

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.17	5
5-yr UST	2.40	8
10-yr UST	2.38	9
30-yr UST	2.60	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	2	2.81	3
5-yr	3.39	9	3.34	5
7-yr	3.58	1	3.45	3
10-yr	3.74	4	3.81	5
15-yr	4.17	2	4.16	0
20-yr	4.32	0	4.44	2
30-yr	4.50	13	4.54	6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.33	7
3-yr	3.06	10
5-yr	3.33	10
7-yr	3.51	12
10-yr	3.72	11

Upcoming Government Bond Tender

Nil

- The selloff in US treasuries intensified overnight, boosting yields further for another session as investors responded to Fed Chair Jerome Powell's recent comment that the Fed may resort to hiking rates by 50bps to curb inflation. UST yields climbed 5 to 9bps, leaving the curves to bear-steepen on Tuesday. Fed-dated OIS showed that traders scaled back expectations of a 50bp rate hike on 4 May but still priced in some 90% possibility of such a move as of writing. **The yield on the benchmark 2Y treasury notes ticked higher by 5bps to 2.17%, its highest level since May 2019 while the much-watched benchmark 10Y UST yield added another 9bps to 2.38%.** There are no major data release in the US today ahead of tomorrow's Markit manufacturing and services PMIs. The markets are watching, among other things, the rising Covid-19 cases in Europe that are attributed to the Omicron subvariant, Russia-Ukraine war and western sanctions on Russia.

MGS/GIII

- Local govvnies slumped on Tuesday amid a broad-based selloff in global bonds and alongside a weaker ringgit following Powell's hawkish remarks. The benchmark MGS/GII yields advanced by 1 to 13bps. The secondary market volume rose markedly to RM4.57b, versus RM2.64b in the previous session. **The benchmark 5Y MGS 11/26 yield gained an astounding 9bps to 3.39% after having changed hands by RM443m while the 10Y MGS 7/32 yield ticked higher by 4bps to 3.74%.** Trades were most active in the off-the-run 10Y MGS and the benchmark 5Y MGS as mentioned above. Notably, these were far outweighed by the volume done in the off-the-run 5Y GII which totaled RM986m. As a result, GII trades formed around 51% of total trade done, up from 37% prior. Expect the local market to continue tracking the global sentiment as investors monitor Russia-Ukraine headlines and crude oil prices trajectory which had gone back to above \$110/barrel. Malaysia's foreign reserves edged lower to \$115.2b as at 15 March, from \$115.8b prior. Malaysia's February CPI which is expected to print 2.4% y/y is up next.

Corp Bonds/Sukuk

- Trading was much subdued in the corp/sukuk space as the total trades scaled down by almost half to RM289m on Tuesday, from RM607m previously and spanned across 18 names (versus 16 prior). Overall yields generally picked up and moved by -3 to 42bps, excluding debut papers. Govt-guaranteed DANAINFRA 05/32 topped the volume chart (RM80m) and recorded a 3bp increase in yield to 3.96% while PRASA 09/27 yield gained 8bps to 3.63%. AAA-rated TENAGA 08/37 registered RM40m volume done with its yield rising 2bps to 4.40%. The banking space was equally quiet; yield of ALLIANCE 10/30 rose 5bps to 3.79%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg	Spread			
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	Against IRS*		
MGS	08/22	1.769	151	1.701	21/03/22	7	-19	-56		
MGS	09/22	1.763	25	1.780	21/03/22	-2	-20	-57		
MGS	03/23	2.023	460	1.873	21/03/22	15	6	-31		
MGS	08/23	2.237	14	2.219	21/03/22	2	27	-9		
MGS	06/24	2.721	151	2.700	21/03/22	2	26	-9		
MGS	07/24	2.753	22	2.730	18/03/22	2	30	-6		
MGS	09/24	2.759	50	2.766	21/03/22	-1	3	-32		
MGS	03/25	2.990	110	2.945	21/03/22	5	27	-9		
MGS	09/25	3.114	108	3.010	18/03/22	10	39	4		
MGS	04/26	3.287	4	3.202	21/03/22	9	18	6		
MGS	07/26	3.340	21	3.291	21/03/22	5	24	11		
MGS	11/26	3.389	443	3.304	21/03/22	9	2	5		
MGS	03/27	3.397	4	3.342	17/03/22	5	3	6		
MGS	05/27	3.412	14	3.372	21/03/22	4	4	7		
MGS	11/27	3.418	98	3.433	21/03/22	-1	-4	-6		
MGS	06/28	3.579	78	3.570	21/03/22	1	12	10		
MGS	08/29	3.758	15	3.698	21/03/22	6	15	18		
MGS	04/30	3.752	2	3.686	18/03/22	7	8	9		
MGS	04/31	3.801	13	3.768	21/03/22	3	10	3		
MGS	06/31	3.831	2	3.765	21/03/22	7	13	6		
MGS	07/32	3.735	158	3.696	21/03/22	4	-1	-4		
MGS	04/33	4.070	30	3.985	17/03/22	9	32	30		
MGS	07/34	4.182	118	4.111	21/03/22	7	44	41		
MGS	05/35	4.190	16	4.154	21/03/22	4	2	7		
MGS	04/37	4.171	97	4.150	21/03/22	2	0	5		
MGS	05/40	4.318	7	4.312	21/03/22	1	1	20		
MGS	07/48	4.553	1	4.486	15/03/22	7	24	43		
MGS	06/50	4.495	44	4.368	21/03/22	13	18	38		
GII	03/22	1.773	80	1.785	21/03/22	-1	-19	-56		
GII	04/22	1.766	986	1.780	21/03/22	-1	-20	-56		
GII	07/22	1.752	218	1.720	11/03/22	3	-21	-58		
GII	05/23	2.036	2	1.997	21/03/22	4	7	-29		
GII	11/23	2.254	10	2.275	21/03/22	-2	-20	-56		
GII	05/24	2.809	62	2.766	24/02/22	4	35	0		
GII	08/24	2.802	158	2.811	17/03/22	-1	34	-1		
GII	10/24	2.810	205	2.778	21/03/22	3	9	-27		
GII	08/25	3.066	30	3.070	21/03/22	0	34	-1		
GII	03/26	3.337	2	3.285	21/03/22	5	23	11		
GII	07/27	3.442	6	3.445	21/03/22	0	7	10		
GII	09/27	3.448	326	3.414	21/03/22	3	-1	-3		
GII	10/28	3.647	72	3.610	21/03/22	4	4	7		
GII	07/29	3.690	1	3.685	21/03/22	0	9	11		
GII	10/30	3.806	13	3.758	21/03/22	5	10	15		
GII	06/33	3.988	2	3.964	21/03/22	2	24	21		
GII	09/41	4.441	110	4.418	21/03/22	2	13	32		
GII	11/49	4.540	30	4.476	17/03/22	6	23	42		
			4566							

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol RM Mil	Previous YTM	Previous Trade Date	Chg (bps)	Spread Against MGS*	Spread Against IRS*
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	3.425	20	3.351	08/12/21	7	32	20
Prasarana Malaysia Berhad	09/27	GG	3.631	5	3.552	10/11/21	8	26	29
DanaInfra Nasional Berhad	03/32	GG	3.961	30	3.930	02/03/22	3	22	19
DanaInfra Nasional Berhad	05/32	GG	3.961	80	3.928	02/03/22	3	22	19
Prasarana Malaysia Berhad	12/32	GG	4.000	5	3.996	21/03/22	0	25	23
Mercedes-Benz Services Malaysia Sdn Berhad	03/26	AAA	3.576	10	0.000	-	358	-	-
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.500	10	4.529	14/02/22	-3	33	38
Tenaga Nasional Berhad	11/36	AAA	4.351	10	4.351	21/03/22	0	18	23
Tenaga Nasional Berhad	08/37	AAA	4.399	40	4.380	11/03/22	2	23	28
Tenaga Nasional Berhad	08/38	AAA	4.469	20	4.469	11/03/22	0	30	35
Sabah Development Bank Berhad	05/23	AA1	3.575	10	3.515	16/06/21	6	161	125
Tadau Energy Sdn Berhad	07/33	AA3	5.069	10	0.000	-	507	132	129
Anih Berhad	11/28	AA	4.228	20	4.209	21/03/22	2	62	65
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/31	AA-	5.088	2	4.669	08/04/21	42	134	131
Point Zone (M) Sdn Berhad	05/32	AA-	4.600	5	0.000	-	460	85	83
Tropicana Corporation Berhad	06/23	A+	4.602	1	4.241	18/03/22	36	264	227
Alliance Bank Malaysia Berhad	10/30	A2	3.793	10	3.743	21/03/22	5	9	13
Eco World Capital Assets Berhad	08/24	NA	5.242	1	5.191	18/03/22	5	0	0
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM

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