

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.83	0
5-yr UST	2.88	0
10-yr UST	2.88	0
30-yr UST	3.10	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	2	3.55	0
5-yr	3.89	-2	4.00	-4
7-yr	4.13	-3	4.19	-5
10-yr	4.23	0	4.24	-2
15-yr	4.57	-2	4.65	0
20-yr	4.73	0	4.82	0
30-yr	4.91	-4	4.95	-7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.07	0
3-yr	3.61	-1
5-yr	3.77	-3
7-yr	3.88	-6
10-yr	4.00	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US financial markets were closed on Monday to celebrate Independence Day. Nevertheless at the time of writing, Treasury futures saw declines in early Asian trading. US Treasuries outperformed the global sovereign bond market with a ~1.3% return last week. The softer manufacturing data in June may add to concerns that the Fed's aggressive rate hikes may trigger a recession. The yield curve however remains comfortably in positive territory for now. Expect volatility to remain elevated until further evidence of moderating inflation is seen. Meanwhile, expect attention to eventually shift to the minutes of the previous FOMC meeting held on 15th June, come this Thursday.

MGS/GII

- Local govies were well-bid on Monday amid receiving interest in IRS despite the weaker MYR, with local funds seen re-evaluating current attractive levels ahead of the MPC meeting tomorrow. Overall benchmark MGS/GII yields ended mostly lower between 0-7bps across (save for the 3Y MGS), amid the 23% decrease in secondary market volume @ RM2.02b. **The 5Y benchmark MGS 11/26 yield edged 2bps lower at 3.89% whilst the 10Y benchmark MGS 7/32 closed within 1bps up at 4.23%.** Interest was mainly seen in the off-the-run 22's, 24's and also benchmark 5Y GII, 15Y MGS. GII transactions eased further to form 25% of overall trades. Meanwhile, expect attention to shift to the all-important MPC meeting tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw stronger investor interest on Monday, across 17 names on the back of a 50% jump in secondary market volume @ RM492m. Overall yields closed mostly higher with interest seen mainly along the AAA-AA part of the curve. The sole govt-guaranteed trade consisted of PRASA 9/37 which spiked 60bps compared to previous-done levels to 4.85%. AAA-rated JOHOR Corp (which was issued only last month), saw huge transactions totalling RM340m; settling unchanged at 4.72%. AA-rated BGSM 3/26 edged 2bps up at 4.35%. Meanwhile, the banking/finance space saw RHB 27NC22 jump 16bps higher to 3.13% whilst AmBank Islamic 28NC23 closed 9bps lower instead at 3.83%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	2.299	431	2.072	01/07/2022	23
MGS	09/22	2.358	4	2.206	01/07/2022	15
MGS	03/23	2.960	25	2.993	01/07/2022	-3
MGS	04/23	2.988	3	3.032	01/07/2022	-4
MGS	08/23	3.109	53	3.151	01/07/2022	-4
MGS	06/24	3.263	129	3.263	01/07/2022	0
MGS	07/24	3.257	114	3.367	01/07/2022	-11
MGS	03/25	3.476	18	3.458	01/07/2022	2
MGS	11/26	3.887	4	3.912	01/07/2022	-2
MGS	05/27	4.050	2	4.023	01/07/2022	3
MGS	11/27	4.003	112	4.061	01/07/2022	-6
MGS	06/28	4.154	45	4.197	01/07/2022	-4
MGS	04/29	4.130	85	4.158	01/07/2022	-3
MGS	08/29	4.215	55	4.226	01/07/2022	-1
MGS	04/30	4.232	1	4.300	01/07/2022	-7
MGS	04/31	4.309	32	4.338	01/07/2022	-3
MGS	06/31	4.262	1	4.327	01/07/2022	-7
MGS	07/32	4.226	39	4.223	01/07/2022	0
MGS	04/33	4.505	10	4.566	01/07/2022	-6
MGS	11/33	4.596	11	4.550	01/07/2022	5
MGS	07/34	4.665	1	4.651	01/07/2022	1
MGS	05/35	4.643	59	4.670	01/07/2022	-3
MGS	04/37	4.574	150	4.592	01/07/2022	-2
MGS	05/40	4.784	14	4.848	01/07/2022	-6
MGS	03/46	4.899	15	4.883	01/07/2022	2
MGS	06/50	4.912	108	4.956	01/07/2022	-4
GII	08/24	3.400	10	3.425	30/06/2022	-2
GII	10/24	3.446	60	3.474	01/07/2022	-3
GII	08/25	3.606	13	3.562	01/07/2022	4
GII	10/25	3.549	50	3.549	01/07/2022	0
GII	07/27	4.092	60	4.158	01/07/2022	-7
GII	09/27	4.002	157	4.037	01/07/2022	-4
GII	10/28	4.186	61	4.241	01/07/2022	-5
GII	10/32	4.241	30	4.259	01/07/2022	-2
GII	06/33	4.574	1	4.537	24/06/2022	4
GII	08/37	4.722	22	4.816	30/06/2022	-9
GII	11/49	5.076	30	4.958	01/07/2022	12
GII	05/52	4.950	1	5.019	01/07/2022	-7
			2015			

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*
Prasarana Malaysia Berhad	09/37	GG	4.854	20	4.259	19/01/2022	60	26
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/22	AAA	2.653	15	2.266	22/02/2022	39	-30
Projek Lebuhraya Usahasama Berhad	01/24	AAA	3.551	20	3.034	17/03/2022	52	25
Westports Malaysia Sdn Berhad	04/26	AAA	4.124	10	4.080	08/06/2022	4	33
Danum Capital Berhad	05/27	AAA	4.299	20	4.301	29/06/2022	0	38
Johor Corporation	06/27	AAA	4.719	340	4.720	14/06/2022	0	80
Sabah Development Bank Berhad	07/24	AA1	4.139	1	4.140	30/06/2022	0	83
Genting Capital Berhad	06/27	AA1	4.859	3	4.952	29/06/2022	-9	94
BGSM Management Sdn Berhad	03/26	AA3	4.346	10	4.326	09/06/2022	2	55
PONSB Capital Berhad	06/27	AA3	4.537	5	4.537	01/07/2022	0	62
PONSB Capital Berhad	06/29	AA3	5.119	7	4.967	01/07/2022	15	98
RHB Bank Berhad	09/27	AA3	3.132	10	2.976	19/05/2022	16	-79
AmBank Islamic Berhad	10/28	A1	3.825	10	3.917	17/06/2022	-9	-27
DRB-Hicom Berhad	12/29	A+	5.578	1	5.661	21/06/2022	-8	144
Alliance Bank Malaysia Berhad	10/30	A2	4.822	1	4.464	22/06/2022	36	64
Tropicana Corporation Berhad	09/19	A	7.047	1	6.218	27/06/2022	83	231
Alliance Bank Malaysia Berhad	11/17	BBB1	5.041	20	5.160	29/06/2022	-12	30
				<u>492</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Telekom Malaysia Berhad	RM3 bil Islamic CP/MTN Programme (2013/2033)	AAA/Stable	Reaffirmed
	RM4 bil Islamic CP/MTN Programme (2018/2048)	AAA/Stable/P1	Reaffirmed
Mercedes-Benz Services Malaysia Sdn Bhd	RM3 bil Commercial Papers/Medium-Term Notes (MTN) Programme (2018/2025)	AAA(s)/Stable/P1	Reaffirmed
	RM3 bil MTN Programme (2018/2038)	AAA(s)/Stable	Reaffirmed
Sunway Berhad	RM2.0 billion Commercial Papers/Medium-Term Notes (CP/MTN) Programmes	MARC-1/AA-/Stable	Affirmed
Sunway Treasury Sukuk Sdn Bhd	RM2.0 billion Sukuk Programme	Both programmes rated	Affirmed
	RM10.0 billion Islamic Commercial Papers/Islamic Medium-Term Notes (ICP/IMTN) Programmes	MARC-1IS(CG)/AA-IS(CG)/Stable	

Source: RAM, MARC

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