

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.56	-8
5-yr UST	2.82	-7
10-yr UST	2.85	-8
30-yr UST	3.02	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.75	-3	3.65	-9
5-yr	4.03	-8	4.21	0
7-yr	4.43	-8	4.47	-4
10-yr	4.45	0	4.58	1
15-yr	4.81	0	4.99	14
20-yr	5.01	15	5.10	8
30-yr	5.11	1	5.25	26

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.78	-1
3-yr	3.66	-14
5-yr	3.90	-20
7-yr	4.09	-18
10-yr	4.30	-17

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries rallied on Thursday, with the belly outperforming other sectors following large block-buying especially in 5Y futures, coupled with worries over the Fed's tightening measures which may potentially knock the economy into recession. The curve steepened as overall benchmark yields slid between 3-8bps across. **Both the UST 2Y and much-watched 10Y yields fell 8bps to 2.56% and 2.85% respectively.** The \$22b 30Y bond auction notched a solid BTC ratio of 2.38x (previous six auction average: 2.23x) and awarded at 2.997% (previous auction: 2.815%). In an interview released later in the day, Fed Chair Powell reiterated that 50bps rate hikes may be likely in the next two(2) FOMC meetings. Elsewhere, Japan has begun offloading USTs since November 2021 whereas China has started tapering its purchases in February. Expect some attention to shift to peripheral data covering the University of Michigan consumer sentiment tonight.

MGS/GII

- Local govvnies closed stronger within the belly but saw the longer ends extending out from 10-year sector being pressured despite a decent new coupon offering for 30Y GII. Overall benchmark MGS/GII yields closed between -9bps to +26bps amid a 33% pullback in secondary market volume to RM1.96b. **The 5Y benchmark MGS 11/26 rallied pushing yields down 8bps to 4.03% whilst the 10Y MGS 7/32 settled unchanged at 4.45%.** Trades were mainly seen in the off-the-run 22's, 27's and also benchmark 7Y GII. GII trades eased slightly to form a 36% of overall transactions. The 30Y GII auction saw decent demand from Lifers, GLC's and pension funds; notching a BTC ratio of 2.57x whilst being awarded at 5.357%. Meanwhile, expect attention to shift to the release of 1Q2022 GDP data today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space again saw interest swing to the downside on Thursday with some interest seen sporadically across the GG to single-A part of the curve. Overall yields closed mostly higher, spanning across a mere 14 names amid the halving of secondary market volume @ RM190m. The long-end Govt-guaranteed PRASA 3/40 declined 3bps compared to previous-done levels at 5.24% whilst the 9/42 tranche spiked 75bps instead to 5.29%. AAA-rated WESTPORT 4/26 which was last traded in January 2021, saw yields jump to 4.31% whilst MANJUNG 31 ended unchanged at 4.80%. Meanwhile, the banking/finance space saw ALLIANCE 35NC30 and AmBank 31NC26 too spike 71-75bps to 5.30% and 4.89% each on transacted amounts of RM20m each.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/22	2.152	71	2.002	11/05/2022	15
MGS	04/23	2.874	14	2.873	11/05/2022	0
MGS	08/23	3.026	46	2.907	11/05/2022	12
MGS	06/24	3.654	55	3.667	11/05/2022	-1
MGS	07/24	3.670	78	3.782	11/05/2022	-11
MGS	09/24	3.765	24	3.792	11/05/2022	-3
MGS	03/25	3.749	53	3.776	11/05/2022	-3
MGS	09/25	3.912	47	3.980	11/05/2022	-7
MGS	04/26	4.084	2	4.056	11/05/2022	3
MGS	07/26	3.958	2	4.089	10/05/2022	-13
MGS	11/26	4.033	98	4.109	11/05/2022	-8
MGS	03/27	4.191	21	4.190	10/05/2022	0
MGS	05/27	4.123	203	4.192	11/05/2022	-7
MGS	11/27	4.156	27	4.207	11/05/2022	-5
MGS	06/28	4.326	15	4.307	11/05/2022	2
MGS	04/29	4.428	184	4.512	11/05/2022	-8
MGS	08/29	4.525	9	4.563	11/05/2022	-4
MGS	04/30	4.498	4	4.619	11/05/2022	-12
MGS	04/31	4.628	2	4.657	11/05/2022	-3
MGS	06/31	4.670	2	4.663	11/05/2022	1
MGS	07/32	4.445	25	4.444	11/05/2022	0
MGS	04/33	4.831	13	4.730	11/05/2022	10
MGS	11/33	4.779	6	4.818	10/05/2022	-4
MGS	07/34	4.816	66	4.943	11/05/2022	-13
MGS	05/35	4.881	3	4.883	11/05/2022	0
MGS	04/37	4.809	3	4.804	11/05/2022	0
MGS	06/38	4.938	2	5.030	11/05/2022	-9
MGS	05/40	5.002	13	4.981	11/05/2022	2
MGS	10/42	5.011	10	4.861	11/05/2022	15
MGS	09/43	5.063	4	4.988	06/05/2022	7
MGS	03/46	5.093	2	5.011	11/05/2022	8
MGS	06/50	5.110	146	5.103	11/05/2022	1
GII	07/22	2.102	306	1.848	11/05/2022	25
GII	07/23	3.048	40	2.920	11/05/2022	13
GII	11/23	3.060	86	2.535	29/04/2022	53
GII	10/24	3.651	73	3.741	11/05/2022	-9
GII	03/26	4.060	1	3.978	11/05/2022	8
GII	09/26	4.135	1	3.898	27/04/2022	24
GII	07/27	4.218	10	4.096	05/05/2022	12
GII	10/28	4.468	162	4.504	11/05/2022	-4
GII	07/29	4.542	6	4.492	11/05/2022	5
GII	10/30	4.622	4	4.667	11/05/2022	-4
GII	10/32	4.583	10	4.570	11/05/2022	1
GII	06/33	4.818	1	4.782	10/05/2022	4
GII	07/36	4.985	11	4.841	05/05/2022	14
GII	09/41	5.095	3	5.014	09/05/2022	8
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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	2.921	25	2.806	11/05/2022	12	18
DanaInfra Nasional Berhad	05/32	GG	4.681	25	4.449	21/04/2022	23	27
Prasarana Malaysia Berhad	03/40	GG	5.241	10	5.271	22/04/2022	-3	26
Prasarana Malaysia Berhad	09/42	GG	5.289	15	4.540	09/03/2022	75	30
Westports Malaysia Sdn Berhad	04/26	AAA	4.313	50	2.779	29/01/2021	153	36
Manjung Island Energy Berhad	11/31	AAA	4.798	20	4.798	10/05/2022	0	39
Sabah Development Bank Berhad	07/24	AA1	4.091	1	4.445	09/05/2022	-35	45
Sabah Development Bank Berhad	05/25	AA1	4.167	1	4.169	11/05/2022	0	45
AmBank (M) Berhad	03/31	A1	4.887	20	4.179	19/01/2022	71	36
Tropicana Corporation Berhad	06/23	A+	3.932	1	5.282	11/05/2022	-135	119
Alliance Bank Malaysia Berhad	10/35	A2	5.299	20	4.553	09/05/2022	75	43
Tropicana Corporation Berhad	09/19	A	6.091	1	6.391	11/05/2022	-30	111
LBS Bina Group Berhad	03/20	-	6.999	1	5.841	09/05/2022	116	201
Cypark Renewable Energy Sdn Berhad	09/20	-	6.622	1	6.565	31/03/2022	6	164
				190				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sinar Kamiri Sdn Bhd	RM245 million Green Sustainable and Responsible Investment (SRI) Sukuk Wakalah	AA-IS/Stable	Affirmed

Source: RAM, MARC

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