

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.32	5
5-yr UST	2.54	0
10-yr UST	2.45	-2
30-yr UST	2.57	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.87	14	2.91	8
5-yr	3.56	13	3.51	12
7-yr	3.88	13	3.64	13
10-yr	3.96	9	4.02	14
15-yr	4.39	14	4.40	11
20-yr	4.51	11	4.44	-3
30-yr	4.47	-5	4.70	8

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.40	6
3-yr	3.25	13
5-yr	3.61	20
7-yr	3.79	19
10-yr	4.00	15

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5.5b 3Y MGS 3/25 on Wednesday, 30<sup>th</sup> March 2022

US Treasuries

- US Treasuries pivoted less than recent previous sessions on Monday save for the short-end which rose sharply higher as the Fed's rate-hike premium increased. Overall benchmark yields closed mixed between -2 to +5bps across as the **UST 2Y yield jumped 5bps higher to 2.32% whilst the much-watched UST 10Y edged 2bps lower at 2.45%**. The curve was inverted based on the 5s30s spreads whilst the 2s10s spreads has narrowed to 13bps. The \$51b 5-year note auction notched strong bidding metrics on a cover of 2.53x (previous six auction average: 2.44x); whilst awarded at 2.543% (previous auction: 1.88%). Swap traders have priced in a full 200bps of rate hikes for 2022 as UST yields surged over the past week; whilst several large Wall Street banks even predicted 50bps rate hikes at the next two(2) FOMC meetings in May and June. Meantime, the data front is relatively light until Friday when the all-important jobs data for March will be released.

MGS/GII

- Local govies extended further losses on Monday in one of its weakest sessions YTD, led by higher IRS levels coupled with the surprisingly huge issuance size announcement for the upcoming 3Y MGS auction. Overall benchmark MGS/GII yields closed higher between 8-14bps (save for the odd-lot trades seen in both the 20Y GII and 30Y MGS) amid a further 21% drop in secondary market volume @ RM2.28b. **The 5Y benchmark MGS 11/26 yield spiked 13bps to 3.56% whilst the 10Y MGS 7/32 jumped 9bps higher to 3.96% each.** Trades were mainly seen again across benchmark 5Y MGS/GII, 7Y GII and 10Y MGS. GII trades maintained at ~35% of overall transactions. Expect attention to shift to the upcoming 3Y MGS auction tomorrow.

Corp Bonds/Sukuk

- On Monday, Corporate Bonds/Sukuk space saw reduced activity on the back of higher yields seen for local govies. Some interest was seen mainly seen in the GG-AA part of the curve. Overall yields closed mostly mixed-to-higher and spanned across a mere 17 names amid secondary market volume of RM358m. Govt-guaranteed PRASA 9/22 and DANA 5/31 jumped 13-20bps compared to previous-done levels at 2.16% and 4.18% each. AAA-rated airport-operator, MACB saw its 12/22 tranche edge 2bps up at 2.57%. The AA- sector saw Kedah Cement 1/23 move 5bps higher to 3.01% on substantial trades totaling RM50m. MMC Corp 11/27 meanwhile edged 1bps lower at 4.24%. The banking/finance space saw PUBLIC 29NC24 rise 9bps to 3.27% whilst MBSB Bank 29NC24 rallied 23bps to 3.49%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	1.936	9	1.940	25/03/2022	0
MGS	04/23	2.018	6	1.928	25/03/2022	9
MGS	08/23	2.397	1	2.263	25/03/2022	13
MGS	06/24	2.865	65	2.726	25/03/2022	14
MGS	07/24	2.819	2	2.796	25/03/2022	2
MGS	09/24	2.858	1	2.770	25/03/2022	9
MGS	03/25	3.115	113	3.038	25/03/2022	8
MGS	09/25	3.216	1	3.088	25/03/2022	13
MGS	07/26	3.420	16	3.376	25/03/2022	4
MGS	11/26	3.564	430	3.436	25/03/2022	13
MGS	05/27	3.651	25	3.436	25/03/2022	22
MGS	06/28	3.878	36	3.750	25/03/2022	13
MGS	08/29	3.987	1	3.837	25/03/2022	15
MGS	04/31	4.000	61	3.888	25/03/2022	11
MGS	06/31	3.947	2	3.907	25/03/2022	4
MGS	07/32	3.957	471	3.866	25/03/2022	9
MGS	04/33	4.279	61	4.096	24/03/2022	18
MGS	07/34	4.358	29	4.204	25/03/2022	15
MGS	05/35	4.400	17	4.279	25/03/2022	12
MGS	04/37	4.390	46	4.249	25/03/2022	14
MGS	06/38	4.498	3	4.351	25/03/2022	15
MGS	05/40	4.508	92	4.397	25/03/2022	11
MGS	07/48	4.604	3	4.559	25/03/2022	4
MGS	06/50	4.466	12	4.519	25/03/2022	-5
GII	04/22	1.755	120	1.754	25/03/2022	0
GII	10/24	2.911	60	2.827	25/03/2022	8
GII	03/26	3.510	20	3.395	25/03/2022	12
GII	09/27	3.641	350	3.515	25/03/2022	13
GII	10/28	3.866	30	3.730	25/03/2022	14
GII	10/30	4.016	148	3.876	25/03/2022	14
GII	07/36	4.396	30	4.286	25/03/2022	11
GII	08/37	4.394	9	4.308	24/03/2022	9
GII	09/41	4.441	3	4.472	25/03/2022	-3
GII	11/49	4.696	6	4.615	25/03/2022	8
			<u>2278</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			(bp)
Prasarana Malaysia Berhad	09/22	GG	2.161	55	2.036	23/03/2022	13	14
Danainfra Nasional Berhad	05/31	GG	4.179	40	3.980	24/01/2022	20	25
Perbadanan Tabung Pendidikan Tinggi Nasional	03/37	GG	4.310	5			431	-4
Malaysia Airports Capital Berhad	12/22	AAA	2.573	20	2.550	15/03/2022	2	55
MUFG Bank (Malaysia) Berhad (fka Bank of Tokyo-Mitsui)	03/23	AAA	2.569	30	2.585	09/03/2022	-2	55
Public Bank Berhad	07/29	AA1	3.271	50	3.196	28/02/2022	7	-57
Edra Energy Sdn Berhad	01/23	AA3	2.782	10	2.735	09/03/2022	5	76
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	01/23	AA3	3.011	90	2.964	09/03/2022	5	99
Perbadanan Kemajuan Negeri Selangor	03/24	AA3	3.732	1	3.730	25/03/2022	0	117
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.786	10	3.807	17/03/2022	-2	87
Sports Toto Malaysia Sdn Berhad	06/24	AA-	4.332	10			433	177
MMC Corporation Berhad	11/27	AA-	4.238	10	4.248	25/02/2022	-1	57
TG Excellence Berhad	02/20	AA-	4.067	15	3.949	25/03/2022	12	-43
Tropicana Corporation Berhad	10/23	A+	4.952	1	5.035	24/03/2022	-8	239
Tropicana Corporation Berhad	09/19	A	6.113	1	6.554	15/03/2022	-44	162
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.489	10	3.719	02/03/2022	-23	-40
YNH Property Berhad	08/19	-	6.098	2	5.795	24/03/2022	30	160
				<u>358</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MMC Port Holdings Sdn Bhd	RM1.0 billion Sukuk Murabahah Programme	AA-IS/Stable	Assigned

Source: RAM, MARC

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