

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.94	9
5-yr UST	2.18	7
10-yr UST	2.19	4
30-yr UST	2.45	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.66	-2	2.81	0
5-yr	3.30	-1	3.26	0
7-yr	3.55	2	3.43	0
10-yr	3.68	0	3.76	0
15-yr	4.09	0	4.11	0
20-yr	4.25	4	4.27	0
30-yr	4.42	3	4.46	10

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.24	0
3-yr	2.94	0
5-yr	3.19	0
7-yr	3.38	0
10-yr	3.60	0

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM2.5b + RM2.5b (private placement) 20Y GII 9/41 on Thursday, 17<sup>th</sup> March, 2022

US Treasuries

- US Treasuries saw yields surge, led especially at the front-end of the curve following the Fed’s decision to lift rates by 25bps to a target range of 0.25-0.50%. It also said that despite the uncertainty the economy faces from the Russia-Ukraine war and ongoing COVID-19 health situation, ongoing rate increases would be “appropriate” as it seeks to combat acceleration in inflation. The immediate reaction saw the curve flatten sharply as overall benchmark yields closed between -2 to +9bps across. **The UST 2Y yield spiked 9bps to 1.94% whilst the much-watched UST 10Y ended 4bps higher at 2.19%; another new high seen since beginning 2019.** Based on projections released by the FOMC, the likelihood is that the Fed is expected to hike rates up to six (6) more times this year (i.e. ~1.75% higher by the end of this year compared to previous year). The balance-sheet run-off exercise will be announced at the next FOMC meeting in May. Meantime, expect some attention to shift to peripheral data covering housing starts, building permits and also jobless claims.

MGS/GII

- Local govies saw both ends of the MGS curve move opposite of each other on Wednesday with the short-ends slightly richer ahead of the all-important US FOMC meeting (which at the time of writing has endorsed a 25bps rate hike). Overall benchmark MGS/GII yields closed mostly unchanged-to-higher i.e. between -2 to +10bps amid a 35% pullback in secondary market volume @ RM1.79b. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.30% whilst the 10Y MGS 7/32 ended almost unchanged at 3.68%.** Trades were mainly seen across the off-the-run 25’s and also benchmark 5Y, 7Y MGS. GII trades dropped to form ~20% of overall transactions. Expect attention to shift to the the 20Y GII auction exercise today followed by the trade data for February tomorrow.

Corp Bonds/Sukuk

- On Wednesday, the Corporate Bonds/Sukuk space saw decent activity especially within the AAA-AA part of the curve. Overall yields closed mostly mixed-to-higher and spanned across 28 names amid the plunge in secondary market volume to RM389m from prior day’s RM1.05b. Govt-guaranteed LPPSA 4/24 moved 5bps higher compared to previous-done levels at 2.91% whilst the 9/26 tranche spiked 52bps to 3.49%. AAA-rated utility giants TELEKOM 12/24 and TNB 8/33 ended 2-3bps higher at 3.15% and 4.20% respectively. AA-rated space saw a slew of energy-related bonds dominate, with BGSM 24-25’s closing 3-5bps lower between 3.20-58% area. EDRA 33’s meantime rose between 2-13bps to close between 4.47-50%. The banking/finance space saw BPMB 10/25 spike 43bps to 3.46% whereas its 11/26 tranche rose 4bps to 3.67%. Ambank Islamic 28NC23 however saw yields decline 5bps to 3.52%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/22	1.699	1	1.699	15/03/2022	0
MGS	03/23	1.794	78	1.849	15/03/2022	-5
MGS	04/23	1.871	10	1.876	14/03/2022	0
MGS	06/24	2.655	110	2.677	15/03/2022	-2
MGS	07/24	2.776	3	2.740	15/03/2022	4
MGS	03/25	2.939	30	2.926	15/03/2022	1
MGS	09/25	3.022	180	3.029	15/03/2022	-1
MGS	04/26	3.189	41	3.212	14/03/2022	-2
MGS	07/26	3.266	61	3.257	15/03/2022	1
MGS	11/26	3.299	244	3.311	15/03/2022	-1
MGS	11/27	3.360	46	3.356	15/03/2022	0
MGS	06/28	3.552	152	3.537	15/03/2022	2
MGS	08/29	3.690	91	3.698	15/03/2022	-1
MGS	04/30	3.693	44	3.704	15/03/2022	-1
MGS	04/31	3.761	41	3.745	15/03/2022	2
MGS	06/31	3.762	14	3.737	11/03/2022	2
MGS	07/32	3.684	30	3.687	15/03/2022	0
MGS	11/33	3.975	55	3.947	15/03/2022	3
MGS	07/34	4.041	87	4.069	15/03/2022	-3
MGS	04/37	4.120	48	4.116	15/03/2022	0
MGS	05/40	4.246	38	4.202	15/03/2022	4
MGS	09/43	4.380	1	4.359	15/03/2022	2
MGS	06/50	4.417	22	4.390	15/03/2022	3
GII	04/22	1.772	25	1.745	15/03/2022	3
GII	08/25	3.028	24	3.037	09/03/2022	-1
GII	09/27	3.427	108	3.424	15/03/2022	0
GII	10/28	3.610	72	3.615	15/03/2022	-1
GII	10/30	3.761	54	3.760	15/03/2022	0
GII	11/49	4.461	80	4.362	04/03/2022	10
			1787			

## 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*	
Lembaga Pembiayaan Perumahan Sektor Awam	04/24	GG	2.905	15	2.850	04/03/2022	5	49
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.485	10	2.961	23/08/2021	52	18
Prasarana Malaysia Berhad	02/31	GG	3.870	5	3.528	15/09/2021	34	20
MKD Kencana Sdn Berhad	10/32	GG	3.978	20	3.699	16/07/2021	28	29
Aman Sukuk Berhad	07/22	AAA	2.200	35	2.399	21/02/2022	-20	23
Danum Capital Berhad	05/23	AAA	2.595	20	2.624	15/03/2022	-3	63
Telekom Malaysia Berhad	12/24	AAA	3.149	10	3.116	21/10/2021	3	47
Bank Pembangunan Malaysia Berhad	10/25	AAA	3.458	10	3.029	28/07/2021	43	38
Pengurusan Air SPV Berhad	10/26	AAA	3.649	10	3.268	09/09/2021	38	34
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.668	10	3.626	13/01/2022	4	36
Rantau Abang Capital Berhad	05/31	AAA	4.045	30	3.809	28/05/2021	24	38
Tenaga Nasional Berhad	08/33	AAA	4.200	20	4.181	11/03/2022	2	51
CIMB Group Holdings Berhad	06/22	AA1	2.442	50	2.354	15/03/2022	9	48
Zamarad Assets Berhad	01/30	AA2	5.051	10	-	-	-	141
Bandar Serai Development Sdn Berhad	08/23	AA3	2.880	10	2.858	08/02/2022	2	91
Quantum Solar Park (Semenanjung) Sdn Berhad	04/23	AA-	3.108	7	3.077	09/02/2022	3	114
Jimah East Power Sdn Berhad	12/26	AA-	4.124	20	4.108	05/01/2022	2	82
BGSM Management Sdn Berhad	06/24	AA3	3.198	20	3.245	09/02/2022	-5	78
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.829	20	3.858	10/03/2022	-3	115
BGSM Management Sdn Berhad	08/25	AA3	3.578	20	3.610	26/01/2022	-3	90
Exsim Capital Resources Berhad	03/26	AA3	4.704	1	4.915	15/03/2022	-21	162
Tadau Energy Sdn Berhad	07/30	AA3	4.711	5	4.568	05/10/2021	14	107
Edra Energy Sdn Berhad	01/33	AA3	4.471	10	4.338	01/09/2021	13	78
Edra Energy Sdn Berhad	07/33	AA3	4.501	5	4.481	10/12/2021	2	81
AmBank (M) Berhad	03/28	A1	3.303	5	2.985	19/01/2022	32	-13
AmBank Islamic Berhad	10/28	A1	3.518	10	3.565	22/02/2022	-5	-4
Tropicana Corporation Berhad	06/23	A+	5.460	1	5.209	15/03/2022	25	349
Eco World International Berhad	05/23	-	3.940	1	5.225	15/03/2022	-129	197
				<u>389</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Salvare Assets Bhd	RM39 mil Senior Class A Notes under a 10-year RM300 mil Medium-Term Notes (MTN) programme	A1/Stable	Assigned
Eternal Icon Sdn Bhd	RM87.0 mil Senior Medium-Term Notes (MTN)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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