

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries





- US Treasuries caught late bids and ended richer on Thursdays. Overall benchmark yields ended between 2-9bps across. **UST 2Y yield edged 2bps lower at 3.18% whilst the much-watched 10Y declined 9bps to 3.20%**. In US economic data, construction on new US homes fell whilst the Fed Reserve Bank of Philadelphia noted that its gauge of regional business activity fell sharply to its 1st contraction since May 2020. Fed Chair Powell said that a 75bps or 50bps move in July is likely, but that 75bps moves are not expected to be a norm. He also said that the route to a soft-landing for the economy has become difficult due to factors out of control such as geopolitical tensions impacting commodity prices. The BOE and SNB similarly hiked interest rates by 25bps and 50bps respectively. Elsewhere, the Fed's holdings of USTs decreased by ~\$8.7b to about \$5.8 trillion.















MGS/GIII

- Local govvnies on Thursday mostly retraced prior days gains from the relief rally post-FOMC; thus closing mixed-to-weaker. Overall benchmark MGS/GII yields closed between -6 to +6bps across the curve amid a sustained secondary market volume of RM2.24b. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.91% whilst the 10Y benchmark MGS 7/32 yield edged 2bps higher at 4.36%**. Interest was mainly seen in the off-the-run 22-23's and also benchmark 3Y GII, 7Y MGS. GII transactions rose to form 22% of overall trades. The MYR is seen strengthening as oil prices are expected to boost the nation's export earnings. Meanwhile, expect some attention to shift to the release of trade numbers for May at noon today.






Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw weaker investor interest on Thursday with trades mainly seen across the GG-AA part of the curve spanning across 22 names. Overall yields closed mostly higher amid the fall in secondary market volume from RM415m to RM292m. Govt-guaranteed DANA 10/31 and DANA 10/46 rose 15-20bps compared to previous-done levels to 4.66% and 5.15% each. AAA-rated PLUS 34-35's spiked 42-74bps between 5.00-05% levels whereas the 2023 tranche moved 6bps higher to 3.06%. The AA-space saw YTL Power grind RM50m in transacted amounts; jumping 33bps to 3.78%. Meanwhile, the banking/finance space saw BPMB decline 6bps instead to 4.29% whilst MAYBANK 2117NC traded back-to-back again; edging 2bps lower at 4.32%. PUBLIC 29NC24 however jumped 15bps higher to 4.00%.

UST			
Tenure	Closing (%)	Chg (bps)	
2-yr UST	3.18		-2
5-yr UST	3.29		-8
10-yr UST	3.20		-9
30-yr UST	3.25		-8

MGS		GII*			
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.56		3.65		-1
5-yr	3.91		4.17		6
7-yr	4.33		4.27		-1
10-yr	4.36		4.40		2
15-yr	4.76		4.80		4
20-yr	4.85		4.90		0
30-yr	4.99		5.05		0

* Market indicative levels

MYR IRS Levels			
IRS	Closing (%)	Chg (bps)	
1-yr	3.01		1
3-yr	3.81		-1
5-yr	4.03		0
7-yr	4.17		0
10-yr	4.24		-4

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	2.249	226	2.150	15/06/2022	10
MGS	03/23	2.923	258	2.806	15/06/2022	12
MGS	04/23	2.967	86	2.930	15/06/2022	4
MGS	08/23	3.088	2	3.024	15/06/2022	6
MGS	06/24	3.341	7	3.452	15/06/2022	-11
MGS	07/24	3.510	4	3.500	15/06/2022	1
MGS	09/24	3.550	41	3.484	15/06/2022	7
MGS	03/25	3.559	60	3.531	15/06/2022	3
MGS	09/25	3.715	59	3.723	15/06/2022	-1
MGS	11/26	3.912	100	3.919	15/06/2022	-1
MGS	05/27	4.081	27	4.041	15/06/2022	4
MGS	11/27	4.086	81	4.065	15/06/2022	2
MGS	06/28	4.224	16	4.237	15/06/2022	-1
MGS	04/29	4.333	265	4.305	15/06/2022	3
MGS	08/29	4.330	1	4.346	15/06/2022	-2
MGS	06/31	4.422	10	4.431	15/06/2022	-1
MGS	07/32	4.355	160	4.335	15/06/2022	2
MGS	04/33	4.663	42	4.674	15/06/2022	-1
MGS	11/33	4.551	103	4.699	14/06/2022	-15
MGS	07/34	4.729	27	4.730	15/06/2022	0
MGS	04/37	4.757	131	4.766	15/06/2022	-1
MGS	06/38	4.650	2	4.842	15/06/2022	-19
MGS	10/42	4.850	11	4.813	15/06/2022	4
MGS	09/43	4.900	30	4.842	07/06/2022	6
MGS	07/48	5.046	1	5.053	15/06/2022	-1
MGS	06/50	4.993	1	5.050	15/06/2022	-6
GII	10/24	3.472	28	3.464	15/06/2022	1
GII	08/25	3.603	10	3.705	14/06/2022	-10
GII	10/25	3.650	220	3.664	15/06/2022	-1
GII	09/27	4.167	89	4.105	15/06/2022	6
GII	10/28	4.268	4	4.278	15/06/2022	-1
GII	10/30	4.405	2	4.405	15/06/2022	0
GII	10/32	4.399	20	4.381	15/06/2022	2
GII	07/36	4.800	100	4.764	15/06/2022	4
GII	05/52	5.050	10	5.045	09/06/2022	0
			<u>2235</u>			

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*
DanaInfra Nasional Berhad	10/31	GG	4.659	10	4.461	02/06/2022	20	33
Prasarana Malaysia Berhad	03/40	GG	5.029	20	4.946	09/06/2022	8	20
DanaInfra Nasional Berhad	10/46	GG	5.148	10	5.000	27/05/2022	15	32
Projek Lebuhraya Usahasama Berhad	01/23	AAA	3.063	20	3.003	26/05/2022	6	24
Cagamas Berhad	10/23	AAA	3.364	30	2.750	31/03/2022	61	54
Cagamas Berhad	10/24	AAA	3.823	30	3.841	13/06/2022	-2	38
Cagamas Berhad	01/25	AAA	3.897	15	3.882	03/06/2022	1	33
Bank Pembangunan Malaysia Berhad	06/26	AAA	4.288	10	4.350	17/05/2022	-6	51
Projek Lebuhraya Usahasama Berhad	01/34	AAA	5.000	20	4.578	08/04/2022	42	67
Projek Lebuhraya Usahasama Berhad	01/35	AAA	5.050	20	4.311	11/03/2022	74	32
YTL Power International Berhad	03/23	AA1	3.781	50	3.456	10/06/2022	33	96
Sabah Development Bank Berhad	12/23	AA1	4.340	4	3.836	07/06/2022	50	152
Public Bank Berhad	12/29	AA1	4.001	10	3.849	05/05/2022	15	-31
SP Setia Berhad	04/29	AA	5.130	20	5.048	10/06/2022	8	83
Malayan Banking Berhad	02/17	AA3	4.323	10	4.348	15/06/2022	-2	-51
Southern Power Generation Sdn Berhad	10/25	AA-	4.498	10	2.850	23/10/2020	165	93
Tropicana Corporation Berhad	06/25	A+	5.443	1	5.400	14/06/2022	4	187
Yinson Holdings Berhad	12/26	A+	5.417	1	5.726	09/06/2022	-31	164
Alliance Bank Malaysia Berhad	10/30	A2	3.900	1	3.951	10/06/2022	-5	-41
Hume Cement Industries Berhad	12/23	-	3.358	1	4.049	02/06/2022	-69	-9
Eco World Capital Assets Berhad	08/24	-	5.142	1	5.598	14/06/2022	-46	169
LBS Bina Group Berhad	03/20	-	7.501	1	6.349	14/06/2022	115	267
				<u>292</u>				

*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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