

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries staged a major comeback last Friday, as intensifying Russia-Ukraine geo-political risks prompted flight to safety. The release of a schedule on monthly bond purchases by the US Treasury also helped tame inter-meeting rate hike expectations, hence alleviating earlier selloff pressure on the UST. The UST curve shifted lower by 7-9bps across the curve on Friday, clawing back in part the 7-22bps spike the day before after the upside surprises in US CPI heightened concerns over more aggressive Fed policy normalization. The 2Y UST yield fell 8bps to 1.51% whilst the much-watched UST 10Y yield plunged 9bps back below the 2.00% handle to 1.94%. All eyes will be on FOMC minutes this week for clues on the Fed policy path, in addition to Russia-Ukraine tension.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.51	-8
5-yr UST	1.85	-7
10-yr UST	1.94	-9
30-yr UST	2.24	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.83	-1	2.91	1
5-yr	3.32	3	3.31	0
7-yr	3.61	5	3.51	3
10-yr	3.70	3	3.77	4
15-yr	4.10	1	4.16	0
20-yr	4.27	9	4.29	-2
30-yr	4.50	16	4.47	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.24	2
3-yr	2.94	4
5-yr	3.21	4
7-yr	3.39	3
10-yr	3.58	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies generally traded on a softer note last Friday despite the 12.4% pick-up in secondary market volume to RM2.45bn. Government bonds saw rather mixed reactions after the much anticipated 4Q GDP print which surprised slightly on the upside at 3.6% y/y. Overall benchmark MGS/GII yields rose between 1-16bps across the curve save for the minor dips in 3Y MGS and long-end GIIs while IRS climbed 2-4bps. The 5Y benchmark 11/26 yield rose 3bps to 3.32% whilst the 10Y benchmark MGS 7/32 yield inched 3bps higher to 3.70%. Interest was mainly seen in the benchies – 3Y, 5Y and 20Y MGS and 5Y GII. GII trades maintained ~39% of overall transactions. The local bond market will likely come under the influence of geo-political tensions and US FOMC minutes in the absence of local data.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see decent trading with secondary market transactions amounted to RM460m on Friday (prior RM912m). Overall yields closed mostly mixed-to-higher, spanning across 25 names with the bulk of the interests in the usual GG-AA segment. Government-guaranteed LPPSA 10/38 took center stage with RM120m last dealt at 4.40% (+13bps) followed by DANA '10/36 at 4.30% (+9bps) with RM70m changed hands. CIMB '5/22 led in the corporate as well as banking names, with RM50m last changed hands at 2.37%, up 24bps from its last dealt level of 2.13% in last November. Besides banking/ finance names, we noticed sizeable interests in the energy sector – TNB Western Energy '7/25 and '1/28 and SEB '1/28.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 03/22	1.76	138	1.61	10/02/2022	15
MGS 03/23	2.02	68	2.05	10/02/2022	-3
MGS 04/23	2.08	8	2.05	10/02/2022	3
MGS 08/23	2.24	5	2.28	08/02/2022	-4
MGS 06/24	2.83	554	2.85	10/02/2022	-1
MGS 07/24	2.93	5	2.90	10/02/2022	3
MGS 09/25	3.09	21	3.08	10/02/2022	2
MGS 11/26	3.32	180	3.30	10/02/2022	3
MGS 05/27	3.46	89	3.43	10/02/2022	3
MGS 11/27	3.47	18	3.48	10/02/2022	-1
MGS 06/28	3.61	1	3.56	10/02/2022	5
MGS 08/29	3.69	2	3.67	10/02/2022	2
MGS 06/31	3.79	0	3.78	10/02/2022	2
MGS 07/32	3.70	82	3.68	10/02/2022	3
MGS 04/33	3.93	44	3.95	09/02/2022	-2
MGS 11/33	4.00	0	3.98	09/02/2022	2
MGS 07/34	4.06	4	4.03	10/02/2022	3
MGS 05/35	4.10	18	4.09	10/02/2022	1
MGS 05/40	4.27	245	4.18	10/02/2022	9
MGS 09/43	4.42	1	4.37	07/02/2022	5
MGS 03/46	4.45	0	4.48	10/02/2022	-4
MGS 06/50	4.50	2	4.34	10/02/2022	16
GII 03/22	1.80	30	1.57	10/02/2022	23
GII 04/22	1.77	84	1.60	08/02/2022	17
GII 10/24	2.91	162	2.90	10/02/2022	1
GII 08/25	3.14	12	3.12	08/02/2022	2
GII 09/26	3.42	164	3.30	24/01/2022	12
GII 09/27	3.51	283	3.48	10/02/2022	3
GII 10/28	3.60	0	3.58	10/02/2022	2
GII 10/30	3.77	92	3.73	10/02/2022	4
GII 06/33	3.97	40	3.98	07/02/2022	-2
GII 10/35	4.19	10	4.19	10/02/2022	0
GII 07/36	4.17	53	4.16	09/02/2022	0
GII 09/41	4.29	31	4.31	07/02/2022	-2
GII 05/47	4.46	1	4.49	09/02/2022	-3
		<u>2447</u>			

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*	
Prasarana Malaysia Berhad	09/22	GG	2.21	30	2.18	28/01/2022	2	18
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.85	10	3.94	12/10/2021	-9	26
DanaInfra Nasional Berhad	10/36	GG	4.30	70	4.20	14/01/2022	9	20
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.40	120	4.27	13/01/2022	13	31
CIMB Bank Berhad	05/22	AAA	2.37	50	2.13	19/11/2021	24	34
Cagamas Berhad	05/23	AAA	2.56	10	2.61	10/02/2022	-4	53
Danum Capital Berhad	02/25	AAA	3.34	15	3.22	24/12/2021	12	48
TNB Western Energy Berhad	07/25	AAA	3.53	10	3.47	07/01/2022	6	67
Sarawak Energy Berhad	01/27	AAA	3.67	15	3.58	21/01/2022	9	35
Danga Capital Berhad	09/27	AAA	3.79	15	3.80	09/02/2022	-2	34
TNB Western Energy Berhad	01/28	AAA	4.00	20	4.89	18/09/2014	-89	55
Pengurusan Air SPV Berhad	04/28	AAA	3.87	20	3.77	12/11/2021	11	42
Sabah Development Bank Berhad	06/23	AA1	4.01	1	2.98	10/01/2022	103	198
Sabah Development Bank Berhad	07/26	AA1	4.15	1	4.06	10/02/2022	10	102
Imtiaz Sukuk II Berhad	05/22	AA2	2.33	45	2.20	20/01/2022	13	30
TG Excellence Berhad	02/20	AA-	4.60	0	4.14	27/01/2022	46	34
Gamuda Berhad	11/22	AA3	2.56	20	2.57	11/02/2022	-1	53
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.80	1	4.05	07/01/2022	75	277
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.79	2	3.77	20/01/2022	2	93
Yinson Holdings Berhad	12/26	A+	5.35	2	5.35	14/12/2021	0	203
Dialog Group Berhad	11/20	A1	4.45	1	4.16	26/01/2022	28	18
Alliance Bank Malaysia Berhad	10/30	A2	3.60	1	3.74	09/02/2022	-14	-10
Eco World Capital Assets Berhad	08/24	-	5.12	1	4.89	21/01/2022	23	226
YNH Property Berhad	08/19	-	5.62	1	6.39	08/02/2022	-77	135
PESTECH International Berhad	10/20	-	6.40	1	5.90	27/11/2020	50	214
			<u>460</u>					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Pengurusan Air SPV Berhad	RM20 bil Islamic Medium-Term Notes (IMTN) Programme (2009/2039)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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