

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.96	-8
5-yr UST	3.04	-10
10-yr UST	3.02	-8
30-yr UST	3.18	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.51	4	3.57	1
5-yr	3.96	0	4.13	5
7-yr	4.22	-1	4.33	9
10-yr	4.30	7	4.26	0
15-yr	4.61	0	4.67	-3
20-yr	4.77	13	4.82	2
30-yr	4.97	9	5.02	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.09	4
3-yr	3.68	0
5-yr	3.85	-1
7-yr	3.98	0
10-yr	4.08	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to be well-sought after on safe-haven bids as recessionary fears dominated much of Thursday's session; brushing aside the Fed's preferred inflation indicator i.e.; PCE for May. **Both the UST 2Y and UST 10Y yields closed 8bps lower at 2.96% and 3.02% each to end the first half of the year in negative territory.** The 10Y bond notably slid to its lowest yield near the 3.0% handle since 8th of June. The Atlanta Fed lowered its estimate for 2Q2022 to -1.0% from +0.3%; following 1Q2022's shrinkage at 1.6% q/q, in a revised reading. Other data revealed that consumer spending slowed sharply in May as Americans turned cautious due to concerns over inflation; which is seen rising faster than wages. Swaps are currently pricing a drop in probability from 92% to 86% for a 75bps rate hike in July. Meanwhile, expect attention to shift to the ISM manufacturing data for June tonight.

MGS/GII

- Local govies traded weaker on Thursday, despite lethargy seen in onshore IRS levels in a session which saw 3-month KLIBOR rates move steadily higher. Overall benchmark MGS/GII yields ended mostly higher between 0-13bps across the curve save for the 15Y and 30Y GII, amid the 41% spike in secondary market volume @ RM5.30b. **The 5Y benchmark MGS 11/26 yield closed unchanged at 3.96% whilst the 10Y benchmark MGS 7/32 jumped 7bps higher to 4.30%.** Interest was mainly seen in the off-the-run 29's, 38's, 30's and also benchmark 5Y GII and 7Y MGS. GII transactions rose further higher to form 44% of overall trades. The MYR which is seen drifting weaker may be a hurdle for bonds to rally going forward. Expect attention to shift to the MPC meeting next Wednesday following the better PMI manufacturing data seen for June this morning.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw activity ramp-up with secondary market volume almost rising three-fold to RM749m on Thursday. Overall yields closed mostly mixed-to-higher with interest seen mainly along the GG-part of the curve followed by the AA-space. Govt-guaranteed bonds saw a slew of 2029 and 2032 tranches exchange hands. PRASA 12/32 and GOVCO 2/32 saw the highest transacted amounts of RM420m and RM120m each; spiking 59-67bps compared to previous-done levels to 4.60%. The sole trade within the AAA-rated space saw PLUS 34 ease 6bps to 4.94%. AA-rated energy-related bonds BGSM 6/24 bonds moved 48bps higher to 3.80% whilst PMETAL 8/25 settled 8bps up at 4.26%. Meanwhile, the banking/finance space was relatively quiet with several odd-lot transactions seen in SABAH Dev 23-24's.

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	5	2.053	29/06/2022	-10
MGS	09/22	2.257	64	2.307	29/06/2022	-5
MGS	03/23	2.988	93	2.973	29/06/2022	2
MGS	04/23	3.038	98	2.950	29/06/2022	9
MGS	08/23	3.129	27	3.162	29/06/2022	-3
MGS	06/24	3.290	77	3.241	28/06/2022	5
MGS	07/24	3.311	92	3.313	27/06/2022	0
MGS	09/24	3.309	10	3.336	29/06/2022	-3
MGS	03/25	3.508	28	3.471	29/06/2022	4
MGS	09/25	3.726	46	3.676	29/06/2022	5
MGS	04/26	3.885	38	3.853	28/06/2022	3
MGS	07/26	3.980	39	3.938	29/06/2022	4
MGS	11/26	3.962	54	3.962	29/06/2022	0
MGS	03/27	3.997	17	3.950	29/06/2022	5
MGS	05/27	4.054	52	4.004	29/06/2022	5
MGS	11/27	4.125	79	4.108	29/06/2022	2
MGS	06/28	4.222	92	4.231	29/06/2022	-1
MGS	04/29	4.217	211	4.231	29/06/2022	-1
MGS	08/29	4.304	499	4.250	29/06/2022	5
MGS	04/30	4.300	32	4.246	29/06/2022	5
MGS	04/31	4.366	155	4.329	29/06/2022	4
MGS	06/31	4.387	42	4.327	29/06/2022	6
MGS	04/32	4.336	2	4.469	21/06/2022	-13
MGS	07/32	4.303	189	4.229	29/06/2022	7
MGS	04/33	4.609	130	4.541	29/06/2022	7
MGS	11/33	4.620	12	4.545	29/06/2022	8
MGS	07/34	4.651	23	4.624	29/06/2022	3
MGS	05/35	4.653	9	4.663	29/06/2022	-1
MGS	04/37	4.614	42	4.616	29/06/2022	0
MGS	06/38	4.845	495	4.793	29/06/2022	5
MGS	05/40	4.862	70	4.843	29/06/2022	2
MGS	10/42	4.772	16	4.642	24/06/2022	13
MGS	09/43	4.887	12	4.896	29/06/2022	-1
MGS	03/46	4.908	9	4.915	29/06/2022	-1
MGS	07/48	4.956	33	5.000	29/06/2022	-4
MGS	06/50	4.968	65	4.875	29/06/2022	9
GII	07/22	2.337	2	2.004	27/06/2022	33
GII	05/23	3.053	14	2.938	29/06/2022	12
GII	07/23	3.037	22	3.127	20/06/2022	-9
GII	11/23	3.210	14	3.110	29/06/2022	10
GII	05/24	3.414	4	3.336	29/06/2022	8
GII	08/24	3.425	2	3.280	21/06/2022	15
GII	10/24	3.469	10	3.423	29/06/2022	5
GII	08/25	3.562	3	3.565	28/06/2022	0
GII	10/25	3.565	26	3.556	29/06/2022	1
GII	03/26	3.965	112	3.957	29/06/2022	1
GII	09/26	3.948	4	4.017	29/06/2022	-7
GII	06/27	4.090	10	4.078	27/06/2022	1
GII	07/27	4.169	73	4.122	29/06/2022	5
GII	09/27	4.127	693	4.081	29/06/2022	5
GII	10/28	4.332	14	4.241	29/06/2022	9
GII	10/30	4.252	1143	4.312	29/06/2022	-6
GII	08/33	4.602	2	4.422	23/06/2022	18
GII	07/36	4.672	40	4.698	29/06/2022	-3
GII	08/37	4.816	12	4.825	23/06/2022	-1
GII	09/39	4.927	63	4.927	29/06/2022	0
GII	09/41	4.818	17	4.800	27/06/2022	2
GII	11/49	5.073	59	5.050	29/06/2022	2
GII	05/52	5.019	2	5.032	29/06/2022	-1
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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*	
Turus Pesawat Sdn Berhad	11/22	GG	2.909	20	2.712	27/06/2022	20	-3
Lembaga Pembiayaan Perumahan Sektor Awam	11/27	GG	4.272	5	4.272	29/06/2022	0	33
Prasarana Malaysia Berhad	07/29	GG	4.481	5	4.633	18/05/2022	-15	30
DanaInfra Nasional Berhad	07/29	GG	4.486	5	4.160	18/04/2022	33	30
Prasarana Malaysia Berhad	09/29	GG	4.498	10	4.197	14/04/2022	30	31
GovCo Holdings Berhad	02/32	GG	4.599	120	3.929	28/02/2022	67	36
DanaInfra Nasional Berhad	03/32	GG	4.571	30	4.652	14/06/2022	-8	33
DanaInfra Nasional Berhad	05/32	GG	4.607	10	4.502	02/06/2022	11	37
Prasarana Malaysia Berhad	12/32	GG	4.599	420	4.011	23/03/2022	59	36
Prasarana Malaysia Berhad	08/39	GG	4.910	10	4.410	03/06/2021	50	28
DanaInfra Nasional Berhad	02/48	GG	5.095	20	5.105	28/06/2022	-1	36
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.939	20	5.000	16/06/2022	-6	70
Sabah Development Bank Berhad	12/23	AA1	3.889	1	3.885	28/06/2022	0	95
Sabah Development Bank Berhad	07/24	AA1	4.140	1	4.141	27/06/2022	0	81
Celcom Networks Sdn Berhad	08/24	AA+	3.756	10	3.793	20/06/2022	-4	43
UMW Holdings Berhad	11/25	AA+	4.137	10	3.790	18/04/2022	35	65
Quantum Solar Park (Semenanjung) Sdn Berhad	04/23	AA-	3.483	2	3.108	16/03/2022	38	55
Southern Power Generation Sdn Berhad	04/32	AA-	5.028	10	5.119	14/06/2022	-9	79
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.957	4	3.917	24/05/2022	4	102
Bermaz Auto Berhad	12/23	AA3	3.907	4	3.437	08/04/2022	47	97
BGSM Management Sdn Berhad	06/24	AA3	3.797	10	3.321	08/04/2022	48	47
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.945	1	3.910	08/06/2022	3	62
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.255	15	4.177	31/05/2022	8	77
PONSB Capital Berhad	06/29	AA3	5.199	5	5.310	28/06/2022	-11	102
Tan Chong Motor Holdings Berhad	03/27	A+	6.113	1	5.524	15/03/2022	59	217
LBS Bina Group Berhad	03/20	-	5.891	1	6.399	29/06/2022	-51	116
				<u>749</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas MBS Berhad	Residential mortgage-backed securities (CMBS 2005-2, CMBS 2007-1-i and CMBS 2007-2)	AAA/Stable	Reaffirmed
TRIpvc Ventures Sdn Bhd	MTN Programme of up to RM240 mil in nominal value (2011/2026)	AAA(FG)/Stable	Reaffirmed
Pujian Bayu Sdn Bhd	RM200 mil MTN Programme	AA3/Stable	Reaffirmed
Yinson Holdings Berhad	Corporate Credit ratings	A1/Stable/P1	Reaffirmed
	Islamic Medium-Term Notes (IMTN) Programme of up to RM1.0 bil	A1/Stable	Reaffirmed

Source: RAM, MARC

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