

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to drift weaker on Thursday with losses capped especially at the longer-end thanks to the robust 30Y bond sale. Movements during the earlier part of the session were influenced by bunds following the faster-than-expected stimulus withdrawal by the ECB. The curve was flatter as overall benchmark yields ended between 2-5bps higher across led by the front end. **The UST 2Y yield rose 5bps higher to 2.83%, whilst the much-watched UST10Y edged 2bps up at 3.05%.** The \$19b 30Y bond sale drew strong demand (compared to the earlier softer 10Y sale) at a yield of 3.185% (previous auction: 2.997%). BTC ratio notched 2.35x (previous six auction average: 2.36x). The Fed's reverse repo facility usage surged again to top yet another new high for a 3rd straight session to \$2.14 trillion with balances having climbed by ~\$157b over the past week. Meanwhile, expect attention to shift to the important May inflation data tonight followed by the FOMC meeting next week.

MGS/GIII

- Local govies reversed prior day's move with most tenures seeing lesser deviation into negative territory save for both ends of the curve on Thursday. Overall benchmark MGS/GII yields closed between 0-14bps across (save for the MGS 15Y and also GII odd-lot trade adjustment in MGS 3Y), amid a slight 6% increase in secondary market volume @ RM2.37b. **The 5Y benchmark MGS 11/26 yield edged 2bps higher at 3.76% whilst the 10Y benchmark MGS 7/32 yield inched 1bps up at 4.22%.** Interest was mainly seen in the off-the-run 22's, 25's and also 7Y, 15Y MGS. GII transactions sustained to form 22% of overall trades. Meanwhile, expect some attention to shift to the April industrial production numbers tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest mainly across the GG-AA part of the curve spanning across 29 names on Thursday. Overall yields closed mixed again amid a 13% slide in secondary market volume @ RM252m. Govt-guaranteed PRASA 9/23 spiked 92bps compared to previous-done levels to 3.15% whereas the 8/36 tranche declined 16bps to 4.86%. AAA-rated TNB WE 7/27 spiked 147bps to 4.40% whilst the 1/28 tranche jumped 49bps to 4.49%. The AA-space saw energy-related bonds BGSM 3/26 close 35bps higher at 4.33% whilst TG BIN Energy saw the 9/26 tranche edge 2bps up at 5.40% with the 3/27 tranche yield sharply higher at 5.48%. Meanwhile, the banking/finance space saw BPMB 3/27 ease 2bps to 4.22% whereas Hong Leong Assurance 30NC25 settled 54bps higher at 4.38%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.83	5
5-yr UST	3.08	5
10-yr UST	3.05	2
30-yr UST	3.19	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.45	26	3.51	0
5-yr	3.76	2	3.96	4
7-yr	4.13	0	4.12	0
10-yr	4.22	1	4.24	2
15-yr	4.60	1	4.56	-2
20-yr	4.68	0	4.70	0
30-yr	4.93	14	5.05	4

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.87	3
3-yr	3.69	4
5-yr	3.93	4
7-yr	4.06	4
10-yr	4.18	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	2.268	110	2.051	08/06/2022	22
MGS	09/22	2.255	220	2.155	08/06/2022	10
MGS	03/23	2.600	148	2.637	08/06/2022	-4
MGS	04/23	2.616	2	2.620	08/06/2022	0
MGS	06/24	3.348	0	3.302	08/06/2022	5
MGS	09/24	3.400	11	3.389	08/06/2022	1
MGS	03/25	3.445	2	3.463	08/06/2022	-2
MGS	09/25	3.576	208	3.590	08/06/2022	-1
MGS	11/26	3.755	88	3.732	08/06/2022	2
MGS	05/27	3.859	100	3.850	08/06/2022	1
MGS	11/27	3.816	0	3.880	08/06/2022	-6
MGS	06/28	4.007	15	4.016	08/06/2022	-1
MGS	04/29	4.133	251	4.130	08/06/2022	0
MGS	08/29	4.133	69	4.128	08/06/2022	0
MGS	04/30	4.166	1	4.166	07/06/2022	0
MGS	04/31	4.178	87	4.161	08/06/2022	2
MGS	06/31	4.205	13	4.203	08/06/2022	0
MGS	07/32	4.221	23	4.207	08/06/2022	1
MGS	11/33	4.401	0	4.369	07/06/2022	3
MGS	07/34	4.497	10	4.477	08/06/2022	2
MGS	05/35	4.511	6	4.537	08/06/2022	-3
MGS	04/37	4.603	441	4.588	08/06/2022	1
MGS	06/38	4.705	16	4.656	03/06/2022	5
MGS	05/40	4.754	1	4.677	08/06/2022	8
MGS	10/42	4.680	1	4.678	08/06/2022	0
MGS	07/48	4.956	1	4.954	08/06/2022	0
MGS	06/50	4.926	14	4.789	08/06/2022	14
GII	11/22	2.499	10	2.350	08/06/2022	15
GII	11/23	2.828	59	2.938	08/06/2022	-11
GII	10/25	3.509	118	3.507	08/06/2022	0
GII	09/27	3.964	0	3.927	08/06/2022	4
GII	10/28	4.120	102	4.117	08/06/2022	0
GII	10/30	4.181	80	4.210	08/06/2022	-3
GII	10/32	4.240	0	4.217	08/06/2022	2
GII	10/35	4.599	2	4.503	30/05/2022	10
GII	07/36	4.562	0	4.583	08/06/2022	-2
GII	08/37	4.653	20	4.579	01/06/2022	7
GII	09/39	4.723	40	4.620	08/06/2022	10
GII	11/49	4.950	0	5.101	07/06/2022	-15
GII	05/52	5.045	100	5.007	07/06/2022	4
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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*
Prasarana Malaysia Berhad	09/23	GG	3.151	20	2.236	17/08/2021	92	50
Prasarana Malaysia Berhad	08/36	GG	4.859	1	5.021	20/05/2022	-16	26
Prasarana Malaysia Berhad	03/40	GG	4.946	15	5.241	12/05/2022	-30	26
Aman Sukuk Berhad	04/24	AAA	3.598	20	3.596	08/06/2022	0	28
Bank Pembangunan Malaysia Berhad	03/27	AAA	4.218	10	4.239	31/05/2022	-2	45
Johor Corporation	06/27	AAA	4.490	2	-	-	-	72
TNB Western Energy Berhad	07/27	AAA	4.397	20	2.928	09/02/2021	147	63
TNB Western Energy Berhad	01/28	AAA	4.485	10	3.998	11/02/2022	49	51
Rantau Abang Capital Berhad	03/29	AAA	4.468	50	3.818	14/03/2022	65	34
Infracap Resources Sdn Berhad	04/36	AAA	5.209	1	5.381	17/05/2022	-17	61
TNB Power Generation Sdn Berhad	06/42	AAA	5.070	20	5.120	03/06/2022	-5	39
Sabah Development Bank Berhad	07/24	AA1	4.091	2	4.501	01/06/2022	-41	77
Samalaju Industrial Port Sdn Berhad	12/29	AA1	4.888	1	4.960	29/04/2022	-7	73
Kuala Lumpur Kepong Berhad	03/37	AA1	5.059	1	5.199	27/04/2022	-14	46
Imtiaz Sukuk II Berhad	04/28	AA2	4.708	1	4.048	24/02/2022	66	73
SP Setia Berhad	06/28	AA	4.889	1	4.909	01/06/2022	-2	92
BGSM Management Sdn Berhad	03/26	AA3	4.326	30	3.977	13/04/2022	35	67
Tanjung Bin Energy Sdn Berhad	09/26	AA3	5.398	10	5.377	03/06/2022	2	174
Malaysian Resources Corporation Berhad	10/26	AA-	5.246	1	4.610	02/12/2021	64	159
Tanjung Bin Energy Sdn Berhad	03/27	AA3	5.478	10	3.857	14/09/2021	162	171
Hong Leong Assurance Berhad	01/30	AA3	4.378	10	3.842	02/03/2022	54	22
Tanjung Bin Energy Sdn Berhad	05/30	AA3	5.948	2	-	-	-	179
Point Zone (M) Sdn Berhad	03/29	AA-	4.919	1	5.119	09/05/2022	-20	79
TG Excellence Berhad	02/20	AA-	4.176	1	4.729	08/06/2022	-55	-51
DRB-Hicom Berhad	08/25	A+	4.428	1	4.428	02/06/2022	0	97
Yinson Holdings Berhad	12/26	A+	5.726	10	5.601	03/06/2022	13	207
Eco World International Berhad	05/23	-	4.474	1	5.109	03/06/2022	-64	182
Mah Sing Group Berhad	03/25	-	5.327	1	4.350	21/03/2022	98	187
LBS Bina Group Berhad	03/20	-	7.499	1	6.348	07/06/2022	115	282
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas Berhad	Conventional and Islamic Commercial Papers (CP/ICP) programmes with a combined aggregate limit of RM20.0 billion	MARC-1/MARC-1IS/Stable	Affirmed
	Conventional and Islamic Medium-Term Notes (MTN/IMTN) programmes of up to RM60.0 billion	AAA/AAA IS/Stable	Affirmed
UniTapah Sdn Bhd	Sukuk Murabahah of up to RM600 mil (2014/2035)	AA1/Stable	Reaffirmed

Source: RAM, MARC

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