

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended Tuesday slightly stronger, recovering from the recent malaise seen with the intermediate sectors outperforming. Overall benchmark yields closed lower between 1-6bps across. The **UST 2Y yield edged 1bps lower at 2.32% whilst the much-watched UST 10Y rallied 6bps to 2.40%**. The curve was inverted based on the 5s30s spreads whilst the 2s10s first brief inversion seen since 2019, faded eventually and ended at 8bps due to several blocks of futures trades in both tenures. In the past, a sustained inverted yield curve has preceded all previous recessions the US economy has suffered since 1955. Meanwhile, the Treasury's \$47b 7-year note auction notched strong bidding metrics on a cover of 2.44x (previous six auction average: 2.31x); and awarded at 2.499% (previous auction: 1.769%). Elsewhere, reports that Ukraine and Russia talks were constructive pinned hopes for some easing in inflationary pressures. Expect all eyes on the release of PCE inflation data for February tomorrow followed by March jobs data come Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.32	-1
5-yr UST	2.50	-5
10-yr UST	2.40	-6
30-yr UST	2.50	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.87	1	2.96	5
5-yr	3.53	-4	3.49	-2
7-yr	3.86	-2	3.62	-2
10-yr	3.94	-2	3.99	-3
15-yr	4.35	-4	4.40	0
20-yr	4.51	0	4.50	6
30-yr	4.50	3	4.58	-12

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.39	-2
3-yr	3.23	-2
5-yr	3.57	-4
7-yr	3.77	-2
10-yr	3.99	-1

Source : Bloomberg

Upcoming Government Bond Tender

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

MGS/GII

- Local govies saw some relief on Tuesday from the recent backlash in bonds seen the past week as IRS receivers were seen relatively active in the market. Overall benchmark MGS/GII yields closed mixed between -12 to +6bps with many sectors notching odd-lot trades amid a sustained secondary market volume of RM2.28b. **The 5Y benchmark MGS 11/26 yield fell 4bps to 3.53% whilst the 10Y MGS 7/32 yield settled 2bps lower at 3.94%**. Trades were mainly seen in the off-the-run 22-23's, 3Y GII and 5Y MGS. GII trades eased slightly to form ~30% of overall transactions. Meanwhile, expect attention to shift to the upcoming 3Y MGS auction and release of economic and monetary review by BNM today.

Corp Bonds/Sukuk

- On Tuesday, Corporate Bonds/Sukuk space saw interest ramp-up as local govies recovered from the recent sell-down. Interest was seen mainly seen along the GG-AA part of the curve. Overall yields closed mostly higher and spanned across a 29 names amid the near 3-fold spike in secondary market volume to RM942m. Both govt-guaranteed DANA and PRASA 25's jumped 10bps each compared to previous-done levels between 3.22-23%. PLUS 12/38 saw the highest volume of RM340m traded for the day; with yields ending 11bps higher at 4.64%. AAA-rated INFRACAP 4/31 too spiked 28bps to 4.52% The AA-sector saw energy-related bonds EDRA dominate the space with a slew of 2030-2034 tranches exchanging hands; closing 25-53bps higher between 4.54-82%. NORTHPORT 12/22 however edged 1bps lower at 2.55%. The banking/finance space was relatively quiet with several odd-lot trades seen in CIMB Group Holdings and Alliance 30NC25 bonds.

Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	08/22	1.693	16	1.785	25/03/2022	-9
MGS	09/22	1.749	200	1.751	25/03/2022	0
MGS	03/23	2.152	120	1.936	28/03/2022	22
MGS	04/23	2.037	26	2.018	28/03/2022	2
MGS	08/23	2.256	8	2.397	28/03/2022	-14
MGS	06/24	2.874	74	2.865	28/03/2022	1
MGS	07/24	2.720	3	2.819	28/03/2022	-10
MGS	09/24	2.902	71	2.858	28/03/2022	4
MGS	03/25	3.200	43	3.115	28/03/2022	9
MGS	09/25	3.270	159	3.216	28/03/2022	5
MGS	07/26	3.480	14	3.420	28/03/2022	6
MGS	11/26	3.527	263	3.564	28/03/2022	-4
MGS	05/27	3.587	28	3.651	28/03/2022	-6
MGS	11/27	3.609	2	3.602	28/03/2022	1
MGS	06/28	3.860	77	3.878	28/03/2022	-2
MGS	08/29	3.948	15	3.987	28/03/2022	-4
MGS	04/31	4.015	255	4.000	28/03/2022	1
MGS	06/31	3.836	2	3.947	28/03/2022	-11
MGS	07/32	3.939	50	3.957	28/03/2022	-2
MGS	04/33	4.262	17	4.279	28/03/2022	-2
MGS	11/33	4.320	3	4.160	25/03/2022	16
MGS	07/34	4.363	15	4.358	28/03/2022	1
MGS	05/35	4.374	6	4.400	28/03/2022	-3
MGS	04/37	4.346	30	4.390	28/03/2022	-4
MGS	06/38	4.500	2	4.498	28/03/2022	0
MGS	05/40	4.513	48	4.508	28/03/2022	0
MGS	09/43	4.550	30	4.424	25/03/2022	13
MGS	03/46	4.633	3	4.604	28/03/2022	3
MGS	07/48	4.680	1	4.604	28/03/2022	8
MGS	06/50	4.499	11	4.466	28/03/2022	3
GII	04/22	1.757	110	1.755	28/03/2022	0
GII	07/22	1.711	15	1.700	25/03/2022	1
GII	11/23	2.252	20	2.239	23/03/2022	1
GII	05/24	2.850	50	2.775	24/03/2022	8
GII	08/24	2.926	2	2.848	23/03/2022	8
GII	10/24	2.960	240	2.911	28/03/2022	5
GII	03/26	3.488	4	3.510	28/03/2022	-2
GII	09/26	3.525	15	3.393	24/03/2022	13
GII	06/27	3.675	20	3.419	02/03/2022	26
GII	09/27	3.624	40	3.641	28/03/2022	-2
GII	10/28	3.840	13	3.866	28/03/2022	-3
GII	07/29	3.938	125	3.812	25/03/2022	13
GII	10/30	3.990	23	4.016	28/03/2022	-3
GII	09/41	4.503	14	4.441	28/03/2022	6
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Danalinfra Nasional Berhad	02/25	GG	3.221	5	3.120	24/02/2022	10	31
Prasarana Malaysia Berhad	03/25	GG	3.229	160	3.126	13/01/2022	10	32
Malaysia Rail Link Sdn Berhad	07/26	GG	3.719	20	-	-	-	47
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.640	340	4.531	23/03/2022	11	29
Rantau Abang Capital Berhad	10/22	AAA	2.404	20	2.301	07/03/2022	10	38
Infracap Resources Sdn Berhad	04/31	AAA	4.518	20	4.239	17/03/2022	28	59
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.549	100	4.239	11/03/2022	31	57
Hong Leong Financial Group Berhad	06/29	AA2	3.472	14	3.419	24/03/2022	5	-37
BGSM Management Sdn Berhad	12/22	AA3	2.473	10	2.527	21/02/2022	-5	45
WCT Holdings Berhad	03/23	AA-	4.000	80	-	-	-	198
Gamuda Berhad	03/23	AA3	2.731	10	2.714	28/01/2022	2	71
Perbadanan Kemajuan Pertanian Negeri Pahang (fka Lem)	10/23	AA3	3.976	8	3.900	29/09/2021	8	141
Tanjung Bin Energy Sdn Berhad	03/24	AA3	3.628	2	3.050	26/07/2021	58	107
Perbadanan Kemajuan Negeri Selangor	03/24	AA3	3.731	1	3.732	28/03/2022	0	117
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.677	8	3.580	15/03/2022	10	76
Exsim Capital Resources Berhad	03/26	AA3	4.996	75	4.908	18/03/2022	9	175
RHB Investment Bank Berhad	10/27	AA3	2.855	2	2.857	25/03/2022	0	-81
Edra Energy Sdn Berhad	07/30	AA3	4.540	20	4.009	23/09/2021	53	65
Edra Energy Sdn Berhad	01/31	AA3	4.558	10	4.278	09/03/2022	28	63
Edra Energy Sdn Berhad	01/33	AA3	4.719	10	4.469	17/03/2022	25	74
Edra Energy Sdn Berhad	07/34	AA3	4.820	10	4.498	06/01/2022	32	84
Northport (Malaysia) Berhad	12/22	AA-	2.554	10	2.567	17/03/2022	-1	53
UMW Holdings Berhad	04/18	AA-	4.936	0	4.937	21/03/2022	0	44
CIMB Group Holdings Berhad	05/16	A1	3.696	1	3.600	02/12/2020	10	-80
Tropicana Corporation Berhad	10/23	A+	4.952	1	4.952	28/03/2022	0	239
Alliance Bank Malaysia Berhad	10/30	A2	3.744	2	3.743	24/03/2022	0	-19
Tropicana Corporation Berhad	09/19	A	6.888	1	6.113	28/03/2022	77	239
Eco World Capital Services Berhad	03/26	-	5.222	1	5.222	28/03/2022	0	198
LBS Bina Group Berhad	03/20	-	6.450	1	6.101	21/03/2022	35	196
PESTECH International Berhad	10/20	-	6.623	1	6.300	26/01/2022	32	213
				<u>942</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Quill Retail Malls Sdn Bhd	Class A, Class B, Class C and Class D Sukuk Murabahah totaling RM290m	From between AA1/Stable-A3/Stable to between AA1/RW_Negative-A3/RW-Negative	Outlook Downgraded
Menara ABS Berhad	RM345 mil Tranche A1 to A4 Sukuk	From between AA2/Negative-A3/Negative to BBB1/Negative-BB2/negative	Downgraded

Source: RAM, MARC

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