

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries turned around strongly despite starting of on a weak footing on Monday to end deep in positive territory; benefitting from safe-haven appeal; amid the slump in US equities. The ebbing Fed-rate hike premium priced in the front-end helped underline the risk-off day in markets. The curve bull-steepened as overall benchmark yields declined between 8-14bps lower across. **The UST 2Y yield fell 14bps to 2.59% whilst the much-watched UST 10Y yield fell 9bps to 3.04%.** Recent volatile swings were due to fears of inflation and also possible “stagflation”; with both making its rounds felt during the weekly course of trading. Traders are seen also concerned that aggressive moves by global central banks to contain inflation may lead to a possible recession. Expect attention to shift to the upcoming coupon offerings for 3Y, 10Y and 30Y bonds commencing tonight followed by April inflation data tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.59	-14
5-yr UST	2.95	-13
10-yr UST	3.04	-9
30-yr UST	3.15	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	-22	3.79	20
5-yr	4.14	5	4.07	0
7-yr	4.64	1	4.46	0
10-yr	4.34	-4	4.60	4
15-yr	4.84	-3	4.84	0
20-yr	4.98	3	5.01	7
30-yr	5.13	21	4.99	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.69	-11
3-yr	3.80	-8
5-yr	4.08	-12
7-yr	4.30	-10
10-yr	4.48	-11

Source : Bloomberg

MGS/GII

- Local govies saw MGS close mixed whereas GII ended unchanged-to-weaker on Monday, comforted by the reversal of rising IRS levels across all sectors. Overall benchmark MGS/GII yields closed widely mixed between -22bps to +21bps with both ends of the curve seeing the largest deviation amid a 39% drop in secondary market volume @ RM2.33b. **The 5Y benchmark MGS 11/26 yield rose further by 5bps to 4.14% whilst the 10Y MGS 7/32 declined 4bps instead to 4.34%.** Trades were mainly seen in the off-the-run 29’s, 34’s and also benchmark 3Y, 7Y, 30Y MGS, 10Y GII. GII trades jumped to form a 30% of overall transactions. Expect attention to shift to the industrial production numbers for March this afternoon, followed by the BNM’s OPR rate decision tomorrow and also 1Q2022 GDP on Friday.

Corp Bonds/Sukuk

- Activity in the the Corporate Bonds/Sukuk space on Monday saw strong improvement with interest mainly across the GG to single-A part of the curve. Overall yields closed mostly higher, spanning across 19 names amid a boost in secondary market volume @ only RM355m. Govt-guaranteed DANA 28-29’s spiked 72-85bps between 4.53-64% levels. AAA-rated PLUS 37 edged 1bps up at 5.18%. Energy-related bonds JEP 12/29 too jumped 77bps to 5.29%. Meanwhile, the banking/finance space saw AmBank Islamic 28NC23 rise 21bps to 3.46% whereas AmBank 28NC23 jumped 69bps to 5.25%. Elsewhere there were several odd-lot transactions done in Alliance Bank, Sabah Development Bank, MCIS and UOB Bank bonds.

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	08/22	1.850	60	1.854	06/05/2022	0
MGS	07/24	3.673	11	3.543	06/05/2022	13
MGS	09/25	3.954	104	3.986	06/05/2022	-3
MGS	08/23	2.947	91	2.831	06/05/2022	12
MGS	03/25	3.590	186	3.813	06/05/2022	-22
MGS	06/50	5.129	167	4.917	06/05/2022	21
MGS	07/32	4.342	48	4.380	06/05/2022	-4
MGS	09/22	1.742	30	1.851	06/05/2022	-11
MGS	09/24	3.682	7	3.535	05/05/2022	15
MGS	04/23	2.571	30	2.574	06/05/2022	0
MGS	08/29	4.606	14	4.618	06/05/2022	-1
MGS	04/31	4.634	37	4.675	06/05/2022	-4
MGS	10/42	4.979	24	4.946	06/05/2022	3
MGS	05/27	4.262	21	4.211	06/05/2022	5
MGS	04/30	4.604	29	4.699	06/05/2022	-9
MGS	04/26	4.127	1	4.099	06/05/2022	3
MGS	03/23	2.754	27	2.682	06/05/2022	7
MGS	11/26	4.143	49	4.096	06/05/2022	5
MGS	04/37	4.843	7	4.870	06/05/2022	-3
MGS	11/33	4.848	1	4.771	06/05/2022	8
MGS	06/24	3.703	108	3.777	06/05/2022	-7
MGS	04/29	4.639	159	4.631	06/05/2022	1
MGS	06/31	4.697	10	4.638	06/05/2022	6
MGS	04/33	4.749	15	4.696	06/05/2022	5
MGS	11/27	4.300	6	4.227	06/05/2022	7
MGS	06/38	4.911	3	4.982	06/05/2022	-7
MGS	07/34	4.908	248	4.884	06/05/2022	2
MGS	06/28	4.357	139	4.451	06/05/2022	-9
MGS	07/48	5.059	1	5.100	06/05/2022	-4
MGS	05/40	5.007	5	5.037	06/05/2022	-3
GII	08/25	3.945	5	3.738	29/04/2022	21
GII	10/32	4.595	230	4.558	06/05/2022	4
GII	10/28	4.459	347	4.459	06/05/2022	0
GII	09/39	5.019	20	5.005	06/05/2022	1
GII	09/41	5.014	1	4.942	06/05/2022	7
GII	03/26	4.005	10	3.809	05/05/2022	20
GII	10/24	3.789	74	3.589	06/05/2022	20
			<u>2325</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*
DanaInfra Nasional Berhad	02/28	GG	4.530	20	3.810	31/03/2022	72	16
Prasarana Malaysia Berhad	10/28	GG	4.621	10	3.320	23/04/2021	130	25
DanaInfra Nasional Berhad	02/29	GG	4.639	20	3.789	16/12/2021	85	9
Putrajaya Holdings Sdn Berhad	04/25	AAA	4.046	10	3.180	22/03/2021	87	20
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.181	20	5.169	27/04/2022	1	31
Sabah Development Bank Berhad	07/24	AA1	4.445	1	3.994	06/05/2022	45	77
Sabah Development Bank Berhad	05/25	AA1	4.170	104	-	-	-	33
GENM Capital Berhad	08/25	AA1	4.240	4	5.001	06/05/2022	-76	40
Sabah Development Bank Berhad	05/27	AA1	4.660	99	-	-	-	51
Point Zone (M) Sdn Berhad	03/29	AA-	5.119	5	-	-	-	57
Jimah East Power Sdn Berhad	12/29	AA-	5.286	20	4.518	17/01/2022	77	73
Point Zone (M) Sdn Berhad	03/32	AA-	5.250	5	4.560	24/03/2022	69	77
AmBank Islamic Berhad	02/28	A1	3.461	15	3.251	15/04/2022	21	-91
AmBank (M) Berhad	03/28	A1	3.496	10	3.308	15/04/2022	19	-88
Dialog Group Berhad	11/20	A1	5.022	10	4.300	14/04/2022	72	7
Tropicana Corporation Berhad	09/19	A	6.893	1	6.177	26/04/2022	72	194
Eco World International Berhad	05/23	-	4.477	1	4.580	06/05/2022	-10	185
YNH Property Berhad	08/19	-	6.142	1	6.618	05/05/2022	-48	119
LBS Bina Group Berhad	03/20	-	5.841	1	5.842	06/05/2022	0	88
				<u>355</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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