

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.58	-2
5-yr UST	2.86	-6
10-yr UST	2.83	-10
30-yr UST	2.87	-12

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.41	1	3.28	20
5-yr	3.70	9	3.85	7
7-yr	4.10	7	4.12	7
10-yr	4.20	7	4.22	3
15-yr	4.68	14	4.81	21
20-yr	4.67	-3	4.69	0
30-yr	4.89	11	4.72	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.39	1
3-yr	3.31	4
5-yr	3.69	3
7-yr	3.89	4
10-yr	4.11	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries recovered strongly on Wednesday, led by the longer-ends due to bargain-hunting following a solid 20Y auction and also rallies seen across European rates earlier. The curve flattened with the yield curve narrowing from 33bps to 25bps as overall benchmark yields declined between 2-12bps across. **The UST 2Y yield edged 2bps lower at 2.58% whilst the much-watched UST 10Y rallied 10bps to 2.83%**. The \$16b 20Y bond auction saw strong bidding metrics with BTC ratio at 2.80x (previous six auction average: 2.40x) and awarded at 2.095%. Fed official Daly said that the central bank is likely to raise interest rates to as high as 2.5% by year-end. The Fed may be expected to raise rates by 50bps in both its May and June FOMC meetings to tackle soaring inflation. Meanwhile, expect some attention to shift to continuing Fed speak events along with the release of initial jobless claims report tonight.

MGS/GII

- Local govies saw no let-up in selling pressure on Wednesday, influenced partly by higher IRS levels as there were very little catalysts to spur the market. Overall benchmark MGS/GII yields closed higher between 0-21bps (save for the 20Y MGS), amid a substantial jump in secondary market volume of RM2.55b. **The 5Y benchmark MGS 11/26 spiked 9bps to 3.70% whilst the 10Y MGS 7/32 10Y yields rose 7bps to 4.20%**. Trades were mainly seen in the off-the-run 24's and also benchmark 3Y, 5Y and 7Y MGS. GII trades climbed higher to form 38% of overall transactions. The 15Y GII 7/36 auction saw muted participation with BTC ratio registering a mere 1.879x and awarded at 4.826%. Expect attention to shift to the March CPI data release tomorrow.

Corp Bonds/Sukuk

- On Wednesday, Corporate Bonds/Sukuk space saw a slight improvement in the secondary market with trades done along the AAA-AA part of the curve. Overall yields closed mostly higher, spanning across a mere 15 names amid slightly higher volume of RM248m. Again, there were no govt-guaranteed bond transactions. AAA-rated DANUM 5/23 rose 14bps compared to previous-done levels to 2.73% whilst SEB 7/29 spiked 49bps to 4.39%. AA-rated energy-related bonds YTL Power saw its 5/27 tranche move 16bps higher to 4.98% whereas Press METAL 10/24 edged 2bps higher at 3.72%. Meanwhile, the banking/finance space saw CIMB Group 30NC25 notch RM50m in nominal amounts, spiking 49bps to 4.09%. Also, we noted several odd-lot transactions that were done in PUBLIC Bank 32NC27 and SABAH Development bank bonds.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/23	2.378	72	2.184	15/04/2022	19
MGS 04/23	2.424	23	2.343	13/04/2022	8
MGS 08/23	2.484	3	2.325	13/04/2022	16
MGS 06/24	3.089	18	3.041	18/04/2022	5
MGS 07/24	3.198	21	3.051	15/04/2022	15
MGS 09/24	3.141	1	3.035	13/04/2022	11
MGS 03/25	3.406	304	3.395	18/04/2022	1
MGS 09/25	3.513	85	3.449	18/04/2022	6
MGS 04/26	3.650	14	3.521	18/04/2022	13
MGS 07/26	3.686	1	3.547	13/04/2022	14
MGS 11/26	3.699	354	3.609	18/04/2022	9
MGS 05/27	3.812	41	3.692	15/04/2022	12
MGS 11/27	3.794	26	3.758	18/04/2022	4
MGS 06/28	4.100	228	4.029	18/04/2022	7
MGS 08/29	4.253	90	4.072	18/04/2022	18
MGS 04/30	4.245	10	4.164	18/04/2022	8
MGS 04/31	4.268	5	4.108	14/04/2022	16
MGS 06/31	4.298	99	4.204	18/04/2022	9
MGS 07/32	4.200	18	4.131	18/04/2022	7
MGS 07/34	4.631	10	4.594	18/04/2022	4
MGS 05/35	4.697	1	4.578	18/04/2022	12
MGS 04/37	4.678	30	4.537	18/04/2022	14
MGS 05/40	4.881	48	4.798	18/04/2022	8
MGS 10/42	4.672	1	4.704	18/04/2022	-3
MGS 07/48	4.901	1	4.800	14/04/2022	10
MGS 06/50	4.887	24	4.776	14/04/2022	11
GII 07/22	1.751	21	1.750	18/04/2022	0
GII 05/23	2.336	27	2.250	12/04/2022	9
GII 05/24	3.268	651	3.194	18/04/2022	7
GII 10/24	3.283	23	3.088	14/04/2022	20
GII 03/26	3.602	20	3.561	18/04/2022	4
GII 09/27	3.845	62	3.781	18/04/2022	6
GII 10/28	4.122	50	4.050	18/04/2022	7
GII 10/30	4.281	18	4.169	18/04/2022	11
GII 10/32	4.223	10	4.195	15/04/2022	3
GII 07/36	4.812	74	4.600	15/04/2022	21
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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*	
								Danum Capital Berhad
Cagamas Berhad	01/25	AAA	3.518	5	3.201	01/04/2022	32	7
Sarawak Energy Berhad	07/29	AAA	4.391	40	3.898	09/03/2022	49	27
Sabah Development Bank Berhad	07/24	AA1	4.341	1	4.341	18/04/2022	0	143
YTL Power International Berhad	05/27	AA1	4.977	30	4.818	07/04/2022	16	125
Kuala Lumpur Kepong Berhad	03/32	AA1	4.558	8	4.490	14/04/2022	7	35
Public Bank Berhad	04/32	AA1	3.791	1	3.792	18/04/2022	0	-41
CIMB Group Holdings Berhad	11/30	AA	4.091	50	3.601	04/03/2022	49	-10
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.731	1	3.541	23/02/2022	119	248
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.718	40	3.695	15/04/2022	2	80
UEM Sunrise Berhad	12/22	AA-	3.409	10	3.408	15/04/2022	0	116
IJM Land Berhad	03/19	A2	4.523	1	4.592	14/04/2022	-7	-28
Tropicana Corporation Berhad	09/19	A	6.781	1	6.859	18/04/2022	-8	198
Eco World Capital Services Berhad	03/26	-	5.345	1	5.218	18/04/2022	13	177
YNH Property Berhad	08/19	-	6.596	1	5.733	07/04/2022	86	179
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*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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