

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.74	3
5-yr UST	3.08	7
10-yr UST	3.13	9
30-yr UST	3.18	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.81	32	3.59	-2
5-yr	4.09	13	4.07	0
7-yr	4.63	15	4.46	9
10-yr	4.38	6	4.56	3
15-yr	4.87	6	4.84	0
20-yr	4.95	10	4.94	0
30-yr	4.92	-6	4.99	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.80	15
3-yr	3.88	23
5-yr	4.20	19
7-yr	4.40	19
10-yr	4.60	19

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries continued to trend bearish despite a mixed picture of the recently-released April jobs data. The stronger-than expected US job growth in April which underscored the economy's solid labour market (despite the contraction seen in 1Q2022 GDP) was nevertheless contradictory with the easing in average hourly earnings growth. Price action was choppy with the curve shifting higher as overall benchmark yields jumped between 3-9bps higher across save for the long-bond. **The UST 2Y yield settled 3bps higher at 2.74% whilst the much-watched UST 10Y yield spiked 9bps to 3.13%**, the highest seen since November 2018. Recent volatile swings were due to fears of inflation and also possible economic slowdown or "stagflation"; with the former making its presence more prominently reflected in rising yields. Meanwhile the Fed's planned balance sheet runoff effective 1<sup>st</sup> June which would eventually rise up to \$95b could also pressure yields especially in the long-end of the curve. Expect attention to shift to the upcoming coupon offerings for 3Y, 10Y and 30Y bonds commencing tmrw.

### MGS/GIII

- Local govies were sold off last Friday, led by the front-ends whilst being driven by IRS yields that spiked across all sectors. GII's however saw muted movements in yields and volumes traded. Overall benchmark MGS/GII yields closed between 0-32bps higher (save for the odd-lot trades done in both the 3Y GII and 30Y MGS), amid a 9% rise in secondary market volume of RM3.82b. **The 5Y benchmark MGS 11/26 yield spiked 13bps to 4.09% whilst the 10Y MGS 7/32 rose 6bps to 4.38%**. Trades were mainly seen in the off-the-run 23-25's, 34's and also benchmark 3Y, 5Y, 7Y MGS. GII trades dropped to form a mere 3% of overall transactions. Elsewhere, the weakening Asian currencies were also seen impacting MYR bond yields ahead of the MPC meeting. Expect attention to shift to the industrial production numbers for March tomorrow, followed by the BNM's OPR rate decision on Wednesday, and 1Q GDP on Friday.

### Corp Bonds/Sukuk

- Activity in the the Corporate Bonds/Sukuk space last Friday dipped to one of the lowest YTD, with investors sidelined due to weaker govies and also reluctance to add-on positions ahead of the weekend. Some token interest was seen in the AAA-AA part of the curve as overall yields closed mixed, spanning across a mere 10 names amid secondary market volume of only RM65m. There were no govt-guaranteed transactions. AAA-rated PASB 10/28 spiked 72bps to 4.77% whilst the 2/30 tranche made its debut trade at 4.81%, a whopping 63bps above its coupon issued in February this year. AA-rated GENM Capital 8/25 too spiked 75bps to 5.00%. Meanwhile, the banking/finance space was relatively quiet with several odd-lot trades done in BPMB.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.854	8	1.741	29/04/2022	11
MGS	03/23	2.682	347	2.509	05/05/2022	17
MGS	04/23	2.574	78	2.521	05/05/2022	5
MGS	08/23	2.831	73	2.540	05/05/2022	29
MGS	06/24	3.777	284	3.477	05/05/2022	30
MGS	07/24	3.543	3	3.532	05/05/2022	1
MGS	03/25	3.813	300	3.499	05/05/2022	31
MGS	09/25	3.986	292	3.762	05/05/2022	22
MGS	04/26	4.099	10	3.880	05/05/2022	22
MGS	07/26	4.054	6	3.957	05/05/2022	10
MGS	09/26	4.439	2	3.616	18/04/2022	82
MGS	11/26	4.096	307	3.962	05/05/2022	13
MGS	05/27	4.211	7	4.166	05/05/2022	4
MGS	11/27	4.227	5	4.196	05/05/2022	3
MGS	06/28	4.451	124	4.337	05/05/2022	11
MGS	04/29	4.631	713	4.479	05/05/2022	15
MGS	08/29	4.618	205	4.545	05/05/2022	7
MGS	04/30	4.699	2	4.561	05/05/2022	14
MGS	04/31	4.675	90	4.618	05/05/2022	6
MGS	06/31	4.638	49	4.631	05/05/2022	1
MGS	07/32	4.380	216	4.322	05/05/2022	6
MGS	04/33	4.696	10	4.718	05/05/2022	-2
MGS	11/33	4.771	60	4.756	05/05/2022	1
MGS	07/34	4.884	302	4.774	05/05/2022	11
MGS	05/35	4.500	1	5.943	05/05/2022	-144
MGS	04/37	4.870	50	4.809	05/05/2022	6
MGS	06/38	4.982	3	4.965	05/05/2022	2
MGS	05/40	5.037	91	4.952	05/05/2022	9
MGS	10/42	4.946	21	4.843	05/05/2022	10
MGS	03/46	4.996	1	5.025	05/05/2022	-3
MGS	07/48	5.100	18	5.003	05/05/2022	10
MGS	06/50	4.917	9	4.975	05/05/2022	-6
GII	05/23	2.648	15	2.485	05/05/2022	16
GII	10/24	3.589	12	3.611	05/05/2022	-2
GII	10/30	4.697	1	4.553	05/05/2022	14
GII	10/32	4.558	51	4.527	05/05/2022	3
GII	11/34	4.951	6	4.899	05/05/2022	5
GII	09/39	5.005	3	4.978	05/05/2022	3
GII	09/41	4.942	40	4.941	05/05/2022	0
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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*
Putrajaya Holdings Sdn Berhad	07/24	AAA	3.562	5	3.086	24/01/2022	48	-1
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	4.770	15	4.049	21/12/2021	72	38
Pengurusan Air SPV Berhad	02/30	AAA	4.810	10	-	-	-	27
Pengurusan Air SPV Berhad	02/32	AAA	4.890	5	4.119	02/03/2022	77	39
Sabah Development Bank Berhad	06/23	AA1	2.920	1	3.678	28/04/2022	-76	32
Sabah Development Bank Berhad	07/24	AA1	3.994	2	3.728	05/05/2022	27	42
GENM Capital Berhad	08/25	AA1	5.001	5	4.250	15/04/2022	75	119
TG Excellence Berhad	02/20	AA-	4.108	20	4.479	29/04/2022	-37	-83
Eco World International Berhad	05/23	-	4.580	1	5.192	27/04/2022	-61	198
LBS Bina Group Berhad	03/20	-	5.842	1	6.350	05/05/2022	-51	90
				65				

\*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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