

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US financial markets were closed on Monday to observe Juneteenth holiday. At the time of writing however, Treasury futures were seen in a tight range before inching higher subsequently. To recap levels, **UST 2Y closed at 3.18% whilst the much-watched 10Y ended at 3.23% last Friday**. The Bloomberg UST index provided a total YTD return of -10.3% with an option adjusted duration of ~6.3 years. Elsewhere, given the shrinking Federal budgets, the government is not seen to step up its T-bill supply presently; thereby causing continuous pent-up demand for the Fed's Reverse Repo Facility. Meanwhile, expect some attention to shift to existing home sales data for May tonight.

##### MGS/GIII

- Local govies saw less action in the benchmarks with several odd-lot denominations done despite large deviations such as those seen in the 5Y,7Y MGS and 4Y GII amid a general lack of catalysts. Overall benchmark MGS/GII yields closed mixed between -4 to +10bps across the curve amid the 25% drop in secondary market volume @ RM1.48b. **The 5Y benchmark MGS 11/26 yield jumped 10bps higher to 4.04% whilst the 10Y benchmark MGS 7/32 was untraded with last done levels at 4.34%**. Interest was mainly seen in the off-the-run 22's and 49's. GII transactions increased to form 47% of overall trades. Expect attention to shift to the 5Y GII auction tomorrow followed by the inflation figures for May this Friday.

##### Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw muted interest on Monday in what was one of the lowest volumes seen YTD. There were lesser trades done, with some mild interest seen across the AAA-AA part of the curve spanning across only 14 names. Overall yields closed higher amid the fall in secondary market volume to RM82m, with almost half the transactions consisting of odd-lots. There were no govt-guaranteed trades. AAA-rated SEB 1/27 spiked 34bps compared to previous-done levels at 4.33% whilst the 4/31 tranche settled unchanged at 4.75%. The AA-space saw CELCOM 8/24 close sharply higher on yields at 3.79%. Meanwhile, the banking/finance space saw MAYBANK 2117NC26 bonds move 5bps higher to 4.33% whereas SABAH Development Bank 12/23 and 2/26 closed between 0-9bps higher at 3.83% and 4.91% each. BPMB 3/27 too saw yields climb 21bps higher to 4.42%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.18	0
5-yr UST	3.34	0
10-yr UST	3.23	0
30-yr UST	3.28	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	0	3.62	2
5-yr	4.04	10	4.21	-2
7-yr	4.28	7	4.30	2
10-yr	4.34	0	4.40	0
15-yr	4.71	-3	4.81	0
20-yr	4.81	0	4.91	-4
30-yr	5.02	-2	5.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.99	0
3-yr	3.76	-3
5-yr	3.96	-4
7-yr	4.09	-4
10-yr	4.20	-5

Source : Bloomberg

#### Upcoming Government Bond TenderY

Re-opening of RM4.5b of 5Y GII 9/27 on Wednesday, 22<sup>nd</sup> of June 2022

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	2.201	455	2.171	17/06/2022	3
MGS	09/22	2.206	230	2.305	17/06/2022	-10
MGS	03/23	2.919	4	2.962	17/06/2022	-4
MGS	08/23	3.076	4	3.168	17/06/2022	-9
MGS	09/24	3.476	7	3.478	17/06/2022	0
MGS	09/25	3.713	4	3.771	17/06/2022	-6
MGS	11/26	4.036	8	3.937	17/06/2022	10
MGS	04/29	4.280	15	4.207	17/06/2022	7
MGS	04/31	4.426	7	4.380	17/06/2022	5
MGS	06/31	4.424	3	4.388	17/06/2022	4
MGS	11/33	4.585	7	4.551	16/06/2022	3
MGS	05/35	4.749	1	4.701	17/06/2022	5
MGS	04/37	4.714	30	4.742	17/06/2022	-3
MGS	05/40	4.851	3	4.871	17/06/2022	-2
MGS	03/46	4.967	1	4.930	15/06/2022	4
MGS	06/50	5.017	4	5.037	17/06/2022	-2
GII	07/22	2.029	425	1.998	17/06/2022	3
GII	11/22	2.531	50	2.499	09/06/2022	3
GII	07/23	3.127	6	2.644	02/06/2022	48
GII	11/23	2.861	10	3.005	13/06/2022	-14
GII	08/25	3.615	17	3.603	16/06/2022	1
GII	10/25	3.617	34	3.602	17/06/2022	2
GII	09/27	4.211	14	4.233	17/06/2022	-2
GII	10/28	4.296	20	4.278	17/06/2022	2
GII	10/30	4.362	20	4.336	17/06/2022	3
GII	08/33	4.558	1	4.210	01/06/2022	35
GII	09/41	4.906	2	4.943	17/06/2022	-4
GII	11/49	5.116	100	5.105	17/06/2022	1
			<u>1480</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Sarawak Energy Berhad	01/27	AAA	4.329	10	3.640	28/02/2022	69	34
Bank Pembangunan Malaysia Berhad	03/27	AAA	4.424	20	4.218	09/06/2022	21	43
Telekom Malaysia Berhad	10/28	AAA	4.598	10	3.959	21/10/2021	64	43
Sarawak Energy Berhad	04/31	AAA	4.754	10	4.750	14/06/2022	0	42
Sabah Development Bank Berhad	12/23	AA1	3.883	2	3.883	17/06/2022	0	105
Sabah Development Bank Berhad	02/26	AA1	4.907	10	4.814	27/05/2022	9	110
Celcom Networks Sdn Berhad	08/24	AA+	3.793	10	3.257	21/12/2021	54	37
Malayan Banking Berhad	02/17	AA3	4.333	5	4.284	17/06/2022	5	-51
Dialog Group Berhad	11/20	A1	5.445	1	4.942	17/06/2022	50	61
Tropicana Corporation Berhad	06/25	A+	5.287	1	5.443	17/06/2022	-16	173
Alliance Bank Malaysia Berhad	10/30	A2	4.466	1	3.900	16/06/2022	57	15
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	4.190	1	4.183	13/06/2022	1	-13
Cypark Renewable Energy Sdn Berhad	09/20	-	7.122	1	6.306	17/05/2022	82	228
PESTECH International Berhad	10/20	-	6.555	1	6.404	11/02/2022	15	172
			<u>82</u>					

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

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Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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Source: RAM, MARC

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