

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries gained in strength on safe-haven demand following re-emergence of geopolitical tensions between Russia and Ukraine. The weaker housing starts and also unexpected increase in jobless claims were additional factors that helped fuel demand for bonds. The curve shifted lower as overall benchmark yields declined between 5-8bps across. **The UST 2Y yield declined 5bps to 1.47% whilst the much-watched UST 10Y rallied 8bps to 1.96%.** Bonds have somewhat gained from the recent dialling-back of hawkish expectations pertaining to the Fed's tightening cycle. Nevertheless the auction of \$9b30Y TIPS notched weak bidding metrics i.e. BTC ratio of only 2.17x and awarded 5bps higher than expected @ 0.195% (record lows of -0.60% were seen last year). Meanwhile, implied volatility is expected to continue due to perceived easing of liquidity conditions. On the data front, we have some peripheral data, covering existing home sales tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.47	-5
5-yr UST	1.84	-8
10-yr UST	1.96	-8
30-yr UST	2.30	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	-4	2.83	-4
5-yr	3.29	-2	3.28	-5
7-yr	3.59	2	3.45	-3
10-yr	3.65	-2	3.73	-1
15-yr	4.04	-2	4.14	-1
20-yr	4.25	0	4.30	0
30-yr	4.43	-1	4.48	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.25	-1
3-yr	2.91	-3
5-yr	3.19	-2
7-yr	3.34	-4
10-yr	3.56	-3

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 7Y GII 10/28 on Monday, 21st February 2022

MGS/GII

- On Thursday, local govies performed better; influenced partly by lower IRS yields and also safe-haven demand arising from recent elevated Omicron-related cases. Overall benchmark MGS/GII yields closed mostly mixed-to-lower between -4 to +2bps across the curve amid a 5% rise in secondary market volume @ RM2.74b. **Both the 5Y benchmark MGS 11/26 and MGS 7/32 yields edged 2bps lower at 3.29% and 3.65%.** Interest was mainly seen in the the off-the-run 23's, 5Y MGS/GII and also 10Y MGS/GII. GII trades maintained to form ~43% of overall transactions. Expect attention to shift to the 7Y GII auction next Monday. Economic data remains light until next Thursday when January CPI figures are released.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent activity on Wednesday, with bulk of transactions seen across the GG-AA part of the curve. Overall yields closed mostly mixed, spanning across 40 names amid a pullback in secondary market volume @ RM519m. The short-tenured Govt-guaranteed TPSB 11/22 which last traded in September 2021, rose 16bps compared to previous-done levels @ 2.22%. DANA 29's however spiked 56-75bps to between 3.80-82% levels. AAA-rated PLUS 27 edged 2bps lower at 3.61% whilst PASB 2/24 settled 3bps lower at 3.16%. In the AA-sector, toll-operator ANIH saw a flurry of transactions with the 2025, 2027 and 2028 tranches closing 1-3bps lower at 3.77%, 4.14% and 4.26% each whereas the 11/26 tranche spiked 51bps to 4.00%. Meanwhile, the banking/finance space was relatively quiet with several odd-lot trades seen in Sabah Development Bank and CIMB-Group Holdings bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.700	7	1.697	16/02/2022	0
MGS	09/22	1.651	1	1.693	15/02/2022	-4
MGS	03/23	1.976	195	1.997	16/02/2022	-2
MGS	04/23	2.027	21	2.031	16/02/2022	0
MGS	08/23	2.320	2	2.277	16/02/2022	4
MGS	06/24	2.716	134	2.760	16/02/2022	-4
MGS	07/24	2.832	27	2.836	16/02/2022	0
MGS	09/24	2.844	11	2.866	16/02/2022	-2
MGS	09/25	3.041	115	3.053	16/02/2022	-1
MGS	04/26	3.223	30	3.213	15/02/2022	1
MGS	07/26	3.253	79	3.289	16/02/2022	-4
MGS	11/26	3.295	172	3.319	16/02/2022	-2
MGS	05/27	3.420	1	3.428	16/02/2022	-1
MGS	11/27	3.428	63	3.453	16/02/2022	-2
MGS	06/28	3.590	111	3.572	16/02/2022	2
MGS	08/29	3.685	34	3.650	16/02/2022	4
MGS	04/31	3.703	10	3.723	16/02/2022	-2
MGS	06/31	3.767	3	3.772	16/02/2022	0
MGS	07/32	3.652	254	3.669	16/02/2022	-2
MGS	04/33	3.877	30	3.925	16/02/2022	-5
MGS	11/33	3.953	10	3.982	14/02/2022	-3
MGS	07/34	4.003	32	4.023	16/02/2022	-2
MGS	05/35	4.038	12	4.057	16/02/2022	-2
MGS	04/37	4.034	1	4.066	15/02/2022	-3
MGS	05/40	4.253	68	4.249	16/02/2022	0
MGS	06/50	4.426	148	4.440	16/02/2022	-1
GII	03/22	1.312	41	1.651	16/02/2022	-34
GII	04/22	1.601	32	1.650	16/02/2022	-5
GII	07/22	1.652	41	1.612	07/02/2022	4
GII	05/23	2.155	66	2.186	16/02/2022	-3
GII	10/23	2.307	20	2.241	28/01/2022	7
GII	11/23	2.321	10	2.247	15/02/2022	7
GII	10/24	2.824	100	2.862	16/02/2022	-4
GII	03/26	3.279	40	3.332	16/02/2022	-5
GII	09/27	3.453	503	3.482	16/02/2022	-3
GII	10/28	3.589	17	3.591	16/02/2022	0
GII	09/30	3.711	30	3.744	09/02/2022	-3
GII	10/30	3.731	240	3.743	16/02/2022	-1
GII	07/36	4.144	10	4.153	16/02/2022	-1
GII	11/49	4.479	20	4.479	15/02/2022	0
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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*	
Small Medium Enterprise Development Bank Malaysia Berhad	08/22	GG	2.284	5	2.087	27/08/2021	20	27
DanaInfra Nasional Berhad	11/22	GG	2.154	10	2.103	28/01/2022	5	14
Turus Pesawat Sdn Berhad	11/22	GG	2.215	38	2.052	20/09/2021	16	20
DanaInfra Nasional Berhad	02/23	GG	2.239	20	2.262	08/02/2022	-2	22
Prasarana Malaysia Berhad	02/23	GG	2.304	10	2.124	10/09/2021	18	29
Pengurusan Air SPV Berhad	06/23	GG	2.395	30	2.129	17/09/2021	27	38
Pengurusan Air SPV Berhad	06/23	GG	2.388	90	2.402	09/02/2022	-1	37
DanaInfra Nasional Berhad	04/29	GG	3.799	25	3.050	16/02/2021	75	22
DanaInfra Nasional Berhad	07/29	GG	3.819	30	3.258	04/08/2021	56	24
Cagamas Berhad	11/22	AAA	2.410	20	2.458	15/02/2022	-5	39
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.605	10	2.653	09/02/2022	-5	18
Pengurusan Air SPV Berhad	02/24	AAA	3.155	30	3.180	09/02/2022	-3	73
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.607	20	3.629	09/02/2022	-2	30
Tenaga Nasional Berhad	11/36	AAA	4.283	1	4.290	16/02/2022	-1	23
Tenaga Nasional Berhad	08/40	AAA	4.401	1	4.480	20/01/2022	-8	16
Sabah Development Bank Berhad	06/23	AA1	4.006	3	3.533	15/02/2022	47	199
Sabah Development Bank Berhad	04/24	AA1	4.144	1	3.743	25/01/2022	40	172
Sabah Development Bank Berhad	07/24	AA1	4.186	1	4.075	15/02/2022	11	177
CIMB Group Holdings Berhad	12/31	AA2	3.890	1	-	-	-	23
Dialog Group Berhad	01/32	AA2	4.421	10	4.414	16/02/2022	1	76
SHC Capital Sdn Berhad	12/28	AA-	5.471	5	-	-	-	189
TG Excellence Berhad	02/20	AA-	4.082	30	4.600	11/02/2022	-52	-16
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.338	3	4.336	09/02/2022	0	76
PONSB Capital Berhad	12/28	AA3	4.729	5	4.749	16/02/2022	-2	115
Fortune Premiere Sdn Berhad	12/22	AA	2.962	50	3.034	26/01/2022	-7	95
Fortune Premiere Sdn Berhad	10/25	AA	4.204	10	4.208	20/01/2022	0	110
Anih Berhad	11/25	AA	3.769	20	3.799	10/02/2022	-3	67
Anih Berhad	11/26	AA	3.998	10	3.484	06/09/2021	51	69
Anih Berhad	11/27	AA	4.138	10	4.147	26/01/2022	-1	71
Anih Berhad	11/28	AA	4.260	10	4.278	03/01/2022	-2	68
CIMB Group Holdings Berhad	05/16	A1	3.510	1	3.576	16/02/2022	-7	-73
Tropicana Corporation Berhad	06/23	A+	5.108	2	3.928	09/02/2022	118	309
Tropicana Corporation Berhad	10/23	A+	4.978	1	3.867	25/01/2022	111	256
Tropicana Corporation Berhad	10/25	A+	5.210	1	5.211	15/02/2022	0	211
Alliance Bank Malaysia Berhad	10/30	A2	3.739	2	3.739	15/02/2022	0	7
Tropicana Corporation Berhad	09/19	A	6.550	2	6.234	14/02/2022	32	231
Tropicana Corporation Berhad	09/19	A	6.652	1	6.098	03/02/2022	55	241
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.189	1	4.268	28/12/2021	-8	52
Naza TTDI Capital Berhad	06/26	-	6.597	1	5.973	10/12/2021	62	350
LBS Bina Group Berhad	03/20	-	7.096	1	5.800	13/01/2022	130	286
				<u>519</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Zamarad Assets Berhad	Tranche 7 RM170 mil Class A Sukuk and RM40 mil Class B Sukuk	AAA/Stable and AA2/Stable	Assigned

Source: RAM, MARC

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