

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.55	7
5-yr UST	1.71	7
10-yr UST	1.78	4
30-yr UST	2.19	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.75	2	2.81	1
5-yr	3.29	1	3.28	0
7-yr	3.53	2	3.38	0
10-yr	3.64	0	3.71	-1
15-yr	4.08	1	4.07	0
20-yr	4.21	0	4.23	-4
30-yr	4.30	0	4.36	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.22	-2
3-yr	2.84	-1
5-yr	3.09	-3
7-yr	3.31	1
10-yr	3.51	-4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries were sold-off due to soaring oil prices as the Russia-Ukraine conflict stoked concerns over inflationary pressures and slowing economic growth. The curve bear-flattened as overall benchmark yields ended higher between 3-7bps with more apparent weakness in the front-end and belly. **The UST 2Y yield spiked 7bps to 1.55% whilst the much-watched UST 10Y yield ended 4bps higher at 1.78%.** The yield curve flattened and breached 20bps for the first time since March 2020 indicating concerns that growth may stall despite inflation being elevated. The Fed is scheduled to release its next policy statement on 16th March. Elsewhere the Fed reverse repo facility which pay an overnight rate of 0.05%, saw usage fall to a fresh YTD low of \$1.46 trillion. Expect attention to shift to the \$48b 3Y note auction tonight and also the upcoming US CPI report for February come Thursday.

MGS/GII

- Local govvnies saw trading activity ease with the front-end and belly slightly pressured despite IRS levels generally closing lower. Overall benchmark MGS/GII yields closed mixed i.e. between -4 to +2bps amid a huge drop in secondary market volume @ RM2.66b. **The 5Y benchmark MGS 11/26 yield edged 1bps higher at 3.29% whilst the 10Y MGS 7/32 yield closed within 1bps lower at 3.64%.** Trades were seen extending up to 30Y tenures with interest mainly in the off-the-run 22-23's, 33's and also benchmark 7Y GII. GII trades rose to form ~49% of overall transactions.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw activity dwindle with interest mainly across the GG-AA part of the curve. Overall yields closed mixed and spanned across 21 names amid the halving of secondary market volume @ RM252m. Govt-guaranteed DANA 24's spiked 37-43bps compared to previous-done levels at 2.84%. AAA-rated PLUS 26 moved 3bps higher to 3.47% whilst PASB 6/27 eased 3bps to 3.71%. AA-rated energy-related bonds Southern Power 33's jump 34-39bps higher between 4.59-63% whereas UMW saw its 11/25 tranche decline 25bps instead to 3.47%. However its shorter-tenured 6/22 tranche rose 9bps instead to 2.32%. Meanwhile, the banking/finance space saw Hong Leong Financial Group grind RM30m in transacted amounts, edging 2bps lower at 3.42%. SABAH Development Bank 8/25 closed unchanged at 4.55%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.601	34	1.581	04/03/2022	2
MGS	09/22	1.677	40	1.644	04/03/2022	3
MGS	03/23	1.854	258	1.890	04/03/2022	-4
MGS	04/23	1.899	300	1.930	04/03/2022	-3
MGS	08/23	2.232	9	2.211	04/03/2022	2
MGS	06/24	2.747	42	2.731	04/03/2022	2
MGS	07/24	2.766	19	2.778	04/03/2022	-1
MGS	09/24	2.789	1	2.813	04/03/2022	-2
MGS	03/25	2.929	50	2.946	04/03/2022	-2
MGS	09/25	3.039	15	3.029	04/03/2022	1
MGS	04/26	3.206	61	3.204	04/03/2022	0
MGS	07/26	3.274	1	3.253	04/03/2022	2
MGS	11/26	3.286	37	3.275	04/03/2022	1
MGS	11/27	3.405	5	3.391	04/03/2022	1
MGS	06/28	3.531	134	3.510	04/03/2022	2
MGS	08/29	3.671	49	3.661	04/03/2022	1
MGS	04/30	3.696	1	3.678	04/03/2022	2
MGS	04/31	3.708	41	3.709	04/03/2022	0
MGS	06/31	3.736	1	3.726	04/03/2022	1
MGS	07/32	3.642	30	3.646	04/03/2022	0
MGS	05/35	4.082	42	4.076	04/03/2022	1
MGS	04/37	4.069	116	3.948	04/03/2022	12
MGS	06/38	4.188	1	4.180	04/03/2022	1
MGS	05/40	4.205	25	4.204	04/03/2022	0
MGS	09/43	4.352	7	4.367	04/03/2022	-1
MGS	03/46	4.438	1	4.430	04/03/2022	1
MGS	07/48	4.457	41	4.466	04/03/2022	-1
MGS	06/50	4.305	10	4.305	04/03/2022	0
GII	04/22	1.783	380	1.752	04/03/2022	3
GII	05/23	2.076	350	2.039	03/03/2022	4
GII	10/24	2.808	80	2.800	04/03/2022	1
GII	03/26	3.275	15	3.273	03/03/2022	0
GII	09/27	3.384	11	3.386	04/03/2022	0
GII	10/28	3.584	140	3.602	04/03/2022	-2
GII	10/30	3.711	61	3.718	04/03/2022	-1
GII	06/33	3.932	150	3.932	04/03/2022	0
GII	07/36	4.065	100	4.065	04/03/2022	0
GII	09/41	4.229	7	4.266	02/03/2022	-4
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Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*
Perbadanan Tabung Pendidikan Tinggi Nasional	07/23	GG	2.410	10	2.321	14/06/2021	9	40
DanaInfra Nasional Berhad	04/24	GG	2.841	10	2.467	03/06/2021	37	42
DanaInfra Nasional Berhad	05/24	GG	2.841	10	2.407	30/06/2021	43	42
Rantau Abang Capital Berhad	10/22	AAA	2.301	70	2.290	23/02/2022	1	29
Putrajaya Bina Sdn Berhad	09/24	AAA	2.997	20	2.709	13/09/2021	29	28
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.470	10	3.436	14/01/2022	3	37
Pengurusan Air SPV Berhad	06/27	AAA	3.714	10	3.743	04/03/2022	-3	43
Sabah Development Bank Berhad	04/24	AA1	3.466	1	3.472	01/03/2022	-1	105
Sabah Development Bank Berhad	03/25	AA1	4.041	1	4.184	04/03/2022	-14	132
Sabah Development Bank Berhad	08/25	AA1	4.549	5	4.550	23/02/2022	0	183
Hong Leong Financial Group Berhad	06/29	AA2	3.424	30	3.440	03/03/2022	-2	-12
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.617	20	3.683	04/03/2022	-7	90
Sports Toto Malaysia Sdn Berhad	06/22	AA-	3.391	11	3.616	16/04/2021	-23	138
Southern Power Generation Sdn Berhad	04/33	AA-	4.589	10	4.198	01/09/2021	39	93
Southern Power Generation Sdn Berhad	10/33	AA-	4.628	10	4.291	27/09/2021	34	96
Alliance Bank Malaysia Berhad	10/30	A2	3.742	1	3.505	04/03/2022	24	8
Tropicana Corporation Berhad	06/23	A+	4.113	1	5.246	04/03/2022	-113	210
YNH Property Berhad	02/27	A+	5.435	1	5.369	03/03/2022	7	215
UMW Holdings Berhad	06/22	AA+	2.316	10	2.225	26/01/2022	9	31
UMW Holdings Berhad	11/25	AA+	3.466	10	3.719	21/01/2022	-25	36
Eco World Capital Services Berhad	03/26	AA+	5.506	1	4.884	28/02/2022	62	240
				252				

*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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