

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.12	2
5-yr UST	2.37	5
10-yr UST	2.33	4
30-yr UST	2.51	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.77	2	2.81	-1
5-yr	3.40	1	3.34	-1
7-yr	3.75	8	3.47	0
10-yr	3.82	5	3.84	2
15-yr	4.22	-1	4.23	3
20-yr	4.40	4	4.46	8
30-yr	4.51	10	4.56	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.33	0
3-yr	3.08	1
5-yr	3.37	1
7-yr	3.57	0
10-yr	3.80	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- Selling of US treasuries resumed on Thursday following a Wednesday reprieve. Treasury yields rebounded as the decline in initial jobless claims to 187k and the upbeat Markit US PMI data spurred a renewed confidence that the Fed is on track to raise rates more aggressively in its next meeting. The swap market as of today still prices in over 80% probability of a 50bp rate hike on 5<sup>th</sup> May. **The yield on the benchmark 2Y treasury notes gained 2bps to 2.12% while the benchmark 10Y UST yield jumped 4bps to 2.33%, recovering modestly from the 9bp drop in the prior session, leaving the 2s10s curve to bear-steepen.** Concerns over surging US inflation, stemming from the elevated oil prices remained a major concern alongside uncertainties and of the Russia-Ukraine war which has now lasted for a month. The US most recent sanctions on Russia mostly target its key individuals and defense industry.

MGS/GII

- Local govies generally ended weaker alongside the ringgit on Thursday as firmer Fed rate hike expectations continued to weigh on some emerging market debts. The overall benchmark MGS/GII yields moved between -1 to +10bps. Secondary market volume picked up to RM4.6b, from RM3.4b previously. **The yield on the benchmark 5Y MGS 11/26 ticked higher by 1bp to 3.40% and was the second most actively traded bonds. The 10Y MGS 7/32 yield advanced 5bps to 3.82%. Short dated GII rose on Wednesday, modestly pressuring the front-end yields.** GII trades formed 41% of total trade, up from 33% previously. Trades were most active in the off-the-run 5Y GII 04/22, with the total amount done of RM810m. Malaysia will release the February CPI report today. Analysts are expecting inflation to rise further to 2.4% y/y.

Corporate Bonds/Sukuk

- The corp/sukuk market saw rather muted activity on Thursday as total volume eased to RM293m spanning 19 names, down from RM491m in the prior session. Yields ended on a mixed note, ranging from -11 to +106bps except for the newly traded CAGA 03/25 which recorded the largest trade done @RM50b. Govt-guaranteed MKD KENCANA 10/32 rose 7bps to 4.05%. CAGA 11/25 fell 11bps to 3.37%. In the AAA space, DIGI 09/26 gained 4bps to 3.6% while TENAGA 08/32 and 11/36 respectively closed at 4.18% (+5bps) and 4.29% (-6bps) respectively. AA1-rated MAYBANK 01/31 slipped 7bps to 3.52% while AA2 HLF 06/29 picked up 4bps to 3.242%. GAMUDA 06/30 lost 2bps to 4.34%. Several K-PROHAWK papers were also traded, resulting in higher yields ranging 10-105bps.

## Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	08/22	1.720	81	1.740	23/03/22	-2
MGS	09/22	1.760	170	1.771	23/03/22	-1
MGS	03/23	1.978	14	1.854	23/03/22	12
MGS	04/23	1.850	40	1.871	23/03/22	-2
MGS	06/24	2.774	72	2.753	23/03/22	2
MGS	03/25	3.011	33	3.006	23/03/22	1
MGS	09/25	3.097	106	3.074	23/03/22	2
MGS	04/26	3.289	1	3.232	23/03/22	6
MGS	07/26	3.362	195	3.340	22/03/22	2
MGS	11/26	3.399	778	3.389	23/03/22	1
MGS	05/27	3.450	325	3.438	23/03/22	1
MGS	11/27	3.428	40	3.437	23/03/22	-1
MGS	06/28	3.747	134	3.669	23/03/22	8
MGS	08/29	3.767	1	3.799	23/03/22	-3
MGS	04/30	3.828	4	3.801	23/03/22	3
MGS	04/31	3.859	131	3.846	23/03/22	1
MGS	06/31	3.920	51	3.863	23/03/22	6
MGS	07/32	3.818	171	3.764	23/03/22	5
MGS	04/33	4.096	9	4.093	23/03/22	0
MGS	07/34	4.208	38	4.220	23/03/22	-1
MGS	05/35	4.174	4	4.184	23/03/22	-1
MGS	04/37	4.219	76	4.228	23/03/22	-1
MGS	05/40	4.401	42	4.361	23/03/22	4
MGS	03/46	4.543	2	4.533	22/03/22	1
MGS	07/48	4.528	4	4.553	22/03/22	-3
MGS	06/50	4.505	200	4.401	23/03/22	10
GII	04/22	1.773	810	1.767	23/03/22	1
GII	07/22	1.700	263	1.752	22/03/22	-5
GII	07/23	2.235	21	2.146	15/03/22	9
GII	05/24	2.775	30	2.809	23/03/22	-3
GII	10/24	2.812	20	2.818	23/03/22	-1
GII	03/26	3.342	20	3.356	23/03/22	-1
GII	09/26	3.393	1	3.354	15/03/22	4
GII	07/27	3.501	90	3.496	23/03/22	0
GII	09/27	3.474	169	3.474	23/03/22	0
GII	10/28	3.713	337	3.680	23/03/22	3
GII	07/29	3.750	60	3.730	23/03/22	2
GII	10/30	3.838	16	3.817	23/03/22	2
GII	06/33	4.107	10	4.093	23/03/22	1
GII	08/33	4.072	1	4.011	17/03/22	6
GII	11/34	4.222	5	4.097	17/03/22	13
GII	10/35	4.282	3	4.202	23/03/22	8
GII	07/36	4.226	20	4.201	23/03/22	3
GII	08/37	4.308	1	4.246	18/03/22	6
GII	09/39	4.467	9	4.325	17/03/22	14
GII	09/41	4.457	12	4.376	23/03/22	8
GII	11/49	4.564	2	4.520	23/03/22	4
			4622			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
MKD Kencana Sdn Berhad	10/32	GG	4.049	25	3.978	16/03/22	7	27
Cagamas Berhad	01/25	AAA	3.179	10	3.176	23/02/22	0	44
Cagamas Berhad	03/25	AAA	3.100	50	-	-	310	36
Cagamas Berhad	11/25	AAA	3.369	10	3.480	11/09/19	-11	23
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.600	20	3.559	04/03/22	4	46
Aman Sukuk Berhad	05/27	AAA	3.807	10	2.748	15/02/21	106	41
Danga Capital Berhad	01/28	AAA	3.810	5	3.737	09/03/22	7	30
Tenaga Nasional Berhad	08/32	AAA	4.179	30	4.128	18/03/22	5	40
Tenaga Nasional Berhad	11/36	AAA	4.294	2	4.351	22/03/22	-6	8
Malayan Banking Berhad	01/31	AA1	3.519	10	3.587	18/03/22	-7	-23
Kuala Lumpur Kepong Berhad	03/37	AA1	4.548	15	4.550	15/03/22	0	34
Hong Leong Financial Group Berhad	06/29	AA2	3.419	20	3.383	18/03/22	4	-25
Konsortium ProHAWK Sdn Berhad	06/30	AA2	4.488	10	3.863	22/09/21	63	77
Konsortium ProHAWK Sdn Berhad	06/31	AA2	4.558	10	4.460	31/01/22	10	81
Konsortium ProHAWK Sdn Berhad	12/31	AA2	4.589	20	3.539	25/08/20	105	81
Gamuda Berhad	06/30	AA3	4.342	20	4.365	21/12/21	-2	63
OSK Rated Bond Sdn Berhad	04/28	AA	4.357	20	4.305	11/03/22	5	85
Point Zone (M) Sdn Berhad	03/32	AA-	4.560	5	4.600	22/03/22	-4	78
YNH Property Berhad	02/27	A+	5.367	1	5.392	21/03/22	-3	197
				<u>293</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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