

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were pressured throughout Tuesday's session following easing geopolitical concerns between Russia and Ukraine, and also a report showing that US producer prices jumped more-than-expected for January. The curve steepened as overall benchmark yields climbed between 0-7bps across. **The UST 2Y yield was almost unchanged at 1.58% whilst the much-watched UST 10Y rose 6bps to 2.05%; its highest level in 2-years.** The longer-ends were also impacted by the rather large IG issuance slate totaling ~\$11.0b, led by a 4-part offering by Bristol Myers. Volatility in bonds may continue to linger as liquidity is seen to be dwindling for now. Elsewhere, foreign holdings of US government securities rose to a record ~\$7.75 trillion in December despite both Japan's and China's holdings dipping between \$12.0-23.0b to \$1.30 trillion and \$1.07 trillion respectively. Expect attention to shift to tonight's 20Y bond auction and the FOMC meeting minutes tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.58	0
5-yr UST	1.94	3
10-yr UST	2.05	6
30-yr UST	2.36	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.80	-2	2.88	-3
5-yr	3.32	2	3.35	2
7-yr	3.59	0	3.48	0
10-yr	3.70	0	3.73	0
15-yr	4.10	2	4.18	1
20-yr	4.26	-1	4.30	1
30-yr	4.37	-10	4.48	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.25	2
3-yr	2.94	0
5-yr	3.22	2
7-yr	3.38	1
10-yr	3.59	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Tuesday, local govies saw MGS close generally mixed whereas GII were slightly pressured except for the short-end, as IRS yields drifted higher. Overall benchmark MGS/GII yields closed mixed between -3 to +2bps across the curve (save for the odd-lot trades in 30Y MGS); amid a 11% rise in secondary market volume @ RM2.32b. **The 5Y benchmark 11/26 yield edged 2bps higher at 3.32% whilst the 10Y benchmark MGS 7/32 yield closed unchanged at 3.70%.** Interest was mainly seen in the off-the-run 25's and also the 3Y MGS/GII. GII trades formed ~27% of overall transactions. Meanwhile, the economic calendar remains light for the week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent activity on Thursday, with transactions seen across the GG to single-A part of the curve, amid a 60% d/d jump in volume to RM421m. Overall yields closed mostly higher, spanning across 29 names. Govt-guaranteed DANA dominated the GG-space with the 2/26 tranche spiking 92bps compared to previous-done levels at 3.44% whilst the 11/27 and 5/32 tranches rose 8-15bps to 3.69% and 4.08% each. AAA-rated PASB 9/30 and Pengerang LNG 10/32 rose 6bps each to between 4.08-19%. In the AA-sector, IMTIAZ 10/22 and 4/28 closed 0-5bps higher at 4.75% and 4.88% each. Energy-related bonds EDRA 7/24 rose 12bps to 3.34% whereas BGSM saw its 12/22 and 8/24 tranches decline 3-10bps instead to 2.51% and 3.26% each. Meanwhile, the banking/finance space was relatively active with PUBLIC 29NC24 bonds edging 2bps lower to 3.20% whilst MAYBANK 31NC26 settled 5bps lower to 3.51%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.696	46	1.728	14/02/2022	-3
MGS	08/22	1.684	90	1.593	10/02/2022	9
MGS	09/22	1.693	6	1.704	10/02/2022	-1
MGS	03/23	1.973	59	2.073	14/02/2022	-10
MGS	04/23	2.035	40	2.079	11/02/2022	-4
MGS	08/23	2.258	9	2.258	14/02/2022	0
MGS	06/24	2.796	238	2.815	14/02/2022	-2
MGS	07/24	2.847	13	2.909	14/02/2022	-6
MGS	09/24	2.854	22	2.860	14/02/2022	-1
MGS	03/25	2.989	100	2.986	14/02/2022	0
MGS	09/25	3.047	255	3.047	14/02/2022	0
MGS	04/26	3.213	19	3.235	14/02/2022	-2
MGS	07/26	3.309	10	3.296	14/02/2022	1
MGS	11/26	3.324	175	3.304	14/02/2022	2
MGS	05/27	3.422	22	3.453	14/02/2022	-3
MGS	11/27	3.438	27	3.464	14/02/2022	-3
MGS	06/28	3.586	113	3.588	14/02/2022	0
MGS	08/29	3.670	39	3.654	14/02/2022	2
MGS	04/31	3.752	65	3.729	14/02/2022	2
MGS	06/31	3.775	34	3.789	14/02/2022	-1
MGS	07/32	3.695	50	3.698	14/02/2022	0
MGS	04/33	3.935	22	3.961	14/02/2022	-3
MGS	07/34	4.003	5	4.061	14/02/2022	-6
MGS	05/35	4.100	90	4.084	14/02/2022	2
MGS	04/37	4.066	20	4.084	14/02/2022	-2
MGS	06/38	4.210	5	4.255	09/02/2022	-4
MGS	05/40	4.260	111	4.273	14/02/2022	-1
MGS	06/50	4.374	12	4.471	14/02/2022	-10
GII	04/22	1.651	42	1.772	11/02/2022	-12
GII	11/23	2.247	8	2.329	14/02/2022	-8
GII	10/24	2.878	293	2.912	11/02/2022	-3
GII	08/25	3.079	1	3.137	11/02/2022	-6
GII	10/25	3.057	5	3.100	24/01/2022	-4
GII	03/26	3.347	2	3.333	14/02/2022	1
GII	09/27	3.478	111	3.478	14/02/2022	0
GII	10/28	3.606	11	3.585	14/02/2022	2
GII	10/30	3.733	131	3.736	14/02/2022	0
GII	11/34	4.039	20	4.043	03/02/2022	0
GII	09/41	4.303	1	4.290	11/02/2022	1
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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*	
DanaInfra Nasional Berhad	02/26	GG	3.438	10	2.518	10/12/2020	92	34
DanaInfra Nasional Berhad	11/27	GG	3.690	10	3.540	29/12/2021	15	25
DanaInfra Nasional Berhad	05/32	GG	4.078	25	4.000	19/01/2022	8	38
Lembaga Pembiayaan Perumahan Sektor Awam	04/34	GG	4.149	20	4.011	29/12/2021	14	46
Mercedes-Benz Services Malaysia Sdn Berhad	05/22	AAA	2.409	10	2.353	09/02/2022	6	37
Cagamas Berhad	11/22	AAA	2.458	5	2.399	14/02/2022	6	42
Cagamas Berhad	10/24	AAA	3.182	5	2.994	14/12/2021	19	35
Cagamas Berhad	12/24	AAA	3.178	5	3.069	07/01/2022	11	35
Sarawak Energy Berhad	06/26	AAA	3.556	10	3.557	14/02/2022	0	45
Bank Pertanian Malaysia Berhad	11/26	AAA	3.727	20	-	-	-	42
Pengurusan Air SPV Berhad	09/30	AAA	4.080	40	4.019	14/01/2022	6	40
Pengerang LNG (Two) Sdn Berhad	10/32	AAA	4.188	5	4.123	16/03/2021	6	49
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/22	AA1	2.600	30	2.651	24/01/2022	-5	57
Sabah Development Bank Berhad	06/23	AA1	3.533	1	4.009	11/02/2022	-48	150
Sabah Development Bank Berhad	07/24	AA1	4.075	12	4.187	14/02/2022	-11	166
YTL Power International Berhad	05/27	AA1	4.749	10	4.745	10/02/2022	0	144
YTL Power International Berhad	06/28	AA1	4.884	10	4.838	28/12/2021	5	145
Public Bank Berhad	07/29	AA1	3.198	40	3.217	10/02/2022	-2	-39
Malayan Banking Berhad	01/31	AA1	3.507	20	3.554	24/01/2022	-5	-17
Imtiaz Sukuk II Berhad	10/22	AA2	2.439	45	2.379	14/01/2022	6	40
Imtiaz Sukuk II Berhad	04/28	AA2	4.088	2	4.059	05/01/2022	3	65
Dialog Group Berhad	01/32	AA2	4.409	5	4.380	27/01/2022	3	72
BGSM Management Sdn Berhad	12/22	AA3	2.508	20	2.604	21/10/2021	-10	47
Edra Energy Sdn Berhad	07/24	AA3	3.337	10	3.216	13/09/2021	12	92
BGSM Management Sdn Berhad	08/24	AA3	3.261	30	3.294	09/02/2022	-3	43
UEM Sunrise Berhad	09/23	AA-	3.717	10	3.716	10/02/2022	0	130
MMC Corporation Berhad	11/27	AA-	4.279	2	4.838	09/02/2022	-56	84
AmBank Islamic Berhad	10/28	A1	3.604	10	3.680	26/11/2021	-8	2
Alliance Bank Malaysia Berhad	10/30	A2	3.739	1	3.509	14/02/2022	23	6
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tropicana Corporation Berhad	RM1.5 billion Islamic Medium-Term Notes Programme (Sukuk Wakalah)	Outlook revised A+IS/Stable to A+IS/Negative	Nil
	RM2.0 billion Perpetual Sukuk Programme (Perpetual Sukuk)	Outlook revised down from A IS/Stable to A IS/Negative	Outlook Revised
Alpha Circle Sdn Bhd	RM115 million Senior Sukuk Musharakah	From BB IS/negative to B IS/negative	Rating Revised
	RM55 million Junior Sukuk Musharakah	From BIS/negative to C IS	Rating Revised
MMC Port Holdings Sdn Bhd	Proposed RM1.0 billion Sukuk Murabahah Programme	AA-IS/Stable	Assigned

Source: RAM, MARC

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