

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs saw gains registered during the earlier week wiped out last Friday amid surging inflation and ongoing efforts by the Fed to pare down economic stimulus. The curve shifted sharply higher as overall benchmark yields jumped between 7-8bps across. **The UST 2Y yield rose 7bps to 0.97% whilst the much-watched 10Y yield spiked 8bps to 1.79%.** The hawkish sentiment which swept through rates market saw a March rate hike fully priced-into the OIS curve, with a 2nd hike simmering into the June meeting as well. Elsewhere, Americans were seen piling into inflation-protected savings bonds with the government having sold ~\$2.8b of Series I savings bonds versus \$1.1b of similar bonds in November (the government initially started selling these bonds in 1998). The markets are also seen running through supply concerns which may put further pressure on USTs. Expect some attention to shift to peripheral data covering Empire manufacturing, building permits and housing starts over the next few days.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.97	7
5-yr UST	1.56	8
10-yr UST	1.79	8
30-yr UST	2.12	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.79	-1	2.88	0
5-yr	3.21	0	3.21	1
7-yr	3.43	-3	3.35	1
10-yr	3.59	0	3.64	-1
15-yr	3.96	-3	4.03	2
20-yr	4.17	1	4.18	2
30-yr	4.26	4	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.16	2
3-yr	2.81	2
5-yr	3.07	1
7-yr	3.27	1
10-yr	3.50	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Last Friday, local govies saw MGS generally better-bid whilst GII came under slight pressure; partly influenced by higher IRS levels. Overall benchmark MGS/GII yields closed between -3 to +4bps across the curve amid a steady secondary market volume @ RM3.21b. **The 5Y benchmark 11/26 yield settled within 1bps lower at 3.21% whilst the 10Y benchmark MGS 7/32 closed unchanged at 3.59% following Thursday's auction.** Interest was mainly seen in the off-the-run 22's, 23's, 31's and also 5Y MGS, 7Y GII. GII eased to form 32% of overall trades. Elsewhere, the calendar remains light until this Thursday 20th January as the MPC meets to decide on the OPR.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space remained vibrant last Friday amid a further 13% rise in secondary market volume @ RM576m. Transactions were seen mainly across the the GG-AA part of the curve as overall yields closed mostly mixed, spanning across 43 names. DANA dominated the govt-guaranteed space with the mid-to-longer ends exchanging hands. DANA 33-37's closed 3-10bps higher compared to previous-done levels between 4.03-23% area whereas the 9/29 tranche spiked 45bps instead to 3.75%. The long-end 5/40 tranche declined 4bps to 4.36%. AAA-rated PLUS 25-26's jumped 10-40bps to between 3.22-44%. In the AA-space, KEDAH Cement 23's eased 1-6bps with all three (3) tenures closing between 3.00-3.48%. IJM 4/29 jumped 29bps to 4.32%. Meanwhile the banking/finance space saw MAYBANK 2117NC26 perps trade again, edging 2bps lower instead at 3.73% whilst BPMB 10/30 rose 5bps to 3.99%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.503	1	1.551	13/01/2022	-5
MGS	09/22	1.699	191	1.719	13/01/2022	-2
MGS	03/23	2.109	242	2.107	13/01/2022	0
MGS	04/23	2.125	100	2.135	13/01/2022	-1
MGS	06/24	2.788	194	2.801	13/01/2022	-1
MGS	07/24	2.820	1	2.851	13/01/2022	-3
MGS	09/24	2.845	1	2.841	13/01/2022	0
MGS	03/25	2.927	160	2.909	13/01/2022	2
MGS	09/25	3.011	174	3.013	13/01/2022	0
MGS	07/26	3.200	13	3.221	10/01/2022	-2
MGS	11/26	3.214	388	3.215	13/01/2022	0
MGS	05/27	3.285	165	3.246	13/01/2022	4
MGS	11/27	3.327	43	3.289	13/01/2022	4
MGS	06/28	3.426	10	3.452	13/01/2022	-3
MGS	08/29	3.558	22	3.553	13/01/2022	0
MGS	04/30	3.601	40	3.587	13/01/2022	1
MGS	04/31	3.634	158	3.636	13/01/2022	0
MGS	06/31	3.677	7	3.704	13/01/2022	-3
MGS	04/33	3.848	9	3.845	13/01/2022	0
MGS	11/33	3.880	22	3.886	13/01/2022	-1
MGS	07/34	3.910	2	3.915	13/01/2022	0
MGS	05/35	3.962	6	3.991	13/01/2022	-3
MGS	04/37	3.981	2	3.948	13/01/2022	3
MGS	05/40	4.168	6	4.160	13/01/2022	1
MGS	09/43	4.287	10	4.260	13/01/2022	3
MGS	07/48	4.376	35	4.376	13/01/2022	0
MGS	06/50	4.260	21	4.223	13/01/2022	4
MGS	#N/A	3.588	165	3.565	13/01/2022	2
GII	03/22	1.648	194	1.623	13/01/2022	2
GII	04/22	1.621	353	1.648	13/01/2022	-3
GII	07/22	1.780	10	1.780	12/01/2022	0
GII	10/24	2.881	30	2.877	13/01/2022	0
GII	08/25	3.072	1	3.077	13/01/2022	0
GII	03/26	3.212	145	3.207	13/01/2022	1
GII	09/27	3.354	41	3.347	13/01/2022	1
GII	10/28	3.476	206	3.476	13/01/2022	0
GII	10/30	3.640	25	3.646	13/01/2022	-1
GII	07/36	4.025	20	4.008	13/01/2022	2
GII	09/41	4.177	1	4.155	13/01/2022	2
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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*
Prasarana Malaysia Berhad	03/28	GG	3.663	35	2.678	26/10/2020	99	34
DanaInfra Nasional Berhad	09/29	GG	3.752	20	3.301	27/07/2021	45	23
DanaInfra Nasional Berhad	04/33	GG	4.031	25	3.999	11/01/2022	3	44
DanaInfra Nasional Berhad	03/34	GG	4.071	30	3.970	18/05/2021	10	48
DanaInfra Nasional Berhad	10/36	GG	4.201	40	4.200	12/01/2022	0	23
DanaInfra Nasional Berhad	05/37	GG	4.229	1	4.199	28/09/2021	3	26
DanaInfra Nasional Berhad	05/40	GG	4.355	5	4.399	08/12/2021	-4	18
Gulf Investment Corporation G.S.C	06/22	AAA	2.478	4	2.535	13/01/2022	-6	57
Pengerang LNG (Two) Sdn Berhad	10/23	AAA	2.619	5	2.624	13/01/2022	0	28
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.226	10	2.827	18/06/2021	40	42
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.436	10	3.336	24/11/2021	10	41
Danum Capital Berhad	02/26	AAA	3.428	15	2.948	03/08/2021	48	40
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.549	10	3.598	21/10/2021	-5	33
Pengurusan Air SPV Berhad	09/30	AAA	4.019	10	3.719	15/09/2021	30	44
Bank Pembangunan Malaysia Berhad	10/30	AAA	3.988	10	3.938	08/06/2021	5	41
Sarawak Energy Berhad	04/31	AAA	3.999	15	3.665	23/09/2021	33	42
Tenaga Nasional Berhad	08/33	AAA	4.122	10	4.200	24/11/2021	-8	53
TNB Western Energy Berhad	01/34	AAA	4.348	10	4.480	28/10/2021	-13	75
Tenaga Nasional Berhad	08/38	AAA	4.299	5	4.449	23/11/2021	-15	33
Kuala Lumpur Kepong Berhad	09/22	AA1	2.100	20	2.150	13/01/2022	-5	19
Kapar Energy Ventures Sdn Berhad	07/22	AA+	2.483	5	2.530	13/01/2022	-5	57
UMW Holdings Berhad	11/26	AA+	3.868	2	-	-	-	65
Edra Solar Sdn Berhad	10/22	AA2	2.557	5	2.582	13/01/2022	-2	65
Imtiaz Sukuk II Berhad	10/22	AA2	2.379	10	2.408	13/01/2022	-3	47
Imtiaz Sukuk II Berhad	10/27	AA2	3.938	10	3.968	07/01/2022	-3	62
Tanjung Bin Power Sdn Berhad	08/29	AA2	4.248	2	3.440	02/09/2020	81	72
BEWG (M) Sdn Berhad	07/22	AA	2.645	3	2.672	13/01/2022	-3	74
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	01/23	AA3	2.994	10	3.053	04/01/2022	-6	109
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	07/23	AA3	3.239	25	3.247	03/01/2022	-1	133
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.476	89	3.496	20/12/2021	-2	114
IJM Corporation Berhad	04/29	AA3	4.320	30	4.059	30/09/2021	26	88
Edra Energy Sdn Berhad	01/36	AA3	4.618	4	4.621	05/01/2022	0	65
Malayan Banking Berhad	02/17	AA3	3.726	40	3.751	13/01/2022	-2	-45
UEM Sunrise Berhad	09/23	AA-	3.723	8	3.728	29/12/2021	-1	138
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA-	3.837	1	3.368	15/09/2021	47	81
SHC Capital Sdn Berhad	12/26	AA-	5.001	5	-	-	-	178
Penang Port Sdn Berhad	12/31	AA-	4.379	1	4.019	30/08/2021	36	79
Southern Power Generation Sdn Berhad	04/32	AA-	4.498	4	4.104	22/09/2021	39	90
Quantum Solar Park (Semenanjung) Sdn Berhad	10/32	AA-	4.608	2	4.498	24/09/2021	11	101
Tropicana Corporation Berhad	06/23	A+	4.925	1	4.945	12/01/2022	-2	302
Eco World Capital Services Berhad	03/26	-	4.945	1	5.405	11/01/2022	-46	192
UEM Sunrise Berhad	10/25	AA-	4.458	20	4.450	15/12/2021	1	143
Sime Darby Property Berhad	12/27	AA+	3.968	10	3.508	26/07/2021	46	65
				576				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MBSB Bank Berhad	Financial institution (FI) rating	A+/Stable	Assigned
	Proposed RM5.0 billion Sukuk Wakalah programme	A+ IS/Stable	Assigned
Bermaz Auto Berhad	RM500 mil Islamic Commercial Papers Programme (2020/2027)	P1/Stable	Reaffirmed
	RM500 mil Islamic Medium-Term Notes Programme.	AA3/Stable	Reaffirmed

Source: RAM, MARC

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