad	12/26	AAA	3.854	10	3.870	03/01/2022	-2	59
TNB Western Energy Berhad	07/28	AAA	3.999	10	4.020	05/01/2022	-2	54
TNB Western Energy Berhad	01/31	AAA	4.218	10	4.241	05/01/2022	-2	61
YTL Power International Berhad	03/23	AA1	3.030	1	3.032	10/12/2021	0	114
Danajamin Nasional Berhad	10/27	AA1	2.643	10	2.661	23/11/2021	-2	-69
Samalaju Industrial Port Sdn Berhad	12/28	AA1	4.206	10	4.118	05/10/2021	9	74
Samalaju Industrial Port Sdn Berhad	12/29	AA1	4.297	10	4.188	29/09/2021	11	75
Tanjung Bin Power Sdn Berhad	08/24	AA2	3.324	20	3.407	04/06/2020	-8	49
Tanjung Bin Power Sdn Berhad	08/25	AA2	3.635	10	3.017	14/12/2020	62	57
Tanjung Bin Energy Sdn Berhad	09/25	AA3	4.026	10	3.639	17/09/2021	39	96
Tanjung Bin Energy Sdn Berhad	03/26	AA3	4.136	20	3.799	19/08/2021	34	107
Tanjung Bin Energy Sdn Berhad	09/26	AA3	4.239	10	-	-	-	98
Southern Power Generation Sdn Berhad	10/24	AA-	3.471	10	3.149	21/04/2021	32	64
TG Excellence Berhad	02/20	AA-	4.183	60	4.571	05/01/2022	-39	4
PONSB Capital Berhad	12/26	AA3	4.200	1	4.440	24/12/2021	-24	94
PONSB Capital Berhad	12/28	AA3	4.781	5	4.830	05/01/2022	-5	132
Edra Energy Sdn Berhad	07/34	AA3	4.498	30	4.409	21/09/2021	9	54
Malayan Banking Berhad	02/17	AA3	3.878	40	3.902	05/01/2022	-2	-27
Tropicana Corporation Berhad	06/23	A+	4.532	1	4.487	21/12/2021	4	264
MCIS Insurance Berhad	12/31	A2	4.525	1	4.576	05/01/2022	-5	87
YNH Property Berhad	08/19	-	6.437	1	6.022	06/12/2021	42	229
				<u>509</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
N/A	N/A	N/a	N/A

Source: RAM, MARC

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