

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.64	3
5-yr UST	2.90	-2
10-yr UST	2.92	-8
30-yr UST	3.05	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.78	7	3.74	4
5-yr	4.11	1	4.21	-3
7-yr	4.51	4	4.50	4
10-yr	4.44	8	4.57	1
15-yr	4.80	-5	4.84	0
20-yr	4.86	-11	5.01	0
30-yr	5.10	-4	4.99	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.79	9
3-yr	3.80	2
5-yr	4.10	4
7-yr	4.27	3
10-yr	4.47	4

Source : Bloomberg

### Upcoming Government Bond Tender

New Issuance of 30Y GII 5/52 (RM2.5b auction + RM500m private placement) on Thursday, 12<sup>th</sup> of May 2022

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries generally ended stronger on Wednesday following key US inflation data which despite slowing in April, was not sufficient enough to ease concerns over the Fed's agenda to cool inflation and ignite a possible recession. The curve extended its bull-flattening as overall benchmark yields declined between 2-8bps across save for the short-end given the still-hawkish implications for Fed policy. **The UST 2Y yield moved 3bps higher to 2.64% whilst the much-watched UST 10Y fell 8bps further to 2.92%**. The \$36b 10Y bond auction notched a strong BTC ratio of 2.49x (previous six auction average: 2.48x) and awarded at 2.943% (previous auction: 2.72%). The inflation data remains a thorn as speculation that the Fed is able to stop the bleeding in UST's remain in doubt going forward. Investors have seen YTD losses in UST's nearing 8.0%. Expect some attention to shift to the upcoming 30Y bond auction followed by jobless claims data as at 7<sup>th</sup> May.

### MGS/GII

- Local govies saw MGS close mixed with the longer end extending out from 10-year tenures well-bid but GII generally closed unchanged-to-weaker on Thursday. In what was a rather eventful day, BNM surprised markets with a 25bps rate hike in the OPR which was revised to 2.00%. Overall benchmark MGS/GII yields closed between -11bps to +8bps amid a sustained secondary market volume of RM2.91b. **The 5Y benchmark MGS 11/26 yield edged 1bps up at 4.11% whilst the 10Y MGS 7/32 spiked 8bps instead to 4.44%**. Trades were mainly seen in the off-the-run 23-24's, 29-30's and also benchmark 7Y GII. GII trades jumped to form a 42% of overall transactions. Whilst BNM is expected to adopt a cautious path in its policy normalization, we opine that it is adjusting the degree of monetary accommodation and not tightening to ensure that the policy is supportive of growth. Meanwhile, expect attention to shift to the 30Y GII auction today followed by the 1Q2022 GDP tomorrow.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see swings in daily activity with Wednesday seeing better interest, mainly across the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 22 names amid a jump in secondary market volume @ RM304m. Govt-guaranteed DANA 2/28 edged 2bps lower compared to previous-done levels at 4.51% whilst the 5/28 tranche spiked 63bps instead to 4.55%. AAA-rated DANUM 35 and PLUS 37 edged 1bps higher each at 5.00% and 5.19%. Utility giant, TNB 8/37 however jumped 42bps higher to 5.12%. Meanwhile, the banking/finance space saw MAYABAN 30NC25 witness a huge jump in yield to 4.41%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	2.046	1	1.799	10/05/2022	25
MGS	09/22	2.002	50	1.813	10/05/2022	19
MGS	03/23	2.631	160	2.667	10/05/2022	-4
MGS	04/23	2.873	7	2.663	10/05/2022	21
MGS	08/23	2.907	13	2.875	10/05/2022	3
MGS	06/24	3.667	180	3.637	10/05/2022	3
MGS	07/24	3.782	33	3.763	10/05/2022	2
MGS	09/24	3.792	5	3.770	10/05/2022	2
MGS	03/25	3.776	48	3.708	10/05/2022	7
MGS	09/25	3.980	60	3.905	10/05/2022	8
MGS	04/26	4.056	42	4.193	10/05/2022	-14
MGS	11/26	4.109	65	4.096	10/05/2022	1
MGS	05/27	4.192	13	4.182	10/05/2022	1
MGS	11/27	4.207	63	4.186	10/05/2022	2
MGS	06/28	4.307	68	4.359	10/05/2022	-5
MGS	04/29	4.512	374	4.470	10/05/2022	4
MGS	08/29	4.563	62	4.562	10/05/2022	0
MGS	04/30	4.619	4	4.604	10/05/2022	1
MGS	04/31	4.657	51	4.622	10/05/2022	4
MGS	06/31	4.663	8	4.645	10/05/2022	2
MGS	07/32	4.444	97	4.365	10/05/2022	8
MGS	04/33	4.730	1	4.810	10/05/2022	-8
MGS	07/34	4.943	47	4.896	10/05/2022	5
MGS	05/35	4.883	2	4.500	10/05/2022	38
MGS	04/37	4.804	8	4.855	10/05/2022	-5
MGS	06/38	5.030	85	4.983	10/05/2022	5
MGS	05/40	4.981	40	4.666	10/05/2022	32
MGS	10/42	4.861	6	4.971	10/05/2022	-11
MGS	03/46	5.011	2	5.059	09/05/2022	-5
MGS	06/50	5.103	102	5.145	10/05/2022	-4
GII	07/22	1.848	140	1.798	10/05/2022	5
GII	05/23	2.826	25	2.648	06/05/2022	18
GII	07/23	2.920	15	2.599	05/05/2022	32
GII	10/24	3.741	102	3.698	10/05/2022	4
GII	08/25	3.928	9	4.003	10/05/2022	-8
GII	03/26	3.978	35	4.005	09/05/2022	-3
GII	09/27	4.207	72	4.233	10/05/2022	-3
GII	10/28	4.504	570	4.468	10/05/2022	4
GII	07/29	4.492	30	4.500	10/05/2022	-1
GII	10/30	4.667	159	4.629	10/05/2022	4
GII	10/32	4.570	2	4.558	10/05/2022	1
GII	11/34	4.922	50	4.941	10/05/2022	-2
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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*	
Pengurusan Air SPV Berhad	02/23	GG	2.806	10	2.348	08/03/2022	46	8
DanaInfra Nasional Berhad	02/28	GG	4.511	50	4.530	09/05/2022	-2	17
Prasarana Malaysia Berhad	03/28	GG	4.520	5	3.663	14/01/2022	86	17
DanaInfra Nasional Berhad	05/28	GG	4.548	40	3.922	31/03/2022	63	20
DanaInfra Nasional Berhad	02/29	GG	4.633	10	4.638	10/05/2022	0	16
Lembaga Pembiayaan Perumahan Sektor Awam	04/29	GG	4.642	15	4.489	27/04/2022	15	17
DanaInfra Nasional Berhad	10/31	GG	4.659	5	3.985	21/01/2022	67	15
Cagamas Berhad	04/23	AAA	2.852	10			285	13
Zamarad Assets Berhad	03/26	AAA	4.619	10	3.863	17/01/2022	76	63
Sarawak Energy Berhad	11/28	AAA	4.700	15	3.837	10/03/2022	86	23
Danum Capital Berhad	02/35	AAA	5.000	10	4.985	05/05/2022	1	13
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.195	50	5.181	09/05/2022	1	33
Tenaga Nasional Berhad	08/37	AAA	5.120	20	4.700	15/04/2022	42	25
Sabah Development Bank Berhad	05/25	AA1	4.169	1	4.170	09/05/2022	0	39
Agroto Business (M) Sdn Berhad	08/26	AA1	4.798	1	4.757	28/09/2021	4	81
Malayan Banking Berhad	10/30	AA1	4.407	10	3.237	12/08/2021	117	-10
Fortune Premiere Sdn Berhad	03/23	AA	3.443	10	3.178	21/04/2022	27	72
TSH Sukuk Murabahah Sdn Berhad	06/23	A+	3.531	30	4.076	10/02/2022	-55	81
Tropicana Corporation Berhad	06/23	A+	5.282	1	5.282	10/05/2022	0	256
Tropicana Corporation Berhad	09/19	A	6.391	1	6.401	10/05/2022	-1	142
Affin Bank Berhad	07/18	A3	4.214	1	3.607	02/03/2022	61	-76
YNH Property Berhad	08/19	-	6.546	1	6.002	26/04/2022	54	158
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\*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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