

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.56	8
5-yr UST	2.82	10
10-yr UST	2.85	11
30-yr UST	3.05	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.46	3	3.51	2
5-yr	3.74	7	3.79	3
7-yr	4.04	10	4.01	5
10-yr	4.17	4	4.19	5
15-yr	4.51	3	4.54	8
20-yr	4.61	2	4.66	9
30-yr	4.87	12	4.78	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.73	0
3-yr	3.55	6
5-yr	3.73	3
7-yr	3.90	5
10-yr	4.05	5

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries slumped on Tuesday post-Memorial Day celebrations, as renewed inflation concerns made its rounds again with economic data supporting expectations for several substantial hikes in the coming months. The curve shifted higher as overall benchmark yields jumped between 8-11bps higher. **The UST 2Y yield rose 8bps to 2.56% whilst the much-watched 10Y spiked 11bps to 2.85%.** Weakness in bonds were apparent due to hawkish comments from Fed official Waller coupled with stronger-than-expected reports on US consumer confidence and Chicago-area business conditions. Traders are literally pricing-in two (2) full 50bps rate hikes over June and July; whilst seeing odds of a similar hike in the September FOMC meeting. Meanwhile, expect attention to shift to the PMI and ISM manufacturing data for May tonight.

### MGS/GII

- Local govies witnessed a prominent sell-off across the curve on Tuesday, led by higher IRS levels as the Malaysian Prime Minister reminded that the hike in food prices and other living costs has given rise to inflationary conditions. The curve shifted higher as overall benchmark MGS/GII yields rose between 2-12bps across amid a sustained secondary market volume @ RM3.36b. **The 5Y benchmark MGS 11/26 yield spiked 7bps to 3.74% whilst the 10Y benchmark MGS 7/32 rose 4bps to 4.17%.** Interest was mainly seen in the off-the-run 22's and also 10Y MGS/GII, 30y MGS. GII transactions sustained to form 29% of overall trades. The cost of subsidies to ensure price control measures is expected to weigh on the government's coffers; similar to other countries.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw interest slide on Tuesday influenced largely by weaker govies. Some interest was seen along the GG to single-A part of the curve as overall yields closed mostly mixed-to-higher spanning across a mere 16 names, amid lower secondary market volume of RM168m. Govt-guaranteed PRASA 27-28's eased 3-4bps compared to previous-done levels between 4.23-39% area. AAA-rated MAHB saw a slew of 2026-2028 tranches close mixed on yields between 4.34-55% levels. The AA-space saw MMC Corp 3/28 rise 4bps to 4.78% whereas UMW 10/26 jumped 29bps higher instead to 4.19%. Meanwhile, the banking/finance space saw Hong Leong Financial Group 2117NC22 perps close unchanged at 3.57%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.950	229	1.950	30/05/2022	0
MGS	09/22	1.984	532	1.959	30/05/2022	2
MGS	03/23	2.583	45	2.561	30/05/2022	2
MGS	04/23	2.552	84	2.548	30/05/2022	0
MGS	08/23	2.908	49	2.711	30/05/2022	20
MGS	06/24	3.209	13	3.196	30/05/2022	1
MGS	07/24	3.350	62	3.251	30/05/2022	10
MGS	09/24	3.312	6	3.294	30/05/2022	2
MGS	03/25	3.463	11	3.433	30/05/2022	3
MGS	09/25	3.609	60	3.548	30/05/2022	6
MGS	07/26	3.693	6	3.694	27/05/2022	0
MGS	11/26	3.739	36	3.669	30/05/2022	7
MGS	05/27	3.779	3	3.768	27/05/2022	1
MGS	11/27	3.799	2	3.735	27/05/2022	6
MGS	06/28	3.911	33	3.859	30/05/2022	5
MGS	04/29	4.043	217	3.945	30/05/2022	10
MGS	08/29	4.043	98	3.978	30/05/2022	6
MGS	04/30	4.100	1	4.145	25/05/2022	-4
MGS	04/31	4.100	7	4.096	30/05/2022	0
MGS	06/31	4.178	14	4.178	27/05/2022	0
MGS	07/32	4.165	168	4.130	30/05/2022	4
MGS	04/33	4.290	6	4.290	30/05/2022	0
MGS	07/34	4.532	49	4.342	30/05/2022	19
MGS	05/35	4.542	114	4.531	30/05/2022	1
MGS	04/37	4.505	100	4.474	30/05/2022	3
MGS	06/38	4.639	2	4.565	30/05/2022	7
MGS	05/40	4.648	12	4.610	30/05/2022	4
MGS	10/42	4.613	3	4.597	30/05/2022	2
MGS	09/43	4.842	36	4.903	23/05/2022	-6
MGS	03/46	4.858	1	4.789	30/05/2022	7
MGS	07/48	4.890	19	4.873	27/05/2022	2
MGS	06/50	4.867	357	4.746	30/05/2022	12
GII	07/22	1.944	94	2.001	26/05/2022	-6
GII	11/22	2.299	40	2.149	27/05/2022	15
GII	05/23	2.581	29	2.508	30/05/2022	7
GII	07/23	2.638	17	2.643	30/05/2022	0
GII	11/23	2.989	4	2.753	30/05/2022	24
GII	05/24	3.245	16	3.362	27/05/2022	-12
GII	08/24	3.351	5	3.407	25/05/2022	-6
GII	10/24	3.344	1	3.278	30/05/2022	7
GII	08/25	3.495	76	3.578	27/05/2022	-8
GII	10/25	3.510	140	3.485	30/05/2022	2
GII	03/26	3.646	6	3.725	30/05/2022	-8
GII	09/27	3.787	20	3.755	30/05/2022	3
GII	10/28	4.006	108	3.959	30/05/2022	5
GII	07/29	4.056	3	3.999	30/05/2022	6
GII	10/30	4.179	1	4.098	27/05/2022	8
GII	10/32	4.186	277	4.136	30/05/2022	5
GII	06/33	4.361	3	4.296	27/05/2022	6
GII	08/33	4.299	20	4.338	25/05/2022	-4
GII	07/36	4.543	109	4.462	30/05/2022	8
GII	09/39	4.726	11	4.553	30/05/2022	17
GII	09/41	4.662	1	4.574	25/05/2022	9
GII	05/47	4.839	4	4.817	30/05/2022	2
GII	11/49	4.783	6	4.743	26/05/2022	4
GII	05/52	4.922	1	5.026	24/05/2022	-10
			<u>3363</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Prasarana Malaysia Berhad	12/27	GG	4.230	10	4.265	25/05/2022	-3	34
Prasarana Malaysia Berhad	09/28	GG	4.288	10	4.330	25/05/2022	-4	40
Pengurusan Air SPV Berhad	10/26	AAA	4.150	5	3.821	31/03/2022	33	52
Malaysia Airport Holdings Berhad	12/26	AAA	4.338	10	4.298	25/04/2022	4	61
Malaysia Airport Holdings Berhad	11/27	AAA	4.432	10	4.469	26/04/2022	-4	71
Malaysia Airport Holdings Berhad	12/28	AAA	4.550	10	4.118	07/01/2022	43	55
TNB Power Generation Sdn Berhad	06/42	AAA	5.160	5	-	-	-	54
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.177	10	4.220	30/05/2022	-4	72
Tanjung Bin Energy Sdn Berhad	09/26	AA3	5.378	10	4.239	06/01/2022	114	174
MMC Corporation Berhad	03/28	AA-	4.775	15	4.732	30/05/2022	4	88
Southern Power Generation Sdn Berhad	10/28	AA-	4.819	10	4.174	24/11/2021	65	93
UMW Holdings Berhad	10/26	AA+	4.187	10	3.897	21/01/2022	29	55
Hong Leong Financial Group Berhad	11/17	A1	3.573	50	3.570	26/05/2022	0	-105
CIMB Group Holdings Berhad	05/16	A1	3.705	1	2.996	31/03/2022	71	-91
Eco World International Berhad	05/23	-	5.111	1	4.477	09/05/2022	63	251
YNH Property Berhad	08/19	-	6.704	2	6.093	27/05/2022	61	209
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\*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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