

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries retained its safe-haven bids by continuing to see gains on Thursday, influenced by softer economic data which fueled growth concerns amid aggressive monetary tightening measures by the Fed. The curve steepened as overall benchmark yields declined between 2-6bps across. **The UST 2Y yield declined sharply by 3bps to 2.61% whilst the much-watched 10Y too fell 5bps to 2.84%.** The \$14b 10Y TIPS auction notched weaker-than-expected bidding metrics with BTC ratio at 2.24x (previous six auction average: 2.39x) and awarded at 0.232% (previous auction: -0.589%). Some of the weak peripheral data included a 4-month high in initial jobless claims for the week ended 14th May and lower existing home sales in April. Also, lower business conditions reported by Philadelphia Fed were seen provided some boost for bonds; neutralizing Fed official's George's comments over the FOMC being on course for more 50bps hikes. Meanwhile, expect some attention to shift to US PMI manufacturing and services data for May next Monday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.61	-6
5-yr UST	2.84	-5
10-yr UST	2.84	-5
30-yr UST	3.05	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.61	-7	3.59	-4
5-yr	3.86	-15	4.16	-5
7-yr	4.32	-8	4.40	11
10-yr	4.40	2	4.58	0
15-yr	4.74	-7	4.82	-8
20-yr	4.77	-22	5.05	0
30-yr	5.01	-6	5.17	-9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.80	-4
3-yr	3.68	-5
5-yr	3.84	-10
7-yr	4.02	-9
10-yr	4.21	-7

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 10Y MGS 7/32 on Monday, 23rd May 2022

MGS/GII

- Local govies were in focus as they rallied across the curve on Thursday, taking cue from falling IRS levels seen across most tenures. Overall benchmark MGS/GII yields closed mostly lower between 0-22bps (save for the 10Y MGS and 7Y GII), amid higher secondary market volume @ RM2.03b. **The 5Y benchmark MGS 11/26 yield declined sharply by 15bps to 3.86% whilst the 10Y benchmark MGS 7/32 yield edged 2bps up instead at 4.40%; ahead of its next auction on Monday.** Trades were mainly seen in the off-the-run 25's, 29's and also benchmark 7Y GII. GII trades maintained to form 45% of overall transactions. Elsewhere, Malaysia's external trade growth slowed down to 20.7% y/y in April; having eased slightly from the strong +25.3% seen in March.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw strong investor interest on Thursday not seen in recent weeks with transactions done across the GG to single-A part of the curve. Overall yields closed mostly higher, spanning across 27 names amid a 21% jump in secondary market volume to RM417m. The short govt-guaranteed KHAZANAH 6/22 notched RM90m in nominal amounts, as yields jumped 38bps compared to previous-done levels to 2.33%. DANA 35's spiked 64-65bps to 4.90-91%. AAA-rated AMAN 4/24 and DIGI 9/26 too spiked 74-75bps to 3.70% and 4.34% respectively. The AA-space saw energy-related bonds BGSM 12/22 climb 42bps to 2.89% whereas Southern Power 4/30 rose 66bps to 5.15%. Meanwhile, the banking/finance space saw a slew of RHB bank bonds exchange hands. RHB 10/25 jumped 109bps to settle sharply higher at 4.33% whereas the 27NC22 and 30NC25 tranches too jumped higher @ 2.98% and 4.43%. MBSB 12/31 moved 4bps higher to 4.85%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.929	21	1.901	18/05/2022	3
MGS	09/22	2.054	20	2.052	18/05/2022	0
MGS	03/23	2.538	5	2.668	18/05/2022	-13
MGS	08/23	2.845	90	2.959	18/05/2022	-11
MGS	07/24	3.656	1	3.623	18/05/2022	3
MGS	03/25	3.605	98	3.671	18/05/2022	-7
MGS	09/25	3.679	105	3.899	18/05/2022	-22
MGS	11/26	3.866	100	4.016	18/05/2022	-15
MGS	05/27	4.114	10	4.108	18/05/2022	1
MGS	11/27	4.070	6	4.126	18/05/2022	-6
MGS	06/28	4.233	21	4.338	18/05/2022	-11
MGS	04/29	4.318	372	4.394	18/05/2022	-8
MGS	04/31	4.563	2	4.579	18/05/2022	-2
MGS	07/32	4.397	40	4.382	18/05/2022	2
MGS	04/33	4.720	32	4.758	18/05/2022	-4
MGS	11/33	4.748	1	4.853	18/05/2022	-11
MGS	04/37	4.743	2	4.809	18/05/2022	-7
MGS	05/40	4.914	20	4.989	18/05/2022	-8
MGS	10/42	4.773	98	4.990	18/05/2022	-22
MGS	09/43	4.959	10	5.063	12/05/2022	-10
MGS	03/46	5.033	10	5.116	18/05/2022	-8
MGS	06/50	5.006	64	5.069	18/05/2022	-6
GII	07/22	1.758	78	1.999	18/05/2022	-24
GII	11/22	2.197	10	1.880	10/05/2022	32
GII	05/23	2.670	14	2.685	18/05/2022	-2
GII	07/23	2.857	9	2.885	18/05/2022	-3
GII	11/23	3.036	2	2.988	18/05/2022	5
GII	10/24	3.592	190	3.636	18/05/2022	-4
GII	10/25	3.695	40	3.926	13/05/2022	-23
GII	09/26	4.031	36	4.135	12/05/2022	-10
GII	09/27	4.158	5	4.207	11/05/2022	-5
GII	10/28	4.396	295	4.438	13/05/2022	-4
GII	07/29	4.443	10	4.533	18/05/2022	-9
GII	10/30	4.474	82	4.591	18/05/2022	-12
GII	08/33	4.756	2	4.819	17/05/2022	-6
GII	10/35	4.806	1	4.898	13/05/2022	-9
GII	07/36	4.822	20	4.904	18/05/2022	-8
GII	05/47	5.091	4	5.009	10/05/2022	8
GII	11/49	5.094	50	4.991	27/04/2022	10
GII	05/52	5.172	59	5.257	18/05/2022	-9
			<u>2034</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*
Johor Corporation	06/22	GG	2.578	20	2.095	08/04/2022	48	-14
Khazanah Nasional Berhad	06/22	GG	2.333	90	1.957	08/03/2022	38	-39
Small Medium Enterprise Development Bank Malaysia Be	03/26	GG	4.288	10	2.990	09/06/2021	130	43
DanaInfra Nasional Berhad	10/28	GG	4.500	5	3.692	21/03/2022	81	27
Prasarana Malaysia Berhad	02/35	GG	4.880	5	4.130	14/03/2022	75	6
DanaInfra Nasional Berhad	05/35	GG	4.912	10	4.265	10/02/2022	65	9
DanaInfra Nasional Berhad	11/35	GG	4.900	5	4.260	18/02/2022	64	8
Cagamas Berhad	02/23	AAA	2.875	20	2.388	05/04/2022	49	16
Aman Sukuk Berhad	03/23	AAA	3.052	10	2.502	28/02/2022	55	33
Danum Capital Berhad	05/23	AAA	3.246	20	3.236	18/05/2022	1	53
Aman Sukuk Berhad	04/24	AAA	3.700	10	2.953	03/03/2022	75	12
DiGi Telecommunications Sdn Berhad	09/26	AAA	4.337	10	3.600	24/03/2022	74	48
Infracap Resources Sdn Berhad	04/31	AAA	5.065	10	4.518	29/03/2022	55	61
GENM Capital Berhad	08/25	AA1	4.233	1	4.235	18/05/2022	0	59
Public Bank Berhad	07/29	AA1	3.896	10	3.271	28/03/2022	63	-46
RHB Bank Berhad	10/25	AA2	4.328	10	3.243	22/09/2021	109	68
SP Setia Berhad	04/29	AA	4.630	1	5.250	18/05/2022	-62	28
Point Zone (M) Sdn Berhad	03/32	AA	5.179	10	5.250	09/05/2022	-7	73
BGSM Management Sdn Berhad	12/22	AA3	2.894	10	2.479	12/04/2022	42	18
RHB Bank Berhad	09/27	AA3	2.976	20	2.792	28/04/2022	18	-102
RHB Bank Berhad	05/30	AA3	4.426	20	2.988	03/02/2021	144	1
Malayan Banking Berhad	02/17	AA3	4.500	10	4.525	18/05/2022	-3	-43
Southern Power Generation Sdn Berhad	04/30	AA-	5.152	10	4.491	01/04/2022	66	74
AmBank (M) Berhad	11/28	A1	3.976	10	3.507	05/04/2022	47	-26
TSH Sukuk Murabahah Sdn Berhad	06/23	A+	3.506	60	3.531	11/05/2022	-3	79
Yinson Holdings Berhad	12/26	A+	5.805	10	5.224	15/03/2022	58	181
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.850	10	4.810	28/04/2022	4	40
				417				

*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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