

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.73	8
5-yr UST	3.04	13
10-yr UST	3.09	15
30-yr UST	3.19	17

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.50	1	3.61	13
5-yr	3.96	4	4.07	3
7-yr	4.48	5	4.37	2
10-yr	4.32	-6	4.53	12
15-yr	4.81	-2	4.84	2
20-yr	4.84	-9	4.94	3
30-yr	4.98	-3	4.99	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.65	14
3-yr	3.65	17
5-yr	4.01	14
7-yr	4.20	14
10-yr	4.41	12

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries made a U-turn on Thursday post-FOMC as bearish tones re-surfaced again due to escalating fears over inflation as investors doubted Fed Chair Powell's ability to contain it. The curve bear-steepened as overall benchmark yields jumped to multi-year highs, between 8-17bps across. The curve bear-steepened with **the UST 2Y yield jumped 8bps higher to 2.73% whilst the much-watched UST 10Y yield spiked 15bps to 3.09%**, the highest seen since November 2018. Recent massive volatile swings were due to fears of inflation and also possible economic slowdown or "stagflation". To recap, the Fed announced the commencement of balance sheet runoff effective 1st June that would comprise an initial combined monthly pace of reduction totaling \$47.5b over 3 months followed by an increase to \$95b as initially planned. Expect attention to shift to the release the all-important jobs data tonight.

MGS/GII

- Local govies ended mixed on Thursday i.e the first trading day of the month with MGS extending out from 10-year tenures well-bid, whilst GII's were generally pressured as IRS levels spiked across most tenures. Overall benchmark MGS/GII yields closed between -9 to +13bps, amid a sustained secondary market volume of RM3.51b. **The 5Y benchmark MGS 11/26 yield rose 4bps to 3.96% whilst the 10Y MGS 7/32 declined 6bps instead to 4.32%**. Trades were mainly seen in the off-the-run 22-24's and also benchmark 3Y, 7Y MGS. GII trades inched higher to form 23% of overall transactions. Elsewhere, the post-pandemic stimulus which had driven up total issuances of sovereign debt in EM have seen yields rise as financial conditions were seen tightening.

Corp Bonds/Sukuk

- Activity in the the Corporate Bonds/Sukuk space saw slight improvement with interest mainly seen in the GG-AA part of the curve. Overall yields closed mostly higher, spanning across a 17 names amid higher secondary market volume of RM324m. The longer-end govt-guaranteed DANA 10/36 and 4/38 spiked 72-77bps compared to previous-done levels at 5.03% and 5.18% each. AAA-rated DANGA 26 rose 17bps to 4.05% whilst and DANUM 35 jumped 69bps higher to 4.99% area. AA-rated Kedah Cement 7/22 ended 6bps lower at 2.96%. Meanwhile, the banking/finance space saw PUBLIC 29NC24 transacted again, closing 3bps lower at 3.85% whereas Hong Leong Bank 2117NC 27 perps rallied 45bps to 4.00% on substantial volume of RM60m.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/22	1.790	299	1.672	29/04/2022	12
MGS	03/23	2.509	215	2.436	29/04/2022	7
MGS	04/23	2.521	118	2.598	29/04/2022	-8
MGS	08/23	2.540	25	2.612	29/04/2022	-7
MGS	06/24	3.477	153	3.410	29/04/2022	7
MGS	07/24	3.532	40	3.476	29/04/2022	6
MGS	09/24	3.535	22	3.463	29/04/2022	7
MGS	03/25	3.499	150	3.490	29/04/2022	1
MGS	09/25	3.762	134	3.766	29/04/2022	0
MGS	04/26	3.880	30	3.878	29/04/2022	0
MGS	07/26	3.957	66	3.925	29/04/2022	3
MGS	11/26	3.962	119	3.920	29/04/2022	4
MGS	03/27	4.057	5	4.086	28/04/2022	-3
MGS	05/27	4.166	79	4.096	29/04/2022	7
MGS	11/27	4.196	44	4.152	29/04/2022	4
MGS	06/28	4.337	83	4.277	29/04/2022	6
MGS	09/28	4.515	80	4.465	26/04/2022	5
MGS	08/29	4.545	87	4.547	29/04/2022	0
MGS	04/30	4.561	47	4.577	29/04/2022	-2
MGS	04/31	4.618	16	4.585	29/04/2022	3
MGS	06/31	4.631	1	4.574	29/04/2022	6
MGS	04/32	4.762	1	4.633	29/04/2022	13
MGS	07/32	4.322	14	4.379	29/04/2022	-6
MGS	04/33	4.718	2	4.705	29/04/2022	1
MGS	11/33	4.756	2	4.767	29/04/2022	-1
MGS	07/34	4.774	182	4.848	29/04/2022	-7
MGS	05/35	5.943	20	4.906	29/04/2022	104
MGS	04/37	4.809	36	4.827	29/04/2022	-2
MGS	06/38	4.965	7	4.829	29/04/2022	14
MGS	05/40	4.952	18	4.953	29/04/2022	0
MGS	10/42	4.843	252	4.930	29/04/2022	-9
MGS	09/43	5.070	2	5.014	29/04/2022	6
MGS	03/46	5.025	2	4.996	29/04/2022	3
MGS	07/48	5.003	5	5.035	29/04/2022	-3
MGS	06/50	4.975	44	5.005	29/04/2022	-3
MGS	04/29	4.479	306	4.428	29/04/2022	5
GII	07/22	1.700	136	1.802	28/04/2022	-10
GII	11/22	1.860	100	1.752	06/04/2022	11
GII	11/22	1.869	100	1.751	27/04/2022	12
GII	05/23	2.485	10	2.506	26/04/2022	-2
GII	05/24	3.318	108	3.423	29/04/2022	-11
GII	10/24	3.611	86	3.482	29/04/2022	13
GII	03/26	3.809	2	3.840	27/04/2022	-3
GII	07/27	4.096	1	4.160	29/04/2022	-6
GII	08/28	4.415	5	4.033	21/04/2022	38
GII	10/28	4.369	32	4.351	29/04/2022	2
GII	07/29	4.470	5	4.504	29/04/2022	-3
GII	10/30	4.553	25	4.535	29/04/2022	2
GII	10/32	4.527	87	4.410	29/04/2022	12
GII	11/34	4.899	14	4.814	27/04/2022	9
GII	07/36	4.841	64	4.818	29/04/2022	2
GII	09/39	4.978	26	4.994	28/04/2022	-2
GII	09/41	4.941	2	4.908	29/04/2022	3
			<u>3509</u>			

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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	4.630	20	3.849	11/02/2022	78	17
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	4.630	30	-	-	-	17
Prasarana Malaysia Berhad	08/36	GG	5.041	8	4.940	25/04/2022	10	23
DanaInfra Nasional Berhad	10/36	GG	5.030	10	4.307	09/11/2021	72	22
DanaInfra Nasional Berhad	04/38	GG	5.179	40	4.410	16/02/2022	77	37
Danga Capital Berhad	02/26	AAA	4.048	30	3.882	21/04/2022	17	27
DiGi Telecommunications Sdn Berhad	09/29	AAA	4.728	10	4.008	26/01/2022	72	26
Danum Capital Berhad	02/35	AAA	4.985	10	4.299	25/01/2022	69	17
Sabah Development Bank Berhad	07/24	AA1	3.728	2	4.039	28/04/2022	-31	35
Public Bank Berhad	12/29	AA1	3.849	20	3.877	29/04/2022	-3	-65
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	07/22	AA3	2.964	80	3.025	04/10/2021	-6	46
Edra Energy Sdn Berhad	01/29	AA3	5.422	2	4.167	09/03/2022	126	96
Hong Leong Bank Berhad	11/17	A1	4.002	60	4.450	28/04/2022	-45	-87
Tropicana Corporation Berhad	09/19	A	6.745	1	7.204	28/04/2022	-46	187
LBS Bina Group Berhad	03/20	-	6.350	1	5.921	22/04/2022	43	148
LBS Bina Group Berhad	03/20	-	5.944	1	6.403	27/04/2022	-46	107
Cypark Renewable Energy Sdn Berhad	09/20	-	7.366	1	7.400	26/04/2022	-3	250
				<u>324</u>				

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

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

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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