

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.70	13
5-yr UST	2.97	14
10-yr UST	2.99	10
30-yr UST	3.18	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.69	6	3.62	-5
5-yr	3.99	4	4.21	0
7-yr	4.41	-4	4.44	0
10-yr	4.45	0	4.58	0
15-yr	4.86	-3	4.81	-11
20-yr	4.95	-5	5.05	0
30-yr	5.10	0	5.30	-6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.84	1
3-yr	3.73	5
5-yr	3.93	2
7-yr	4.12	2
10-yr	4.25	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries tumbled on Tuesday, influenced by Fed Chair Powell's hawkish interview with WSJ in which he said that the Fed will not hesitate to push interest rates higher than neutral (if required) to reduce inflation. Losses were led by the short and intermediate sector which were also weighed by the bear-flattening bias of bunds and gilts. The curve was flatter as overall benchmark yields spiked between 8-14bps across. **The UST 2Y yield spiked 13bps to 2.70% whilst the much-watched 10Y yield jumped 10bps higher to 2.99%**. Separate reports showed that retail sales rose strongly in April whilst production at US factories increased more-than-expected amid strong demand for motor vehicles and other goods. Elsewhere, Fed Fund Futures expect the Fed to hike rates by 50bps in the next upcoming FOMC meetings in June and July. Meanwhile, expect some attention to shift to peripheral data covering housing starts and building permits tonight.

MGS/GII

- Local govies generally outperformed on Tuesday save for the short-end MGS which were influenced by higher IRS levels. Overall benchmark MGS/GII yields closed mostly unchanged-to-lower i.e. between 0-6bps (save for the 3Y, 5Y MGS) amid a 29% drop in secondary market volume @ RM1.18b. **The 5Y benchmark MGS 11/26 yield rose 4bps to 3.99% whilst the 10Y MGS 7/32 settled unchanged at 4.45%**. Trades were mainly seen in the off-the-run 23's, 29's and also the newly-issued benchmark 30Y GII. GII trades maintained to form 20% of overall transactions. Meanwhile, expect attention to shift to the April trade data tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw interest on Tuesday plunge to one of its lowest YTD with some interest seen sporadically across the AAA-AA part of the curve. Overall yields closed mostly higher, spanning across 14 names amid the drop in secondary market volume to a mere RM45m. Govt-guaranteed trades were absent. AAA-rated RANTAU 31 spiked 75bps compared to previous-done levels to 4.80% whilst INFRACAP 4/36 too saw yields jump 60bps higher to 5.38%. The AA-space saw mostly odd-lot transactions in GENM Capital, BUMITAMA and MMC Corp. Meanwhile, the banking/finance space saw MAYBANK 2117nc26 perps spike 58bps to 4.56%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	2.649	94	2.679	13/05/2022	-3
MGS	04/23	2.693	3	2.761	13/05/2022	-7
MGS	08/23	3.018	190	2.956	13/05/2022	6
MGS	06/24	3.635	20	3.603	13/05/2022	3
MGS	07/24	3.676	44	3.670	12/05/2022	1
MGS	09/24	3.644	10	3.702	13/05/2022	-6
MGS	03/25	3.693	16	3.635	13/05/2022	6
MGS	09/25	3.903	16	3.905	13/05/2022	0
MGS	07/26	4.024	1	4.010	13/05/2022	1
MGS	11/26	3.992	15	3.951	13/05/2022	4
MGS	11/27	4.166	22	4.121	13/05/2022	4
MGS	06/28	4.318	8	4.289	13/05/2022	3
MGS	04/29	4.408	110	4.445	13/05/2022	-4
MGS	08/29	4.471	44	4.491	13/05/2022	-2
MGS	04/30	4.500	80	4.543	13/05/2022	-4
MGS	04/31	4.587	7	4.595	13/05/2022	-1
MGS	06/31	4.694	12	4.611	13/05/2022	8
MGS	07/32	4.446	28	4.445	13/05/2022	0
MGS	04/33	4.790	1	4.788	13/05/2022	0
MGS	11/33	4.848	4	4.882	13/05/2022	-3
MGS	07/34	4.868	27	4.883	13/05/2022	-1
MGS	05/35	4.933	8	4.500	13/05/2022	43
MGS	04/37	4.855	4	4.885	13/05/2022	-3
MGS	05/40	4.983	1	4.977	13/05/2022	1
MGS	10/42	4.947	16	4.996	13/05/2022	-5
MGS	03/46	5.169	1	5.087	13/05/2022	8
MGS	06/50	5.095	164	5.095	13/05/2022	0
GII	05/23	2.810	130	2.997	12/05/2022	-19
GII	07/23	2.971	23	3.048	12/05/2022	-8
GII	11/23	3.016	20	3.107	13/05/2022	-9
GII	05/24	3.693	4	3.318	05/05/2022	38
GII	10/24	3.623	50	3.676	13/05/2022	-5
GII	08/25	3.911	2	3.928	11/05/2022	-2
GII	03/26	4.007	3	3.964	13/05/2022	4
GII	07/27	4.235	1	4.218	12/05/2022	2
GII	10/30	4.601	1	4.593	13/05/2022	1
GII	08/33	4.819	1	4.663	29/04/2022	16
GII	07/36	4.814	1	4.925	13/05/2022	-11
GII	09/41	5.051	2	5.048	13/05/2022	0
			1180			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Projek Lebuhraya Usahasama Berhad	01/26	AAA	4.050	1	3.798	14/04/2022	25	17
Bank Pembangunan Malaysia Berhad	06/26	AAA	4.350	1	3.591	02/03/2022	76	47
Rantau Abang Capital Berhad	05/31	AAA	4.799	10	4.045	16/03/2022	75	30
Infracap Resources Sdn Berhad	04/36	AAA	5.381	10	4.779	05/04/2022	60	49
Sabah Development Bank Berhad	05/25	AA1	4.042	1	4.242	13/05/2022	-20	36
GENM Capital Berhad	08/25	AA1	4.565	2	4.236	13/05/2022	33	88
Sabah Development Bank Berhad	05/27	AA1	4.573	1	4.660	11/05/2022	-9	56
Bumitama Agri Ltd	07/24	AA2	3.996	2	3.546	15/04/2022	45	39
Malayan Banking Berhad	02/17	AA3	4.563	10	3.980	26/04/2022	58	-43
MMC Corporation Berhad	11/25	AA-	4.456	6	3.827	30/12/2021	63	77
Hong Leong Financial Group Berhad	11/17	A1	4.137	1	3.828	12/04/2022	31	-85
Alliance Bank Malaysia Berhad	10/30	A2	3.771	1	3.993	10/05/2022	-22	-70
Tropicana Corporation Berhad	09/19	A	6.102	1	6.091	12/05/2022	1	111
Cypark Renewable Energy Sdn Berhad	09/20	-	6.306	1	6.622	12/05/2022	-32	132
				<u>45</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Public Bank Berhad	RM20 billion Senior MTN Programme (2013/2043)	AAA/Stable	Reaffirmed
	RM10 billion Subordinated MTN Programme (2013/2043)	AA1/Stable	Reaffirmed
	RM10 billion Additional Tier-1 Capital Securities Programme (AT-1 Programme)	AA3/Stable	Reaffirmed
Public Islamic Bank Berhad	RM5 billion Sukuk Murabahah Programme	AAA/Stable	Reaffirmed
	Senior sukuk Subordinated sukuk	AA1/Stable	Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

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