

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST

Tenure	Closing (%)	Chg (bps)
2-yr UST	2.10	-7
5-yr UST	2.32	-8
10-yr UST	2.29	-9
30-yr UST	2.49	-12

MGS GII*

Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.75	3	2.82	1
5-yr	3.39	0	3.36	2
7-yr	3.67	9	3.47	3
10-yr	3.76	3	3.82	1
15-yr	4.23	6	4.20	4
20-yr	4.36	4	4.38	-7
30-yr	4.40	-9	4.52	-2

* Market indicative levels

MYR IRS Levels

IRS	Closing (%)	Chg (bps)
1-yr	2.33	0
3-yr	3.07	1
5-yr	3.36	3
7-yr	3.57	6
10-yr	3.79	7

Source : Bloomberg

- US treasuries had a respite overnight as investors rushed back into US government papers to take advantage of higher yields amid a strong 20Y bond auction. UST yields edged lower by 7 to 12bps, reversing from the past sessions' sharp gains and leaving the curves to bull-flatten on Wednesday. **The yield on the benchmark 2Y treasury notes dropped by 7bps to 2.10%, while the benchmark 10Y UST yield was down by 9bps to 2.29%.** An auction of \$16b worth of 20Y treasury notes drew a very strong demand, with a BTC ratio of 2.72x, versus 2.44x prior and a record 26% direct bidder award. Expectations for a 50bp rate hike on 4th May remains strong as reflected in Fed-dated OIS that indicates 75% chance of such an adjustment as of writing. Key US data to watch today include the preliminary Markit PMI readings, US durable goods orders and the weekly jobless claims data. President Biden landed in Brussels for a NATO summit and is expected to announce more Russia sanctions. The US and Europe are said to be inching near a deal that will reduce the latter's reliance on Russian oil.

MGS/GII

- Local govvnies generally slumped on Wednesday, tracking the extended selloff in government papers worldwide after several Fed officials reaffirmed expectations that the Fed may soon take a more aggressive approach to tighten policy. Front-to-medium end MGS/GII yields advanced by 1 to 9bps while long-dated bond yields ticked lower. The secondary market volume slipped to near RM3.40b, down from RM4.57b prior. **The benchmark 5Y MGS 11/26 yield was flat at 3.39% and was the most actively traded notes, with total trades amounting to RM833m. The 10Y MGS 7/32 yield gained another 3bps to 3.76%.** GII trades made up 33% of total trade on Wednesday, versus 37% prior. Trades were most active in benchmark 3Y GII 10/24 and 5Y GII 9/27. Expect the market to stabilize slightly after the recent selling investors continue to monitor Ukraine-Russia headlines. Malaysia's February CPI which is expected to print 2.4% y/y is due on Friday.

Corporate Bonds/Sukuk

- Trading activity picked up in the corp/sukuk market on Wednesday as total trade rose modestly to RM491m, from RM289m prior and spanned a total of 15 names. Yields generally ended on a mixed note, moving by -107 to +38bps, except the debut GENTING RMTN 03/27 at 4.96%. Govt-guaranteed PLUS 12/38 changed hands the most by RM220m resulting in 6bp increase in yield to 4.53%. The rest of the GG papers recorded modest trading volume ranging from RM5 to RM15m. Some other notable trades include the AAA-rated BSN 10/28 which registered a lower yield of 3.90, down by 4bps. In the AA1 space, the yield on AA1-rated PIBB 10/29 rose 1bp to 3.28% (after RM30m total trade) while KL KEPONG 09/22 yield climbed 21bps to 2.61%.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date	Chg (bps)
MGS	08/22	1.740	20	1.769	22/03/22	-3
MGS	09/22	1.771	62	1.763	22/03/22	1
MGS	03/23	1.854	95	2.023	22/03/22	-17
MGS	04/23	1.871	45	1.862	17/03/22	1
MGS	06/24	2.753	11	2.721	22/03/22	3
MGS	07/24	2.716	13	2.753	22/03/22	-4
MGS	09/24	2.795	97	2.759	22/03/22	4
MGS	03/25	3.006	20	2.990	22/03/22	2
MGS	09/25	3.074	4	3.114	22/03/22	-4
MGS	04/26	3.232	3	3.287	22/03/22	-5
MGS	11/26	3.389	833	3.389	22/03/22	0
MGS	05/27	3.438	110	3.412	22/03/22	3
MGS	11/27	3.437	59	3.418	22/03/22	2
MGS	06/28	3.669	205	3.579	22/03/22	9
MGS	08/29	3.799	63	3.758	22/03/22	4
MGS	04/30	3.801	9	3.752	22/03/22	5
MGS	04/31	3.846	82	3.801	22/03/22	4
MGS	06/31	3.863	7	3.831	22/03/22	3
MGS	07/32	3.764	184	3.735	22/03/22	3
MGS	04/33	4.093	22	4.070	22/03/22	2
MGS	11/33	4.139	39	3.981	17/03/22	16
MGS	07/34	4.22	69	4.182	22/03/22	4
MGS	05/35	4.184	33	4.190	22/03/22	-1
MGS	04/37	4.228	124	4.171	22/03/22	6
MGS	05/40	4.361	5	4.318	22/03/22	4
MGS	06/50	4.401	44	4.495	22/03/22	-9
GII	03/22	1.756	10	1.773	22/03/22	-2
GII	04/22	1.767	61	1.766	22/03/22	0
GII	11/23	2.239	36	2.254	22/03/22	-2
GII	05/24	2.809	36	2.809	22/03/22	0
GII	08/24	2.848	3	2.802	22/03/22	5
GII	10/24	2.818	340	2.810	22/03/22	1
GII	08/25	3.074	22	3.066	22/03/22	1
GII	03/26	3.356	22	3.337	22/03/22	2
GII	07/27	3.496	3	3.442	22/03/22	5
GII	09/27	3.474	315	3.448	22/03/22	3
GII	08/28	3.693	10	3.615	09/03/22	8
GII	10/28	3.68	30	3.647	22/03/22	3
GII	12/28	3.718	10	3.563	17/01/22	16
GII	07/29	3.73	7	3.690	22/03/22	4
GII	10/30	3.817	49	3.806	22/03/22	1
GII	06/33	4.093	20	3.988	22/03/22	11
GII	10/35	4.202	2	4.186	10/02/22	2
GII	07/36	4.201	64	4.157	21/03/22	4
GII	09/41	4.376	46	4.441	22/03/22	-6
GII	11/49	4.52	50	4.540	22/03/22	-2
			<u>3395</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	09/22	GG	2.036	10	2.205	11/02/22	-17	5
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	3.449	15	3.425	22/03/22	2	33
DanaInfra Nasional Berhad	02/28	GG	3.710	10	3.733	10/02/22	-2	21
Prasarana Malaysia Berhad	12/32	GG	4.011	5	4.000	22/03/22	1	24
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.531	220	4.470	21/03/22	6	33
Bank Simpanan Nasional Berhad	10/28	AAA	3.902	10	3.939	22/12/21	-4	25
Manjung Island Energy Berhad	11/31	AAA	4.128	10	4.089	14/03/22	4	35
Kuala Lumpur Kepong Berhad	09/22	AA1	2.605	4	2.394	17/03/22	21	62
Genting RMTN Berhad	03/27	AA1	4.962	74	-	-	496	156
Public Islamic Bank Berhad	10/29	AA1	3.280	30	3.265	18/03/22	1	-42
TG Excellence Berhad	02/20	AA-	4.424	1	4.424	15/03/22	0	9
Alliance Bank Malaysia Berhad	10/30	A2	3.743	2	3.793	22/03/22	-5	1
Tropicana Corporation Berhad	10/23	A+	4.420	1	5.490	22/03/22	-107	195
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.513	100	5.130	20/09/21	38	202
Eco World Capital Assets Berhad	08/24	-	5.241	1	5.242	22/03/22	0	277
				<u>491</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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