

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries saw bloodbath on Thursday following stronger-than-forecasted January CPI of 7.5% y/y, the highest seen since 1982 that caused a “re-pricing”, especially in the front-end of the curve. The curve bear-flattened as overall benchmark yields spiked between 7-22bps across. **The UST 2Y yield jumped a massive 22bps to 1.58% whilst the much-watched UST 10Y rose 9bps to 2.03%.** The \$23b 30Y bond auction meantime saw muted bidding metrics on a BTC ratio of 2.30x versus 2.35x previously whilst being awarded at 2.34% (previous auction @ 2.075%). Fed official Bullard’s comment that he is open to inter-FOMC meetings to consider increasing rates and bigger i.e. 50bps hikes created some anxious moments. Traders are believed to have ramped-up wagers that the Fed will tighten more aggressively, with futures pricing in 100bps of hikes within the next three (3) meetings with a total of six (6) such increases this year.

##### MGS/GIII

- On Wednesday, local govies generally fared better, led by lower IRS levels. Overall benchmark MGS/GII yields closed lower between 0-8bps across the curve; amid a 51% rise in secondary market volume @ RM2.18b. **The 5Y benchmark 11/26 yield fell 5bps to 3.30% whilst the 10Y benchmark MGS 7/32 yield inched 1bps down at 3.68%.** Interest was mainly seen in the off-the-run 22’s and also the 5Y, 10Y GII. GII trades fell to form ~39% of overall transactions. Meanwhile, expect attention to shift to the release of 4Q2021 GDP data today whilst bonds are expected to react to the higher US inflation data released last night.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw robust activity on Thursday, with transactions seen across the GG to single-A part of the curve amid a huge jump in volume to RM912m. Overall yields closed mostly mixed-to-higher, spanning across 39 names. Govt-guaranteed PTPN 2/34 edged 2bps up compared to previous-done levels 4.18% levels whilst the long-end DANA 11/48 and PRASA 2/50 closed unchanged at 4.58% and 4.61% each. AAA-rated TNB 11/36 edged 1bps up at 4.37% whereas its 8/30 tranche rose 5bps to 4.04%. CAGAMAS 9/24 saw RM45m in nominal amounts traded; moving 8bps higher to 3.21%. In the AA-sector, construction giant GAMUDA saw the highest volume done i.e. RM170m; with yields falling 4bps to 2.57%. Meanwhile, the banking/finance space was relatively active with PUBLIC 2029 callable bonds settling 1-2bps higher between 3.22-43% area. MAYBANK 2117NC26 however edged 2bps lower at 3.63%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.58	22
5-yr UST	1.95	13
10-yr UST	2.03	9
30-yr UST	2.32	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.85	0	2.90	0
5-yr	3.30	-5	3.31	0
7-yr	3.56	-2	3.48	-2
10-yr	3.68	-2	3.73	-1
15-yr	4.09	1	4.16	0
20-yr	4.18	-8	4.31	0
30-yr	4.34	0	4.47	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	0
3-yr	2.89	-3
5-yr	3.17	-1
7-yr	3.36	-2
10-yr	3.55	-2

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	1.605	403	1.666	09/02/2022	-6
MGS	08/22	1.593	59	1.600	09/02/2022	-1
MGS	09/22	1.704	10	1.693	08/02/2022	1
MGS	03/23	2.050	37	2.069	09/02/2022	-2
MGS	04/23	2.046	176	2.072	09/02/2022	-3
MGS	06/24	2.847	5	2.849	09/02/2022	0
MGS	07/24	2.899	42	2.891	09/02/2022	1
MGS	09/25	3.078	52	3.100	09/02/2022	-2
MGS	04/26	3.228	12	3.228	08/02/2022	0
MGS	11/26	3.298	62	3.348	09/02/2022	-5
MGS	05/27	3.430	76	3.435	09/02/2022	0
MGS	11/27	3.480	38	3.445	09/02/2022	4
MGS	06/28	3.555	6	3.579	09/02/2022	-2
MGS	08/29	3.673	67	3.666	09/02/2022	1
MGS	04/31	3.767	4	3.759	09/02/2022	1
MGS	07/32	3.675	111	3.698	09/02/2022	-2
MGS	07/34	4.034	9	4.066	09/02/2022	-3
MGS	05/35	4.089	20	4.078	09/02/2022	1
MGS	04/37	4.037	28	4.044	09/02/2022	-1
MGS	05/40	4.182	78	4.261	09/02/2022	-8
MGS	06/50	4.342	25	4.342	09/02/2022	0
GII	03/22	1.567	13	1.602	09/02/2022	-4
GII	11/23	2.289	4	2.333	08/02/2022	-4
GII	10/24	2.900	20	2.898	09/02/2022	0
GII	07/27	3.496	54	3.455	08/02/2022	4
GII	09/27	3.480	388	3.496	09/02/2022	-2
GII	10/28	3.584	100	3.591	09/02/2022	-1
GII	10/30	3.730	270	3.737	09/02/2022	-1
GII	10/35	4.186	10	4.123	09/02/2022	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*	
GovCo Holdings Berhad	06/26	GG	3.553	10	3.490	20/01/2022	6	45
DanaInfra Nasional Berhad	02/28	GG	3.733	25	3.694	16/12/2021	4	29
Lembaga Pembiayaan Perumahan Sektor Awam	03/28	GG	3.727	20	3.241	01/07/2021	49	29
Malaysia Rail Link Sdn Berhad	07/30	GG	3.979	10	2.800	08/09/2020	118	33
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.179	60	4.161	07/02/2022	2	49
Prasarana Malaysia Berhad	02/35	GG	4.260	20	4.030	09/07/2021	23	18
DanaInfra Nasional Berhad	05/35	GG	4.265	10	4.149	10/01/2022	12	19
Prasarana Malaysia Berhad	09/47	GG	4.538	20	4.510	07/12/2021	3	28
DanaInfra Nasional Berhad	11/48	GG	4.579	20	4.579	08/02/2022	0	32
Prasarana Malaysia Berhad	02/50	GG	4.610	10	4.612	08/02/2022	0	35
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.193	50	2.167	12/01/2022	3	18
Cagamas Berhad	05/23	AAA	2.608	45	2.308	02/12/2021	30	59
HSBC Amanah Malaysia Berhad	10/23	AAA	2.721	6	2.565	07/12/2021	16	31
Cagamas Berhad	09/24	AAA	3.212	45	3.129	26/01/2022	8	36
Danum Capital Berhad	05/25	AAA	3.379	10	3.317	19/01/2022	6	53
Danga Capital Berhad	01/28	AAA	3.809	10	3.780	17/01/2022	3	37
Danum Capital Berhad	05/30	AAA	4.065	10	4.008	10/01/2022	6	42
Tenaga Nasional Berhad	08/30	AAA	4.042	5	3.988	26/01/2022	5	35
Sarawak Energy Berhad	06/35	AAA	4.319	20	4.219	25/01/2022	10	24
Tenaga Nasional Berhad	11/36	AAA	4.371	20	4.365	09/02/2022	1	30
Sabah Development Bank Berhad	07/26	AA1	4.055	1	4.525	09/02/2022	-47	95
YTL Power International Berhad	05/27	AA1	4.745	20	4.698	26/01/2022	5	144
Public Bank Berhad	07/29	AA1	3.217	45	3.197	17/01/2022	2	-35
Public Bank Berhad	12/29	AA1	3.429	10	3.418	09/02/2022	1	-22
Benih Restu Berhad	06/25	AA2	3.577	15	3.439	25/11/2021	14	73
Anih Berhad	11/25	AA	3.799	10	3.726	22/11/2021	7	69
Edra Energy Sdn Berhad	07/22	AA3	2.622	90	2.987	18/08/2020	-37	61
Gamuda Berhad	11/22	AA3	2.570	170	2.612	24/01/2022	-4	55
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.554	2	3.476	14/01/2022	8	114
Bermaz Auto Berhad	12/23	AA3	3.414	2	3.296	15/12/2021	12	100
Malayan Banking Berhad	02/17	AA3	3.631	10	3.651	07/02/2022	-2	-63
Malayan Banking Berhad	02/17	AA3	3.585	6	3.503	06/12/2021	8	-68
UMW Holdings Berhad	04/18	AA-	4.565	50	4.827	08/02/2022	-26	30
UEM Sunrise Berhad	12/22	AA-	3.343	4	3.385	10/01/2022	-4	133
UEM Sunrise Berhad	09/23	AA-	3.716	10	3.723	14/01/2022	-1	131
CIMB Group Holdings Berhad	05/16	A1	3.333	20	3.028	12/01/2022	31	-93
TSH Sukuk Murabahah Sdn Berhad	06/23	A+	4.076	20	4.191	19/01/2022	-12	206
Tropicana Corporation Berhad	09/19	A	5.540	1	5.540	09/02/2022	0	128
Alliance Bank Malaysia Berhad	11/17	BBB1	3.750	1	4.091	09/02/2022	-34	-51
				<u>912</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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