

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.35	-6
5-yr UST	2.65	-4
10-yr UST	2.70	-2
30-yr UST	2.81	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.30	3	3.09	0
5-yr	3.55	-5	3.76	0
7-yr	3.94	-3	3.88	-10
10-yr	4.06	-2	4.18	-1
15-yr	4.49	3	4.43	0
20-yr	4.67	4	4.74	4
30-yr	4.77	6	4.72	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.38	-2
3-yr	3.28	-4
5-yr	3.66	-4
7-yr	3.84	-4
10-yr	4.07	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US Treasuries saw further upside on Wednesday with the short-ends well-bid following several sizeable block buying exercises sensitive to interest rate policy. Investors were inclined to believe that inflation may have peaked whilst brushing aside the strong US producer price (PPI) in March. The curve bull-steepened as overall benchmark yields ended 0-6bps lower across. **The UST 2Y yield fell 6bps to 2.35% whilst the much-watched 10Y yield edged 2bps lower to 2.70%.** Nevertheless, the \$20 30Y bond auction saw slightly soft bidding metrics of 2.30x (previous six auction average: 2.35x) and awarded at 2.815%. Elsewhere, the swaps market has priced-in a cut of almost 25bps from its earlier pricing from now until the December 2022 FOMC meeting. Earlier curve-flattening wagers have seen some profit-taking due to the slight shift in sentiment. Meanwhile, expect attention to focus on the initial jobless claims, retail sales and also consumer sentiment data tonight.

MGS/GII

- Local govies closed mixed with the belly better-bid whilst the long-end were generally pressured as traders took opportunity to nibble due to emerging values amid dwindling volumes. Overall benchmark MGS/GII yields closed mixed between -10 to +6bps, amid a 12% decline in secondary market volume @ RM2.34b. **The 5Y benchmark MGS 11/26 yield fell 5bps to 3.55% whilst the 10Y MGS 7/32 edged 2bps lower at 4.06%.** Trades were mainly seen in the off-the-run 24's and also benchmark 3Y MGS, 10Y GII. GII trades dropped to form 34% of overall transactions. The auction involving the new issuance of RM2.5b 20.5Y benchmark MGS 10/42 saw decent bidding metrics despite the rather large private placement exercise of RM2.5b; with BTC ratio at 1.918x whilst being awarded at 4.696%.

Corp Bonds/Sukuk

- On Wednesday, the Corporate Bonds/Sukuk space saw lesser activity in the secondary market with interest mainly seen along AA-part of the curve. Overall yields closed mostly higher, spanning across 19 names amid the halving in market volume @ RM255m. Govt-guaranteed Turus Pesawat 2/28 and DANA 2/34 spiked between 47-79bps compared to previous-done levels to 4.19% and 4.41% each. AAA-rated DANGA 9/27 edged 1bps up at 4.01%. AA-rated YTL Corp 4/23 rose 7bps to 3.68% whereas energy-related bonds BGSM saw its 3/26 tranche jump 10bps higher to 3.98%. Meanwhile, the banking/finance space saw MAYBANK 2117NC26 perps rally 11bps to 3.77% whilst both MBSB 27 and 29 registered their first maiden trades; sharply lower from their recently issued coupons of 4.36% and 4.73% respectively.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	04/23	2.343	6	2.187	12/04/2022	16
MGS	08/23	2.325	73	2.276	11/04/2022	5
MGS	06/24	2.931	96	2.911	12/04/2022	2
MGS	09/24	3.035	52	2.928	11/04/2022	11
MGS	03/25	3.301	430	3.268	12/04/2022	3
MGS	09/25	3.399	40	3.408	12/04/2022	-1
MGS	07/26	3.547	128	3.502	11/04/2022	5
MGS	11/26	3.554	191	3.600	12/04/2022	-5
MGS	05/27	3.669	28	3.647	12/04/2022	2
MGS	11/27	3.693	70	3.694	12/04/2022	0
MGS	06/28	3.935	121	3.963	12/04/2022	-3
MGS	08/29	4.027	64	4.043	12/04/2022	-2
MGS	04/30	4.102	15	4.125	12/04/2022	-2
MGS	04/31	4.089	9	4.106	12/04/2022	-2
MGS	04/32	4.245	3	4.205	12/04/2022	4
MGS	07/32	4.062	28	4.087	12/04/2022	-2
MGS	11/33	4.364	30	4.382	12/04/2022	-2
MGS	07/34	4.457	51	4.249	12/04/2022	21
MGS	05/35	4.452	1	4.477	12/04/2022	-3
MGS	04/37	4.487	5	4.458	12/04/2022	3
MGS	05/40	4.673	29	4.632	12/04/2022	4
MGS	09/43	4.726	50	4.711	12/04/2022	1
MGS	07/48	4.783	9	4.704	12/04/2022	8
MGS	06/50	4.773	23	4.714	12/04/2022	6
GII	11/23	2.344	92	2.275	11/04/2022	7
GII	05/24	3.057	50	3.064	12/04/2022	-1
GII	08/24	3.092	300	3.028	11/04/2022	6
GII	03/26	3.562	10	3.562	12/04/2022	0
GII	10/28	3.880	50	3.978	12/04/2022	-10
GII	07/29	4.015	101	4.033	12/04/2022	-2
GII	10/30	4.112	4	4.158	12/04/2022	-5
GII	10/32	4.183	170	4.193	11/04/2022	-1
GII	09/41	4.735	13	4.695	12/04/2022	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*
Turus Pesawat Sdn Berhad	02/28	GG	4.186	50	3.717	12/11/2019	47	41
DanaInfra Nasional Berhad	02/34	GG	4.410	20	3.621	21/01/2020	79	35
Cagamas Berhad	08/22	AAA	2.205	50	2.209	01/04/2022	0	7
Danga Capital Berhad	09/27	AAA	4.011	10	3.997	12/04/2022	1	43
Tenaga Nasional Berhad	08/35	AAA	4.379	1	4.378	12/04/2022	0	-7
YTL Corporation Berhad	04/23	AA1	3.679	40	3.610	11/03/2022	7	154
GENM Capital Berhad	03/27	AA1	4.983	1	5.130	08/04/2022	-15	140
Danajamin Nasional Berhad	10/27	AA1	2.920	20	2.815	18/03/2022	11	-66
BEWG (M) Sdn Berhad	07/23	AA	3.232	20	3.657	25/02/2020	-43	110
BGSM Management Sdn Berhad	03/26	AA3	3.977	10	3.877	08/04/2022	10	53
Malayan Banking Berhad	02/17	AA3	3.772	10	3.878	11/04/2022	-11	-92
MMC Corporation Berhad	04/23	AA-	2.964	4	3.027	21/03/2022	-6	83
AZRB Capital Sdn Berhad	12/24	AA-	4.536	3	4.313	29/10/2021	22	125
TG Excellence Berhad	02/20	AA-	4.477	3	4.060	11/04/2022	42	-22
Tropicana Corporation Berhad	06/23	A+	5.302	1	4.195	12/04/2022	111	317
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	04/27	A+	4.181	10	-	-	-	60
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	04/29	A+	4.630	1	-	-	-	68
Hume Cement Industries Berhad	12/23	-	3.737	2	4.048	09/02/2022	-31	88
YNH Property Berhad	08/19	-	6.142	1	6.099	12/04/2022	4	145
				<u>255</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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