

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were slightly steadier but nevertheless pressured in the front-ends on Tuesday as impact from Russia-Ukraine crisis took a step back following President Biden's speech. The front-end weakness captured Fed hike premium which edged back into the March meeting with ~35bps of rate hikes being priced into overnight swaps. The curve flattened as overall benchmark yields rose between 0-6bps across. **The UST 2Y yield jumped 6bps higher to 1.53% whilst the much-watched UST 10Y edged 1bps up to 1.94%**. Meanwhile, the \$52b auction of 2Y notes saw robust demand with BTC ratio notching 2.64x (previous six auction average: 2.56x) and awarded at 1.553% (previous auction: 0.99%). Meanwhile, the auctions involving \$53b 5Y notes are slated for tonight followed by \$50b in 7Y notes on Friday. On the data front, we have both the initial jobless claims as at 19th February and 4Q2021 GDP data expected out tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.53	6
5-yr UST	1.85	2
10-yr UST	1.94	1
30-yr UST	2.24	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	-2	2.81	0
5-yr	3.29	-1	3.31	-1
7-yr	3.59	2	3.42	-1
10-yr	3.66	-1	3.73	0
15-yr	4.05	0	4.11	-4
20-yr	4.22	0	4.27	0
30-yr	4.37	-5	4.50	3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.24	-1
3-yr	2.91	-1
5-yr	3.15	-2
7-yr	3.36	-1
10-yr	3.56	-2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Tuesday, local govies were generally better-bid. Overall benchmark MGS/GII yields closed mostly lower between 0-5bps across (save for the 7Y MGS and 30Y GII), amid a 69% rise in secondary market volume @ RM3.44b. **Both the 5Y benchmark MGS 11/26 and MGS 7/32 yields edged 1bps lower at 3.29% and 3.66% respectively.** Interest was mainly seen in the off-the-run 22-23's and 5Y, 7Y GII and 10Y MGS/GII. GII trades eased to form ~39% of overall transactions. Elsewhere Moody's Investor Service is expecting global sukuk issuances to fall in 2022 as it **deems** major sukuk-issuing nations i.e. Saudi, Malaysia, Indonesia and Turkey may see a reduction in aggregate fiscal deficit going forward. Meanwhile, expect attention to shift to the release of January CPI tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see slight pull-back in investor interest on Tuesday with transactions nevertheless still seen across the GG to single-A part of the curve. Overall yields closed mostly mixed-to-higher, spanning across 32 names amid a 28% drop in secondary market volume to RM360m. Govt-guaranteed DANA 25 and 29 moved opposite direction with the former settling 4bps lower at 3.29% whilst the later rose 4bps instead to 3.84%. AAA-rated BAKUN 8/22 and SEB 8/25 closed 3bps lower at 2.27% and 3.37% each. In the AA-sector, energy-related bonds EDRA 7/23 traded back-to-back again but ended 4bps higher at 2.95% whilst BGSM 9/23 rose similarly to close at 2.88%. Meanwhile, the banking/finance space saw CIMB 5/22 grind RM80m worth of nominal trades; edging 2bps lower at 2.35% whereas AmBank Islamic 28NC23 moved 4bps lower to 3.57%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.780	711	1.773	21/02/2022	1
MGS	03/23	1.927	230	1.927	21/02/2022	0
MGS	04/23	1.985	382	2.006	21/02/2022	-2
MGS	06/24	2.697	93	2.715	21/02/2022	-2
MGS	03/25	2.949	80	2.940	18/02/2022	1
MGS	09/25	3.010	1	3.027	21/02/2022	-2
MGS	04/26	3.192	4	3.192	21/02/2022	0
MGS	11/26	3.295	74	3.306	21/02/2022	-1
MGS	11/27	3.436	33	3.437	21/02/2022	0
MGS	06/28	3.593	42	3.572	21/02/2022	2
MGS	08/29	3.692	53	3.677	21/02/2022	2
MGS	04/30	3.715	1	3.709	15/02/2022	1
MGS	04/31	3.722	1	3.731	21/02/2022	-1
MGS	06/31	3.760	2	3.770	21/02/2022	-1
MGS	07/32	3.663	170	3.674	21/02/2022	-1
MGS	04/33	3.888	16	3.883	21/02/2022	0
MGS	07/34	4.013	87	3.993	21/02/2022	2
MGS	05/35	4.047	40	4.050	21/02/2022	0
MGS	04/37	4.007	22	4.014	21/02/2022	-1
MGS	06/38	4.189	4	4.168	21/02/2022	2
MGS	05/40	4.216	3	4.216	21/02/2022	0
MGS	06/50	4.368	50	4.417	21/02/2022	-5
GII	03/22	1.755	62	1.655	18/02/2022	10
GII	04/22	1.763	20	1.648	21/02/2022	12
GII	07/22	1.761	10	1.652	17/02/2022	11
GII	05/23	2.124	30	2.142	21/02/2022	-2
GII	08/24	2.823	20	2.850	28/01/2022	-3
GII	10/24	2.814	85	2.816	18/02/2022	0
GII	08/25	3.088	30	3.120	18/02/2022	-3
GII	03/26	3.305	60	3.318	21/02/2022	-1
GII	09/27	3.425	283	3.437	18/02/2022	-1
GII	10/28	3.611	538	3.619	21/02/2022	-1
GII	07/29	3.639	1	3.633	10/02/2022	1
GII	10/30	3.727	170	3.731	21/02/2022	0
GII	07/36	4.111	27	4.148	21/02/2022	-4
GII	11/49	4.504	1	4.448	21/02/2022	6
			3437			

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*
DanaInfra Nasional Berhad	11/25	GG	3.291	10	3.326	16/02/2022	-4	19
Prasarana Malaysia Berhad	09/29	GG	3.838	15	3.301	27/07/2021	54	20
DanaInfra Nasional Berhad	11/29	GG	3.838	10	3.800	12/11/2021	4	20
CIMB Bank Berhad	05/22	AAA	2.350	80	2.372	11/02/2022	-2	34
Mercedes-Benz Services Malaysia Sdn Berhad	06/22	AAA	2.371	25	2.411	21/02/2022	-4	36
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/22	AAA	2.266	50	2.298	09/02/2022	-3	26
Danum Capital Berhad	02/25	AAA	3.257	15	3.268	18/02/2022	-1	52
Sarawak Energy Berhad	08/25	AAA	3.367	10	3.400	16/02/2022	-3	63
Tenaga Nasional Berhad	11/36	AAA	4.181	1	4.365	18/02/2022	-18	13
Tenaga Nasional Berhad	08/37	AAA	4.431	20	4.530	28/10/2021	-10	38
Sabah Development Bank Berhad	07/24	AA1	3.521	1	3.801	18/02/2022	-28	110
Anih Berhad	11/24	AA	3.486	10	3.552	09/11/2021	-7	75
Edra Energy Sdn Berhad	07/23	AA3	2.967	30	2.925	21/02/2022	4	96
BGSM Management Sdn Berhad	09/23	AA3	2.879	10	2.836	07/12/2021	4	46
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.672	30	3.347	26/11/2021	33	125
Malaysian Resources Corporation Berhad	10/28	AA-	5.022	10	4.959	24/11/2021	6	144
AmBank Islamic Berhad	10/28	A1	3.565	30	3.604	15/02/2022	-4	-2
Tropicana Corporation Berhad	06/23	A+	4.635	1	4.631	18/02/2022	0	263
Tropicana Corporation Berhad	06/25	A+	5.416	1	4.694	28/01/2022	72	268
Alliance Bank Malaysia Berhad	10/30	A2	3.500	1	3.505	21/02/2022	0	-16
LBS Bina Group Berhad	03/20	-	6.399	1	6.451	16/02/2022	-5	217
Cypark Renewable Energy Sdn Berhad	09/20	-	6.708	1	6.816	18/02/2022	-11	248
				<u>360</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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