

## Global Markets Research

### Fixed Income

Xt2

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.50	-10
5-yr UST	1.81	-9
10-yr UST	1.92	-7
30-yr UST	2.24	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.70	0	2.81	-1
5-yr	3.29	1	3.30	0
7-yr	3.58	-1	3.42	-1
10-yr	3.66	0	3.73	1
15-yr	4.05	0	4.03	-7
20-yr	4.23	1	4.27	0
30-yr	4.41	1	4.50	3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.23	0
3-yr	2.89	-1
5-yr	3.16	-2
7-yr	3.34	-1
10-yr	3.55	-2

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries gained on Thursday despite retreating from session highs seen earlier on flight to safety following Russia's aggressive invasion of Ukraine, coupled with a strong 7Y note auction. The curve ended steeper as overall benchmark yields fell between 3-10bps. **The UST 2Y yields fell 10bps to 1.50% whilst the much-watched UST 10Y yield declined 7bps to 1.92%**. Meanwhile, the 3<sup>rd</sup> and final auction for the week consisting of \$50b auction of 7Y notes saw robust demand with BTC ratio notching 2.36x (previous six auction average: 2.30x) and awarded at 1.905% (previous auction: 1.769%). Despite lesser usage of the Fed's overnight Repo facility, money-market funds are expected to continue parking cash as traders price in a tighter interest-rate cycle in the coming months. Expect attention to swing to the release of the Fed's preferred inflation indicator tonight i.e. January PCE data.

### MGS/GII

- On Thursday, local govies brushed aside Russia's intrusion into Ukraine following weeks of geopolitical tensions and saw MGS mostly pressured instead whilst GII closed mixed compared to prior day's levels. Overall benchmark MGS/GII yields closed between -7 to +3bps, amid a sustained secondary market volume @ RM4.48b. **The 5Y benchmark MGS 11/26 yield edged 1bps higher at 3.29% whilst the 10Y MGS 7/32 closed unchanged at 3.66%**. Interest was mainly seen in the off-the-run 22-23's, benchmark 3Y GII, 5Y MGS, and also 15Y MGS. GII trades dropped to form ~27% of overall transactions. Elsewhere, the bigger-than-expected pullback in January CPI was seen as a non-event for bonds.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw strong investor interest on Thursday with transactions maintained across the GG to single-A part of the curve. Overall yields closed mostly mixed, spanning across 28 names amid a 10% decrease in secondary market volume to RM504m. Govt-guaranteed PR1MA 10/24 saw the highest volume traded @RM155m with yields spiking 47bps compared to previous-done levels at 3.02%. DANA and PRASA 31's experienced different movements with the former jumping 26bps higher to 3.93% whilst the later declined 5bps instead to close at similar levels. AAA-rated PLUS 23 moved 3bps higher at 2.40%. In the AA-sector, UNITAPAH 12/25 rallied sharply lower to 3.69% from its last done levels in June 2017 whereas Fortune Premier 3/23 edged 2bps lower at 3.03%. Meanwhile, the banking/finance space saw MAYBANK 32NC27 edge 1bps lower at 3.76% whilst odd-lot trades were seen transacted in RHB and Alliance Bank bonds.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.785	1351	1.761	23/02/2022	2
MGS	08/22	1.614	283	1.661	23/02/2022	-5
MGS	09/22	1.722	105	1.651	17/02/2022	7
MGS	03/23	1.916	354	1.951	23/02/2022	-4
MGS	04/23	1.955	24	1.985	22/02/2022	-3
MGS	08/23	2.335	7	2.320	18/02/2022	2
MGS	06/24	2.701	55	2.698	23/02/2022	0
MGS	03/25	2.963	2	2.915	23/02/2022	5
MGS	09/25	3.024	79	3.050	23/02/2022	-3
MGS	04/26	3.217	4	3.233	23/02/2022	-2
MGS	11/26	3.293	262	3.280	23/02/2022	1
MGS	05/27	3.422	30	3.393	23/02/2022	3
MGS	11/27	3.470	1	3.461	23/02/2022	1
MGS	06/28	3.580	45	3.591	23/02/2022	-1
MGS	08/29	3.692	9	3.675	23/02/2022	2
MGS	04/30	3.722	4	3.736	23/02/2022	-1
MGS	04/31	3.721	110	3.710	23/02/2022	1
MGS	06/31	3.760	3	3.758	23/02/2022	0
MGS	04/32	3.815	2	3.839	09/02/2022	-2
MGS	07/32	3.663	100	3.663	23/02/2022	0
MGS	04/33	3.895	18	3.888	22/02/2022	1
MGS	07/34	4.031	17	4.035	23/02/2022	0
MGS	05/35	4.050	234	4.047	23/02/2022	0
MGS	06/38	4.185	4	4.189	22/02/2022	0
MGS	05/40	4.232	150	4.221	23/02/2022	1
MGS	06/50	4.410	6	4.404	23/02/2022	1
GII	03/22	1.785	82	1.775	23/02/2022	1
GII	04/22	1.654	46	1.763	22/02/2022	-11
GII	07/22	1.751	50	1.761	22/02/2022	-1
GII	05/23	2.039	180	2.124	22/02/2022	-9
GII	07/23	2.180	2	2.181	18/02/2022	0
GII	11/23	2.309	40	2.311	23/02/2022	0
GII	05/24	2.766	160	2.848	16/02/2022	-8
GII	10/24	2.811	345	2.821	23/02/2022	-1
GII	09/26	3.330	1	3.421	11/02/2022	-9
GII	07/27	3.445	10	3.466	23/02/2022	-2
GII	09/27	3.423	130	3.437	23/02/2022	-1
GII	10/28	3.610	103	3.612	23/02/2022	0
GII	10/30	3.728	30	3.717	23/02/2022	1
GII	07/36	4.028	40	4.097	23/02/2022	-7
			<u>4477</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*
Khazanah Nasional Berhad	06/22	GG	1.981	10	1.963	24/11/2021	2	-3
DanaInfra Nasional Berhad	02/23	GG	2.252	5	2.239	17/02/2022	1	24
PR1MA Corporation Malaysia	10/24	GG	3.019	155	2.550	15/09/2021	47	30
DanaInfra Nasional Berhad	02/25	GG	3.120	15	3.195	16/02/2022	-7	40
Pengurusan Air SPV Berhad	06/25	GG	3.189	20	3.101	23/03/2021	9	47
Prasarana Malaysia Berhad	09/25	GG	3.260	10	3.269	21/02/2022	-1	16
DanaInfra Nasional Berhad	11/25	GG	3.261	15	3.263	23/02/2022	0	16
DanaInfra Nasional Berhad	02/31	GG	3.930	15	3.667	30/09/2021	26	27
Prasarana Malaysia Berhad	03/31	GG	3.931	20	3.979	25/01/2022	-5	27
Perbadanan Tabung Pendidikan Tinggi Nasional	07/31	GG	3.939	20	3.972	26/01/2022	-3	28
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.400	60	2.374	21/01/2022	3	39
TNB Western Energy Berhad	07/25	AAA	3.437	20	3.531	11/02/2022	-9	72
Infracap Resources Sdn Berhad	04/31	AAA	4.302	10	4.252	09/12/2021	5	64
UniTapah Sdn Berhad	12/25	AA1	3.690	10	4.689	22/06/2017	-100	59
Malayan Banking Berhad	10/32	AA1	3.758	10	3.768	17/01/2022	-1	9
Bumitama Agri Ltd	07/24	AA2	3.325	10	3.298	15/10/2021	3	90
Imtiaz Sukuk II Berhad	04/28	AA2	4.048	6	4.088	15/02/2022	-4	62
Fortune Premiere Sdn Berhad	03/23	AA	3.027	20	3.050	23/02/2022	-2	102
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.959	10	4.048	21/01/2022	-9	124
RHB Bank Berhad	04/31	AA3	3.917	8	3.614	04/10/2021	30	26
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.839	2	4.360	24/08/2021	48	117
Penang Port Sdn Berhad	12/29	AA-	4.299	2	3.988	18/05/2021	31	66
YNH Property Berhad	02/25	A+	4.850	31	-	-	-	213
YNH Property Berhad	02/27	A+	5.700	2	-	-	-	241
Tropicana Corporation Berhad	09/19	A	6.560	6	5.831	23/02/2022	73	233
Alliance Bank Malaysia Berhad	10/30	A2	3.505	1	3.740	23/02/2022	-24	-16
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.554	10	3.627	19/07/2021	-7	-8
YNH Property Berhad	08/19	-	5.713	2	6.416	14/02/2022	-70	148
				<u>504</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UEM Sunrise Berhad	Islamic Commercial Papers (ICP) Programme and Islamic Medium-Term Notes (IMTN) Programme with a combined nominal value of RM4.0 billion Insurer Financial Strength Ratings RM250 million Subordinated Medium-Term Note Programme (2015/2030)	MARC-1 IS / AA-IS	Assigned

Source: RAM, MARC

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