

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries somewhat stabilized and ended generally firmer as markets continued to digest the Fed's first rate hike since 2018 yesterday, with the front-ends and belly slightly richer. Bonds also benefitted from bargain-hunting following the downtrend seen over the past several sessions. The curve flattened as overall benchmark yields closed between -4 to +2bps across. **The UST 2Y yield edged 2bps lower at 1.92% whilst the much-watched UST 10Y inched 1bps lower as well to 2.17%.** Parts of the curve between the 3-10 year sectors were seen slightly inverted. Elsewhere, initial jobless claims fell by more than expected as at 12th March whilst industrial production in February was in line with economic estimates. Investors were seen assessing the Fed's indication of between 10-11 quarter-point rate hikes, through the end of 2023 to combat the stubborn and high inflation. Meantime, on the data front we have some peripheral data covering existing home sales for February.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.92	-2
5-yr UST	2.14	-4
10-yr UST	2.17	-1
30-yr UST	2.47	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.67	2	2.78	-2
5-yr	3.31	1	3.27	0
7-yr	3.55	0	3.41	-2
10-yr	3.70	1	3.77	1
15-yr	4.14	1	4.14	3
20-yr	4.29	4	4.32	5
30-yr	4.37	-5	4.48	2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	-1
3-yr	2.90	-4
5-yr	3.14	-4
7-yr	3.34	-4
10-yr	3.58	-2

Source : Bloomberg

MGS/GIII

- Local govies were mostly pressured on Thursday following the 25bps rate hike in the US Fed Funds Rate. Overall benchmark MGS/GII yields closed mostly higher i.e. between -2 to +5bps (save for the odd-lot trade done in the 30Y MGS) amid the doubling of secondary market volume @ RM3.08b. **Both the 5Y benchmark MGS 11/26 and 10Y MGS 7/32 yields edged 1bps higher at 3.31% and 3.70% each.** Trades were mainly seen across the off-the-run 22's and also benchmark 5Y GII, 7Y GII and 10Y MGS. GII trades jumped to form ~44% of overall transactions. The 20Y GII auction exercise drew decent participation on a BTC ratio of 1.884x (in spite of the relatively large private placement) and awarded at 4.401%. Expect some attention to shift to the nation's trade data for February this afternoon.

Corp Bonds/Sukuk

- On Thursday, the Corporate Bonds/Sukuk space saw improved activity especially within the AAA sector, followed by the AA part of the curve. Overall yields closed mostly mixed and spanned across 39 names amid the recovery in secondary market volume @ RM594m from prior day's RM389m. Govt-guaranteed PRASA 8/23 ended 8bps higher compared to previous-done levels at 2.55% whilst the long-end DANA 3/47 saw yields balloon to 5.58% since it was last traded in 2019. AAA-rated utility giant TNB 8/32 and 11/36 closed unchanged at 4.13% and 4.35% respectively, notching RM140m in total transacted amounts. The AA-rated space saw GAMUDA and NORTHPORT 22's ease between 1-4bps to 2.58% and 2.57% each, whereas WCT 22 jumped 21bps higher to 3.92%. The banking/finance space saw BPMB 31-32's move 2-3bps lower between 4.03-06% area. CIMB Thai 28NC23 bonds however rose 9bps to 3.28%.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.751	70	1.752	15/03/2022	0
MGS	09/22	1.810	100	1.699	16/03/2022	11
MGS	03/23	1.796	12	1.794	16/03/2022	0
MGS	04/23	1.862	1	1.871	16/03/2022	-1
MGS	08/23	2.231	26	2.220	15/03/2022	1
MGS	06/24	2.676	51	2.655	16/03/2022	2
MGS	07/24	2.729	2	2.776	16/03/2022	-5
MGS	09/24	2.784	1	2.784	16/03/2022	0
MGS	03/25	2.940	20	2.939	16/03/2022	0
MGS	09/25	3.010	4	3.022	16/03/2022	-1
MGS	04/26	3.177	2	3.189	16/03/2022	-1
MGS	07/26	3.252	5	3.266	16/03/2022	-1
MGS	11/26	3.310	82	3.299	16/03/2022	1
MGS	05/27	3.351	1	3.338	15/03/2022	1
MGS	11/27	3.349	39	3.360	16/03/2022	-1
MGS	06/28	3.552	51	3.552	16/03/2022	0
MGS	08/29	3.699	43	3.690	16/03/2022	1
MGS	04/30	3.709	1	3.693	16/03/2022	2
MGS	04/31	3.773	13	3.761	16/03/2022	1
MGS	06/31	3.781	14	3.762	16/03/2022	2
MGS	07/32	3.699	274	3.684	16/03/2022	1
MGS	04/33	3.985	161	3.900	11/03/2022	9
MGS	11/33	3.981	54	3.975	16/03/2022	1
MGS	07/34	4.094	211	4.041	16/03/2022	5
MGS	05/35	4.123	75	4.091	15/03/2022	3
MGS	04/37	4.135	78	4.120	16/03/2022	1
MGS	05/40	4.291	41	4.246	16/03/2022	4
MGS	09/43	4.394	10	4.380	16/03/2022	1
MGS	06/50	4.368	46	4.417	16/03/2022	-5
GII	03/22	1.557	61	1.799	15/03/2022	-24
GII	04/22	1.806	168	1.772	16/03/2022	3
GII	11/22	1.836	270	1.767	07/12/2021	7
GII	11/23	2.248	1	2.243	09/03/2022	1
GII	08/24	2.811	60	2.774	14/03/2022	4
GII	10/24	2.781	61	2.806	11/03/2022	-2
GII	10/25	2.959	1	2.980	18/02/2022	-2
GII	03/26	3.266	1	3.263	14/03/2022	0
GII	09/27	3.408	268	3.427	16/03/2022	-2
GII	10/28	3.613	244	3.610	16/03/2022	0
GII	10/30	3.768	90	3.761	16/03/2022	1
GII	06/33	4.000	79	3.940	10/03/2022	6
GII	08/33	4.011	72	3.942	15/03/2022	7
GII	11/34	4.097	11	4.018	09/03/2022	8
GII	07/36	4.143	114	4.108	14/03/2022	4
GII	09/39	4.325	1	4.337	16/03/2022	-1
GII	09/41	4.321	74	4.267	15/03/2022	5
GII	11/49	4.476	20	4.461	16/03/2022	1
			<u>3084</u>			

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	08/23	GG	2.547	10	2.468	22/12/2021	8	57
DanaInfra Nasional Berhad	03/47	GG	5.582	30	3.918	10/09/2019	166	131
Projek Lebuhraya Usahasama Berhad	01/24	AAA	3.034	20	3.000	14/03/2022	3	62
Danum Capital Berhad	05/25	AAA	3.205	15	3.379	10/02/2022	-17	53
Pengurusan Air SPV Berhad	06/27	AAA	3.737	10	3.736	11/03/2022	0	43
Swirl Assets Berhad	09/28	AAA	4.811	20	-	-	-	126
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/30	AAA	3.967	10	3.898	11/10/2021	7	32
Infracap Resources Sdn Berhad	04/31	AAA	4.239	10	4.239	10/03/2022	0	57
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.028	10	4.048	12/01/2022	-2	35
Bank Pembangunan Malaysia Berhad	03/32	AAA	4.064	20	4.089	11/03/2022	-3	37
TNB Northern Energy Berhad	05/32	AAA	4.174	10	4.188	11/11/2021	-1	48
Tenaga Nasional Berhad	08/32	AAA	4.125	20	4.128	26/01/2022	0	43
Sarawak Energy Berhad	12/32	AAA	4.138	32	4.189	21/02/2022	-5	44
Tenaga Nasional Berhad	11/36	AAA	4.349	120	4.349	09/03/2022	0	22
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	2.381	20	2.276	20/09/2021	11	41
Kuala Lumpur Kepong Berhad	09/22	AA1	2.394	10	2.421	15/03/2022	-3	42
Sabah Credit Corporation	06/23	AA1	2.981	10	2.988	15/03/2022	-1	101
Danajamin Nasional Berhad	10/27	AA1	2.824	10	2.635	07/01/2022	19	-61
Batu Kawan Berhad	02/29	AA1	3.981	10	-	-	-	43
Batu Kawan Berhad	02/32	AA1	4.180	5	4.210	15/03/2022	-3	48
Edra Solar Sdn Berhad	10/22	AA2	2.675	10	2.532	26/01/2022	14	70
Imtiaz Sukuk II Berhad	10/27	AA2	3.928	30	3.938	14/01/2022	-1	50
Zamarad Assets Berhad	01/30	AA2	5.050	10	5.051	16/03/2022	0	141
Anih Berhad	11/27	AA	4.088	10	4.119	18/02/2022	-3	66
Gamuda Berhad	11/22	AA3	2.576	20	2.584	14/03/2022	-1	60
WCT Holdings Berhad	10/22	AA-	3.924	40	3.710	09/02/2022	21	195
Northport (Malaysia) Berhad	12/22	AA-	2.567	10	2.610	15/03/2022	-4	59
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.807	20	3.829	16/03/2022	-2	113
RHB Bank Berhad	09/27	AA3	2.735	4	2.666	07/01/2022	7	-70
CIMB Thai Bank Public Company Limited	03/28	AA3	3.281	10	3.191	06/09/2021	9	-15
Tadau Energy Sdn Berhad	07/30	AA3	4.709	5	4.711	16/03/2022	0	107
Edra Energy Sdn Berhad	01/33	AA3	4.469	10	4.471	16/03/2022	0	77
Edra Energy Sdn Berhad	07/33	AA3	4.499	5	4.501	16/03/2022	0	80
CIMB Group Holdings Berhad	05/16	A1	3.295	2	3.262	21/02/2022	3	-98
Tropicana Corporation Berhad	06/23	A+	5.460	1	5.460	16/03/2022	0	348
Alliance Bank Malaysia Berhad	10/30	A2	3.599	1	4.162	16/03/2022	-56	-7
Alliance Bank Malaysia Berhad	10/35	A2	4.579	1	4.529	14/03/2022	5	45
YNH Property Berhad	08/19	-	5.871	2	5.549	11/03/2022	32	160
YNH Property Berhad	08/19	-	6.093	1	6.615	14/03/2022	-52	182
				<u>594</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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