

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries came under renewed pressure amid Russia-Ukraine tension although the selloffs appeared to have eased somewhat towards late session trading following proposed talk by Russia's Foreign Minister. Overall UST yields shifted higher again with the biggest gain in the front end, bear flattening the curve. The 2Y UST yield regained all the 8bps of prior decline to 1.58%, narrowing from the 12bps spike in early session, whilst the much-watched UST 10Y yield edged back up by 5bps to 1.99%, still a tad shy of the 2.00% mark. All eyes will be on FOMC minutes this week for clues on the Fed policy path, in addition to Russia-Ukraine tension. Fed President Bullard reiterated again on Monday of the need to frontload policy normalization to combat inflation. Tonight's PPI reading shall offer more clues on the inflationary trajectory.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.58	8
5-yr UST	1.92	6
10-yr UST	1.99	5
30-yr UST	2.29	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.81	-2	2.91	0
5-yr	3.30	-2	3.33	2
7-yr	3.59	-2	3.48	-3
10-yr	3.70	0	3.74	-3
15-yr	4.08	-1	4.17	1
20-yr	4.27	1	4.29	0
30-yr	4.47	-3	4.47	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	-1
3-yr	2.94	0
5-yr	3.20	-2
7-yr	3.37	-2
10-yr	3.57	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies reversed course and traded on a firmer note on Monday although secondary market volume further eased to RM2.09bn (prior RM2.48bn). Overall benchmark MGS/GII yields however ended mixed between -3 to +2bps across the curve while IRS generally pulled back 1-2bps. The 5Y benchmark 11/26 yield dipped 2bps to 3.30% whilst the 10Y benchmark MGS 7/32 yield was flat at 3.70%. Interest was mainly seen in the off-the-run MGS '3/22, benchmark 3Y MGS '6/24, and the 30Y MGS '6/50 following the auction exercise which drew a healthy BTC of 2.42x at an average yield of 4.505%. This came on the back of a smaller than expected issuance size of RM2.5bn against a tendered amount of RM6.058bn. GII trades fell to account for ~25% of overall transactions (prior 39%). The local bond market will likely remain under the influence of geo-political tensions and US FOMC minutes in the absence of local data.

Corp Bonds/Sukuk

- Trading momentum continued to ease in the Corporate Bonds/Sukuk space. Secondary market transactions near-halved for a second consecutive day to RM265m (prior RM460m) with overall yields closed mostly mixed-to-higher again, spanning across 25 names with the bulk of the interests in the usual GG-AA segment. Government-guaranteed DANA 10/36 and 2/39 saw a collective RM35m traded at 4.30% (unchanged) and 4.43% (+14bps) respectively. In the AAA-rated space, CAGA '11/22 and '12/22 (RM30m combined) traded at 2.40% and 2.43% respectively while SEB '6/26 was last dealt 12bps higher at 3.56% with RM40m changed hands. GAMuDA '11/22 led in the AA-rate space with RM20m done at 2.54% (-2bps) while A-rated CIMB '5/16 saw RM30m transacted at 3.30% (-3bps).

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/22	1.73	474	1.76	11/02/2022	-3
MGS 03/23	2.07	19	2.02	11/02/2022	6
MGS 08/23	2.26	22	2.24	11/02/2022	2
MGS 06/24	2.82	187	2.83	11/02/2022	-2
MGS 07/24	2.91	9	2.93	11/02/2022	-2
MGS 09/24	2.86	2	2.87	08/02/2022	-1
MGS 03/25	2.99	4	3.00	09/02/2022	-1
MGS 07/25	3.06	3	3.08	04/02/2022	-2
MGS 09/25	3.05	17	3.09	11/02/2022	-5
MGS 04/26	3.24	9	3.23	10/02/2022	1
MGS 07/26	3.30	5	3.31	09/02/2022	-1
MGS 11/26	3.30	74	3.32	11/02/2022	-2
MGS 05/27	3.45	7	3.46	11/02/2022	-1
MGS 11/27	3.46	4	3.47	11/02/2022	-1
MGS 06/28	3.59	16	3.61	11/02/2022	-2
MGS 08/29	3.65	6	3.69	11/02/2022	-4
MGS 04/30	3.71	8	3.75	08/02/2022	-4
MGS 04/31	3.73	37	3.77	10/02/2022	-4
MGS 06/31	3.79	15	3.79	11/02/2022	0
MGS 07/32	3.70	50	3.70	11/02/2022	0
MGS 04/33	3.96	26	3.93	11/02/2022	3
MGS 11/33	3.98	2	4.00	11/02/2022	-1
MGS 07/34	4.06	85	4.06	11/02/2022	0
MGS 05/35	4.08	84	4.10	11/02/2022	-1
MGS 04/37	4.08	0	4.04	10/02/2022	5
MGS 05/40	4.27	34	4.27	11/02/2022	1
MGS 09/43	4.39	10	4.42	11/02/2022	-3
MGS 03/46	4.53	80	4.45	11/02/2022	9
MGS 07/48	4.52	66	4.50	09/02/2022	2
MGS 06/50	4.47	208	4.50	11/02/2022	-3
GII 03/22	1.75	30	1.80	11/02/2022	-5
GII 05/23	2.18	7	2.13	07/02/2022	5
GII 11/23	2.33	0	2.29	10/02/2022	4
GII 03/26	3.33	0	3.31	09/02/2022	2
GII 07/27	3.51	0	3.50	10/02/2022	2
GII 09/27	3.48	292	3.51	11/02/2022	-3
GII 10/28	3.59	101	3.60	11/02/2022	-2
GII 10/30	3.74	2	3.77	11/02/2022	-3
GII 07/36	4.17	30	4.17	11/02/2022	1
GII 05/47	4.56	63	4.46	11/02/2022	10
		<u>2088</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*
Prasarana Malaysia Berhad	02/35	GG	4.26	15	4.26	10/02/2022	0	18
Danainfra Nasional Berhad	10/36	GG	4.30	20	4.30	11/02/2022	0	21
Danainfra Nasional Berhad	02/39	GG	4.43	15	4.29	11/01/2022	14	35
Cagamas Berhad	11/22	AAA	2.40	10	2.40	09/02/2022	0	37
Cagamas Berhad	12/22	AAA	2.43	20	2.15	14/12/2021	29	40
Aman Sukuk Berhad	03/25	AAA	3.35	20	2.79	16/07/2020	56	50
Sarawak Energy Berhad	06/26	AAA	3.56	40	3.44	02/12/2021	12	44
Tenaga Nasional Berhad	11/28	AAA	3.90	15	3.88	21/01/2022	2	31
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.53	10	4.54	08/02/2022	-1	45
Tenaga Nasional Berhad	11/36	AAA	4.30	0	4.37	10/02/2022	-7	22
Sabah Development Bank Berhad	07/24	AA1	4.19	2	3.53	08/02/2022	66	177
Sabah Development Bank Berhad	07/26	AA1	4.10	1	4.15	11/02/2022	-5	99
CIMB Group Holdings Berhad	09/29	AA	3.45	10	3.48	07/02/2022	-3	-21
MMC Corporation Berhad	04/23	AA-	2.96	10	2.94	17/01/2022	2	92
SHC Capital Sdn Berhad	12/27	AA-	5.28	5	-	-	-	-
Gamuda Berhad	11/22	AA3	2.54	20	2.56	11/02/2022	-2	51
Bermaz Auto Berhad	12/23	AA3	3.41	3	3.41	10/02/2022	-1	99
Malayan Banking Berhad	02/17	AA3	3.59	1	3.59	10/02/2022	0	-68
CIMB Group Holdings Berhad	05/16	A1	3.30	30	3.33	10/02/2022	-3	-96
Hong Leong Financial Group Berhad	11/17	A1	3.76	1	4.09	31/12/2021	-33	-50
Alliance Bank Malaysia Berhad	10/30	A2	3.51	3	3.60	11/02/2022	-9	-18
Tropicana Corporation Berhad	09/19	A-	6.23	3	5.54	10/02/2022	69	197
Eco World Capital Assets Berhad	08/24	-	5.39	1	5.12	11/02/2022	27	297
YNH Property Berhad	08/19	-	6.42	1	5.89	27/01/2022	53	216
Mah Sing Group Berhad	02/17	-	4.56	10	12.51	10/02/2022	-795	-
				<u>265</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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