

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw the front-end and belly rallying on Wednesday with both the 2s10s and 5s30s spreads steepening; as the release of the FOMC meeting minutes were scanty with regards to the potential 50bps rate hike. The minutes were deemed not to be as hawkish as feared. The curve steepened as overall benchmark yields eased between 1-6bps across. **The UST 2Y yield declined 6bps to 1.52% whilst the much-watched UST 10Y edged 1bps lower at 2.04%; still flirting at its highest level in two years.** The \$19b 20Y bond auction chalked solid bidding metrics with BTC ratio at 2.44x (previous six auction average: 2.28x) and awarded at 2.396% (previous auction: 2.21%). Meanwhile, liquidity concerns have not abated as implied volatility continue to remain elevated due to geopolitical worries and a series of potential rate hikes. The ICE BofA MOVE index has hit a reading of just above 100, its highest since March 2020. Expect some attention to shift to the release of initial jobless claims as at 12th February.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.52	-6
5-yr UST	1.92	-2
10-yr UST	2.04	-1
30-yr UST	2.35	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.76	-4	2.86	-2
5-yr	3.32	0	3.33	-2
7-yr	3.57	-1	3.48	0
10-yr	3.67	-3	3.74	1
15-yr	4.06	-4	4.15	-3
20-yr	4.25	-1	4.30	0
30-yr	4.44	7	4.48	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.26	0
3-yr	2.94	0
5-yr	3.21	-1
7-yr	3.38	0
10-yr	3.59	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Wednesday, local govies saw MGS better-bid whereas GII were mostly mixed; whilst IRS movements were largely negligible. Overall benchmark MGS/GII yields closed mostly mixed between -4 to +1bps across the curve (save for the odd-lot trades in 30Y MGS); amid a 16% rise in secondary market volume @ RM2.62b. **The 5Y benchmark 11/26 yield settled within 1bps lower at 3.32% whilst the 10Y benchmark MGS 7/32 yield eased 3bps at 3.67%.** Interest was mainly seen in the the 3Y MGS/GII, 5Y GII and also 10Y MGS. GII trades jumped to form ~45% of overall transactions. Meanwhile, the economic calendar continues to remain light for the week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw robust activity on Wednesday, with transactions seen across the GG to single-A part of the curve, amid a massive 76% jump in volume to RM740m. Overall yields closed mostly mixed-to-higher, spanning across 48 names. Govt-guaranteed DANA again dominated the GG-space with the 2/25 tranche declingn 7bps compared to previous-done levels at 3.20% whilst the 11/25 spiked 58bps instead to 3.33%. AAA-rated AMAN 3/23 jumped 13bps to 2.52% whilst Pengurusan Air SPV 26 and 28 closed 7-17bps higher at 3.73% and 3.89%. In the AA-sector, the shorter-tenured PKNS 22's closed mixed between -3 to +4bps, resulting in yields settling between 3.09-36%. Toll-operator DUKE saw its 2035 and 2036 tranches spike between 0-68bps and close within 5.19-54% range. Meanwhile, the banking/finance space saw CIMB group holdings 29NC24 move 5bps lower to 3.40% whilst its 2116NC24 perps closed unchanged at 3.31%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.697	95	1.696	15/02/2022	0
MGS	03/23	1.997	51	1.973	15/02/2022	2
MGS	04/23	2.031	28	2.035	15/02/2022	0
MGS	08/23	2.277	71	2.258	15/02/2022	2
MGS	06/24	2.760	454	2.796	15/02/2022	-4
MGS	07/24	2.836	3	2.847	15/02/2022	-1
MGS	09/24	2.866	100	2.854	15/02/2022	1
MGS	09/25	3.053	53	3.047	15/02/2022	1
MGS	07/26	3.289	3	3.309	15/02/2022	-2
MGS	11/26	3.319	177	3.324	15/02/2022	0
MGS	05/27	3.428	20	3.422	15/02/2022	1
MGS	11/27	3.453	38	3.438	15/02/2022	1
MGS	06/28	3.572	2	3.586	15/02/2022	-1
MGS	08/29	3.650	1	3.670	15/02/2022	-2
MGS	04/31	3.723	30	3.752	15/02/2022	-3
MGS	07/32	3.669	190	3.695	15/02/2022	-3
MGS	04/33	3.925	31	3.935	15/02/2022	-1
MGS	05/35	4.057	62	4.100	15/02/2022	-4
MGS	06/38	4.270	3	4.210	15/02/2022	6
MGS	05/40	4.249	5	4.260	15/02/2022	-1
MGS	06/50	4.440	22	4.374	15/02/2022	7
GII	03/22	1.651	109	1.753	14/02/2022	-10
GII	04/22	1.650	42	1.651	15/02/2022	0
GII	05/23	2.186	70	2.182	14/02/2022	0
GII	05/24	2.848	120	2.825	24/01/2022	2
GII	10/24	2.862	315	2.878	15/02/2022	-2
GII	08/25	3.104	33	3.079	15/02/2022	2
GII	10/25	3.071	1	3.057	15/02/2022	1
GII	03/26	3.332	54	3.347	15/02/2022	-2
GII	07/27	3.520	40	3.512	14/02/2022	1
GII	09/27	3.482	172	3.478	15/02/2022	0
GII	10/28	3.591	32	3.606	15/02/2022	-1
GII	07/29	4.177	13	3.633	10/02/2022	54
GII	10/30	3.743	96	3.733	15/02/2022	1
GII	08/33	3.955	30	3.978	09/02/2022	-2
GII	07/36	4.153	50	4.182	15/02/2022	-3
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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*
DanalInfra Nasional Berhad	02/25	GG	3.195	20	3.263	19/01/2022	-7	39
DanalInfra Nasional Berhad	11/25	GG	3.326	30	2.744	13/09/2021	58	22
Prasarana Malaysia Berhad	08/26	GG	3.479	15	-	-	-	17
DanalInfra Nasional Berhad	09/34	GG	4.235	20	4.130	15/12/2021	11	17
DanalInfra Nasional Berhad	04/38	GG	4.410	15	4.259	11/01/2022	15	35
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.410	20	4.398	11/02/2022	1	35
Lembaga Pembiayaan Perumahan Sektor Awam	04/47	GG	4.547	20	4.600	04/10/2021	-5	29
Prasarana Malaysia Berhad	09/47	GG	4.547	20	4.538	10/02/2022	1	29
Putrajaya Holdings Sdn Berhad	10/22	AAA	2.282	20	2.247	27/01/2022	4	25
Aman Sukuk Berhad	03/23	AAA	2.521	40	2.390	20/01/2022	13	49
Cagamas Berhad	05/23	AAA	2.560	107	2.564	11/02/2022	0	53
Sarawak Energy Berhad	08/25	AAA	3.400	10	3.375	25/01/2022	2	30
Pengurusan Air SPV Berhad	06/26	AAA	3.728	20	3.559	20/12/2021	17	63
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.949	10	3.919	01/12/2021	3	51
Pengurusan Air SPV Berhad	06/28	AAA	3.888	10	3.819	12/01/2022	7	45
Tenaga Nasional Berhad	08/30	AAA	4.024	5	4.042	10/02/2022	-2	38
Pengurusan Air SPV Berhad	09/30	AAA	4.078	10	4.080	15/02/2022	0	40
Tenaga Nasional Berhad	11/36	AAA	4.290	2	4.300	14/02/2022	-1	23
YTL Power International Berhad	10/24	AA1	4.245	10	4.102	18/11/2021	14	144
GENM Capital Berhad	08/25	AA1	4.286	20	4.301	08/02/2022	-2	118
Encorp Systembilt Sdn Berhad	11/25	AA1	3.553	5	3.085	25/05/2021	47	45
GENM Capital Berhad	03/27	AA1	4.641	1	4.978	29/12/2021	-34	133
YTL Power International Berhad	05/27	AA1	4.729	20	4.749	15/02/2022	-2	142
YTL Power International Berhad	08/28	AA1	4.898	30	4.859	26/11/2021	4	132
Batu Kawan Berhad	02/32	AA1	4.264	5	4.253	09/02/2022	1	58
Bumitama Agri Ltd	07/26	AA2	3.973	30	3.938	21/01/2022	3	87
Dialog Group Berhad	01/32	AA2	4.414	20	4.409	15/02/2022	0	73
SP Setia Berhad	06/28	AA	4.207	10	4.168	06/12/2021	4	77
CIMB Group Holdings Berhad	09/29	AA	3.395	10	3.446	14/02/2022	-5	-25
Perbadanan Kemajuan Negeri Selangor	05/22	AA3	3.094	10	3.126	13/01/2021	-3	106
Perbadanan Kemajuan Negeri Selangor	11/22	AA3	3.359	20	3.324	21/01/2022	4	132
Edra Energy Sdn Berhad	01/23	AA3	2.701	10	2.841	02/11/2021	-14	67
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.535	2	4.796	11/02/2022	-26	250
Perbadanan Kemajuan Negeri Selangor	01/24	AA3	3.743	30	-	-	-	132
Edra Energy Sdn Berhad	07/24	AA3	3.318	10	3.337	15/02/2022	-2	90
Besraya (M) Sdn Berhad	07/25	AA3	3.824	5	3.727	14/12/2021	10	102
PONSB Capital Berhad	12/28	AA3	4.749	5	4.781	06/01/2022	-3	117
RHB Islamic Bank Berhad	05/29	AA3	3.486	1	3.408	01/12/2021	8	-10
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/37	AA-	5.589	20	5.330	08/03/2021	26	152
UEM Sunrise Berhad	12/22	AA-	3.279	10	3.343	10/02/2022	-6	124
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/30	AA-	5.189	10	4.759	12/04/2019	43	151
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA-	5.489	10	5.409	25/01/2022	8	142
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/36	AA-	5.539	10	4.861	11/09/2020	68	147
CIMB Group Holdings Berhad	05/16	A1	3.308	30	3.303	14/02/2022	0	-95
CIMB Group Holdings Berhad	05/16	A1	3.576	1	3.601	08/02/2022	-2	-68
Affin Bank Berhad	07/18	A3	4.360	1	3.644	19/01/2022	72	10
Mah Sing Group Berhad	04/17	-	5.589	1	4.557	14/02/2022	103	133
LBS Bina Group Berhad	03/20	-	6.451	2	5.965	07/12/2021	49	219
				<u>740</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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