

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.27	13
5-yr UST	2.55	15
10-yr UST	2.48	10
30-yr UST	2.58	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.73	-5	2.83	1
5-yr	3.44	4	3.40	5
7-yr	3.75	0	3.51	4
10-yr	3.87	5	3.88	4
15-yr	4.25	3	4.29	6
20-yr	4.40	0	4.47	1
30-yr	4.52	1	4.62	5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.35	1
3-yr	3.12	4
5-yr	3.41	4
7-yr	3.61	4
10-yr	3.85	5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries continued to sell off last Friday amid growing expectations that the Fed will continue tightening monetary policy aggressively to curb stubborn inflation. The curve shifted sharply higher as overall benchmark yields closed higher between 8-15bps across. **The UST 2Y yield spiked 13bps to 2.27% whilst the much-watched UST 10Y yield jumped 10bps higher to 2.48%**; the highest seen since May 2019. Parts of the curve especially 5s10s spread were seen inverted; denoting possible economic slowdown. Some investors were beginning to price-in 50bps rate increases in the upcoming May and June FOMC meetings due to earlier hawkish comments from Fed Chair Powell; similar to views held by several large Wall Street banks. Some signs of illiquidity that created volatile UST movements are being seen throughout as number of end-buyers for bonds drop. Meantime, the data front is relatively light for tonight and also tomorrow; with the all-important jobs data for March expected out this Friday.

MGS/GII

- Local govies extended losses last Friday, influenced mainly by higher IRS levels. Overall benchmark MGS/GII yields closed mostly higher i.e. between 0-6bps (save for the short-end i.e. 3Y MGS) amid the 37% decrease in secondary market volume @ RM2.90b. **The 5Y benchmark MGS 11/26 yield rose 4bps to 3.44% whilst the 10Y MGS 7/32 yield jumped 5bps higher to 3.87% each.** Trades were mainly seen across the off-the-run 22's and also benchmark 5Y MGS/GII, 10Y MGS. GII trades formed ~35% of overall transactions. Elsewhere, despite the moderation in headline CPI in February, underlying price pressures are seen building-up following prolonged supply chain disruption due to ongoing war in Ukraine.

Corp Bonds/Sukuk

- Last Friday, the Corporate Bonds/Sukuk space saw slight pick-up in investor activity especially within the AA part of the curve, followed by the GG-sector. Overall yields closed mostly mixed-to-higher and spanned across 25 names amid the 24% rise in secondary market volume @ RM364m. Govt-guaranteed PTPN 6/22 and 3/24 edged 1-2bps higher compared to previous-done levels at 2.04% and 2.86% each. AAA-rated utility giant TNB 8/37 notched RM50m worth of trades, rising 8bps to 4.47%. The AA-rated space saw TG BIN POWER 8/25 jump 10bps higher to 3.70% whilst airport-operator MAHB perps 2114NC26 rose 4bps to 4.21%. S DARBY plantation however the highest jump in yield @ 53bps, closing at 3.89%. The banking/finance space saw MAYBANK 31NC26 jump 9bps higher to 3.70% whilst RHB Investment Bank 27NC22 edged 2bps higher at 2.86%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.785	1	1.720	24/03/2022	6
MGS	09/22	1.751	300	1.760	24/03/2022	-1
MGS	03/23	1.940	9	1.978	24/03/2022	-4
MGS	04/23	1.928	5	1.850	24/03/2022	8
MGS	08/23	2.263	4	2.253	23/03/2022	1
MGS	06/24	2.726	61	2.774	24/03/2022	-5
MGS	07/24	2.796	15	2.764	24/03/2022	3
MGS	09/24	2.770	4	2.778	24/03/2022	-1
MGS	03/25	3.038	23	3.011	24/03/2022	3
MGS	09/25	3.088	4	3.097	24/03/2022	-1
MGS	07/26	3.376	14	3.362	24/03/2022	1
MGS	11/26	3.436	809	3.399	24/03/2022	4
MGS	05/27	3.436	51	3.450	24/03/2022	-1
MGS	11/27	3.454	56	3.428	24/03/2022	3
MGS	06/28	3.750	22	3.747	24/03/2022	0
MGS	08/29	3.837	33	3.767	24/03/2022	7
MGS	04/31	3.888	40	3.859	24/03/2022	3
MGS	06/31	3.907	4	3.920	24/03/2022	-1
MGS	07/32	3.866	190	3.818	24/03/2022	5
MGS	11/33	4.160	3	4.099	24/03/2022	6
MGS	07/34	4.204	33	4.208	24/03/2022	0
MGS	05/35	4.279	3	4.174	24/03/2022	11
MGS	04/37	4.249	132	4.219	24/03/2022	3
MGS	06/38	4.351	3	4.259	21/03/2022	9
MGS	05/40	4.397	12	4.401	24/03/2022	0
MGS	03/46	4.416	1	4.543	24/03/2022	-13
MGS	07/48	4.559	8	4.528	24/03/2022	3
MGS	06/50	4.519	40	4.505	24/03/2022	1
GII	04/22	1.754	100	1.773	24/03/2022	-2
GII	07/22	1.700	164	1.700	24/03/2022	0
GII	10/24	2.827	31	2.812	24/03/2022	2
GII	03/26	3.395	38	3.342	24/03/2022	5
GII	07/27	3.401	1	3.501	24/03/2022	-10
GII	09/27	3.515	310	3.474	24/03/2022	4
GII	10/28	3.730	20	3.713	24/03/2022	2
GII	07/29	3.812	118	3.750	24/03/2022	6
GII	10/30	3.876	110	3.838	24/03/2022	4
GII	07/36	4.286	50	4.226	24/03/2022	6
GII	09/41	4.472	81	4.457	24/03/2022	2
GII	11/49	4.615	1	4.564	24/03/2022	5
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.039	50	2.028	18/03/2022	1	6
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.860	30	2.836	26/01/2022	2	44
DanaInfra Nasional Berhad	11/32	GG	4.079	30	3.679	09/07/2021	40	38
Malaysia Airport Holdings Berhad	12/26	AAA	3.830	1	3.854	06/01/2022	-2	52
Tenaga Nasional Berhad	11/36	AAA	4.288	1	4.294	24/03/2022	-1	16
Tenaga Nasional Berhad	08/37	AAA	4.474	50	4.399	22/03/2022	8	34
Genting RMTN Berhad	03/27	AA1	5.149	5	4.962	23/03/2022	19	184
Malayan Banking Berhad	08/31	AA1	3.697	10	3.605	20/01/2022	9	2
Kuala Lumpur Kepong Berhad	03/37	AA1	4.510	2	4.548	24/03/2022	-4	38
Tanjung Bin Power Sdn Berhad	08/25	AA2	3.698	30	3.596	10/03/2022	10	102
Dialog Group Berhad	01/32	AA2	4.475	1	4.416	15/03/2022	6	78
Malaysia Airport Holdings Berhad	12/14	AA2	4.311	30	4.270	09/03/2022	4	4
Sime Darby Plantation Berhad (fka Sime Darby Plantation	03/16	AA	3.894	20	3.368	25/08/2021	53	-38
Perbadanan Kemajuan Negeri Selangor	03/24	AA3	3.730	1	-	-	-	131
RHB Investment Bank Berhad	10/27	AA3	2.857	20	2.840	07/01/2022	2	-57
Konsortium KAJV Sdn Bhd	05/23	AA-	4.398	5	4.085	09/12/2020	31	242
Konsortium KAJV Sdn Bhd	05/26	AA-	5.400	15	-	-	-	232
Konsortium KAJV Sdn Bhd	05/27	AA-	5.500	25	-	-	-	219
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA-	4.108	10	4.067	20/12/2021	4	80
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	AA-	4.395	10	4.407	28/02/2022	-1	75
Quantum Solar Park (Semenanjung) Sdn Berhad	10/33	AA-	4.758	10	4.618	21/09/2021	14	106
TG Excellence Berhad	02/20	AA-	3.949	2	4.425	24/03/2022	-48	-32
CIMB Group Holdings Berhad	05/16	A1	4.505	4	4.379	14/03/2022	13	23
CIMB Group Holdings Berhad	05/16	A1	3.294	2	3.295	17/03/2022	0	-98
Cypark Renewable Energy Sdn Berhad	09/20	-	6.710	1	6.721	24/03/2022	-1	244
				<u>364</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Widad Concession Sdn Bhd	RM310 mil Sukuk Wakalah Facility	AA1/Stable	Assigned

Source: RAM, MARC

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