

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.58	3
5-yr UST	1.90	4
10-yr UST	1.99	5
30-yr UST	2.30	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	0	2.82	1
5-yr	3.28	-1	3.30	0
7-yr	3.59	0	3.44	1
10-yr	3.66	0	3.72	-1
15-yr	4.05	0	4.10	-1
20-yr	4.22	0	4.27	0
30-yr	4.40	4	4.50	3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.24	0
3-yr	2.91	0
5-yr	3.18	2
7-yr	3.35	0
10-yr	3.57	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries wilted on Wednesday as bullish commodities especially oil, lent credence to inflation concerns and fears over an aggressive FOMC response going forward. Bonds however were seen off-the-lows following the strong 5Y note auction. The curve shifted higher as overall benchmark yields rose between 3-6bps across. **The UST 2Y yield moved 3bps higher to 1.58% whilst the much-watched UST 10Y jumped 5bps up to 1.99%.** Meanwhile, the \$53b auction of 5Y notes saw stellar demand with BTC ratio notching 2.49x (previous six auction average: 2.42x) and awarded at 1.880% (previous auction: 1.533%). Elsewhere the Fed's overnight Repo facility saw the highest YTD usage of ~\$1.75 trillion, just below the all-time high of \$1.9 trillion reached on 31st December last year. Besides the \$50b upcoming auction in 7Y notes tonight, we also have initial jobless claims as at 19th February and 4Q21 GDP data releases.

MGS/GII

- On Wednesday, local govies saw smaller deviation from prior day's levels (save for the long-ends) with overall benchmark MGS/GII yields closing mostly between -1 to +1bps, amid a further 29% rise in secondary market volume @ RM4.43b. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.28% whilst the 10Y MGS 7/32 closed unchanged at 3.66%.** Interest was mainly seen in the off-the-run 22's, 34's, benchmark 3Y MGS/GII and 10Y GII. GII trades eased slightly to form ~36% of overall transactions. Elsewhere, pension fund demand and subsequent holdings of MYR government debt was seen rising for the last nine (9) months; providing resilience to the local market. That, coupled with higher foreign holdings may be a sign of confidence in the MYR bond market. Meanwhile, expect attention to shift to the release of January CPI later today at 12 noon.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw robust interest return on Wednesday with transactions seen across the GG to single-A part of the curve. Overall yields closed mostly mixed-to-higher, spanning across 35 names amid a 56% jump in secondary market volume to RM563m. Govt-guaranteed DANA dominated trades with the 11/25 and 10/28 tranches registering RM80m nominal amount of trades each with the former declining 3bps to 3.26% whilst the later edged 1bps up at 3.71%. The long-end AAA-rated PASB 10/41 and RANTAU 10/22 closed 4bps higher each at 4.79% and 2.29% each. In the AA-sector, toll-operator ANIH 11/25 edged 1bps lower at 3.76% whereas DUKE 8/35 settled unchanged at 5.49%. Meanwhile, the banking/finance space was active with SABAH Development 25-26's chalking RM130m worth of trades with yields rising sharply higher. HLF 29NC24 declined 7bps to 3.44% whilst Bank ISLAM 31NC26 rallied 23bps to 3.82%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.761	1259	1.780	22/02/2022	-2
MGS	08/22	1.661	105	1.727	22/02/2022	-7
MGS	03/23	1.951	103	1.927	22/02/2022	2
MGS	06/24	2.698	241	2.697	22/02/2022	0
MGS	09/24	2.767	1	2.850	21/02/2022	-8
MGS	03/25	2.915	143	2.949	22/02/2022	-3
MGS	09/25	3.050	23	3.010	22/02/2022	4
MGS	04/26	3.233	16	3.192	22/02/2022	4
MGS	11/26	3.280	132	3.295	22/02/2022	-2
MGS	11/27	3.461	63	3.436	22/02/2022	2
MGS	06/28	3.591	70	3.593	22/02/2022	0
MGS	08/29	3.675	25	3.692	22/02/2022	-2
MGS	04/30	3.736	1	3.715	22/02/2022	2
MGS	07/32	3.663	67	3.663	22/02/2022	0
MGS	07/34	4.035	381	4.013	22/02/2022	2
MGS	05/35	4.047	165	4.047	22/02/2022	0
MGS	04/37	4.006	1	4.007	22/02/2022	0
MGS	05/40	4.221	9	4.216	22/02/2022	0
MGS	03/46	4.435	1	4.410	22/02/2022	2
MGS	06/50	4.404	27	4.368	22/02/2022	4
GII	07/27	3.466	21	3.478	21/02/2022	-1
GII	09/27	3.437	428	3.425	22/02/2022	1
GII	07/36	4.097	47	4.111	22/02/2022	-1
GII	08/24	2.810	50	2.823	22/02/2022	-1
GII	10/28	3.612	151	3.611	22/02/2022	0
GII	10/30	3.717	322	3.727	22/02/2022	-1
GII	11/23	2.311	10	2.321	17/02/2022	-1
GII	03/26	3.304	100	3.305	22/02/2022	0
GII	03/22	1.775	62	1.755	22/02/2022	2
GII	10/24	2.821	383	2.814	22/02/2022	1
GII	11/34	4.023	20	4.039	15/02/2022	-2
			<u>4426</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
DanaInfra Nasional Berhad	11/25	GG	3.263	80	3.291	22/02/2022	-3	16
DanaInfra Nasional Berhad	10/28	GG	3.710	80	3.700	01/12/2021	1	13
DanaInfra Nasional Berhad	11/30	GG	3.898	10	3.922	26/01/2022	-2	24
Prasarana Malaysia Berhad	12/30	GG	3.901	10	3.139	18/12/2020	76	24
DanaInfra Nasional Berhad	03/32	GG	4.029	10	3.619	03/09/2021	41	36
DanaInfra Nasional Berhad	11/48	GG	4.579	20	4.579	10/02/2022	0	35
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.157	40	2.193	10/02/2022	-4	15
Rantau Abang Capital Berhad	10/22	AAA	2.290	20	2.255	09/02/2022	4	28
Cagamas Berhad	01/25	AAA	3.176	15	-	-	-	45
Eternal Icon Sdn Berhad	03/28	AAA	3.990	1	4.909	07/10/2016	-92	56
TNB Northern Energy Berhad	11/32	AAA	4.271	1	4.148	24/12/2021	12	61
TNB Western Energy Berhad	01/34	AAA	4.441	5	4.444	09/02/2022	0	78
Pengurusan Air Selangor Sdn Berhad	10/41	AAA	4.789	20	4.749	27/01/2022	4	56
Sabah Development Bank Berhad	08/25	AA1	4.550	30	4.500	18/02/2022	5	182
Sabah Development Bank Berhad	02/26	AA1	4.608	100	3.171	27/01/2021	144	150
Imtiaz Sukuk II Berhad	04/26	AA2	3.787	1	3.779	27/01/2022	1	68
Hong Leong Financial Group Berhad	06/29	AA2	3.441	40	3.509	07/02/2022	-7	-14
Fortune Premiere Sdn Berhad	03/23	AA	3.050	20	3.146	26/01/2022	-10	104
Anih Berhad	11/25	AA	3.758	20	3.767	18/02/2022	-1	65
Malakoff Power Berhad	12/22	AA-	2.766	10	2.692	21/01/2022	7	75
Country Garden Real Estate Sdn Berhad	02/23	AA3	3.541	1	4.535	16/02/2022	-99	153
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.523	1	3.554	10/02/2022	-3	109
PONSB Capital Berhad	12/28	AA3	4.572	5	4.668	21/02/2022	-10	99
UEM Sunrise Berhad	09/26	AA-	4.877	1	4.683	17/01/2022	19	158
Penang Port Sdn Berhad	12/31	AA-	4.469	1	4.379	14/01/2022	9	80
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA-	5.488	5	5.489	16/02/2022	0	145
UMW Holdings Berhad	04/18	AA-	4.549	1	4.565	10/02/2022	-2	32
Bank Islam Malaysia Berhad	11/31	A1	3.816	10	4.049	12/11/2021	-23	15
Tropicana Corporation Berhad	10/25	A+	4.994	1	5.460	21/02/2022	-47	189
Alliance Bank Malaysia Berhad	10/30	A2	3.740	1	3.500	22/02/2022	24	8
MCIS Insurance Berhad	12/31	A2	4.445	1	4.401	21/02/2022	4	78
Tropicana Corporation Berhad	09/19	A	5.831	2	5.734	21/02/2022	10	160
Tropicana Corporation Berhad	09/19	A	6.542	1	6.491	21/02/2022	5	231
WCT Holdings Berhad	09/19	A	5.787	2	5.809	13/12/2021	-2	155
YNH Property Berhad	08/19	-	5.840	1	5.618	11/02/2022	22	161
				<u>563</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MNRB Holdings Berhad	RM320 million Sukuk Murabahah Programme (2019-) Senior sukuk Subordinated sukuk	AA3/Stable A1/Stable	Reaffirmed Reaffirmed
Malaysian Reinsurance Berhad (Malaysian Re or the Reinsurer)	Insurer Financial Strength Ratings RM250 million Subordinated Medium-Term Note Programme (2015/2030)	AA2/Stable/P1 AA3/Stable	Reaffirmed Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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