

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US financial markets which resumed trading on Tuesday, saw risk appetite return, thereby causing US Treasuries to be impacted in negative light. A flurry of new bond sales also weighed on the market, which also happened to be ahead of a 20-year auction tomorrow. The curve steepened as overall benchmark yields ended between 2-8bps higher across led by the long-ends. The **UST 2Y yield edged 2bps higher at 3.20% whilst the much-watched UST 10Y ended 7bps higher at 3.30%**. Interest rate hedging from a series of upcoming corporate debt sales were also seen to weigh on the the UST curve. Elsewhere, Fed official Barkins was seen supporting a 75bps rate hike in July if it was “feasible”. Meanwhile, expect attention to shift to the jobless claims as at 18th June followed by the US PMI data release tomorrow.

MGS/GIII

- Local govies saw larger deviations on the front-ends but otherwise saw a generally quiet session on Tuesday. GII lacked interest generally across the curve with most benchmarks closing unchanged on a dearth of market catalysts. Overall benchmark MGS/GII yields closed between between 0-6bps lower across the curve amid the sustained yet low secondary market volume @ RM1.45b. **The 5Y benchmark MGS 11/26 yield declined 5bps to 3.99% whilst the 10Y benchmark MGS 7/32 edged 1bps lower at 4.32%**. Interest was mainly seen in the off-the-run 22's and 29's. GII transactions fell to form 24% of overall trades. Expect attention to shift to the 5Y GII auction today followed by the inflation figures for May on Friday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw slightly better interest on Tuesday with some interest seen across the GG-AA part of the curve spanning across 21 names. Overall yields closed mostly mixed-to-higher amid the rise in secondary market volume to RM133m, with almost half the transactions again consisting of odd-lots denominations. Govt-guaranteed PRASA and DANA 28's rose 13-18bps compared to previous-done levels between 4.43-49%. AAA-rated EKVE 33 rose sharply higher on yields to close at 5.02%. UMW's 11/26 bonds rated-AA closed 18bps higher at 4.39%. Meanwhile, the banking/finance space saw PUBLIC 4/25 spike 67bps to 3.95%. There were several odd-lot transactions seen in Hong Leong Financial Group, CIMB Group and also AEON Credit bonds.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.20	2
5-yr UST	3.38	4
10-yr UST	3.30	7
30-yr UST	3.37	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.53	-6	3.59	-3
5-yr	3.99	-5	4.21	0
7-yr	4.28	0	4.30	0
10-yr	4.32	-1	4.40	0
15-yr	4.71	-1	4.81	0
20-yr	4.81	0	4.91	0
30-yr	5.01	-1	5.05	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.98	-2
3-yr	3.78	2
5-yr	3.94	-2
7-yr	4.06	-3
10-yr	4.20	0

Source : Bloomberg

Upcoming Government Bond TenderY

Re-opening of RM4.5b of 5Y GII 9/27 on Wednesday, 22nd 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	1.848	139	2.201	20/06/2022	-35
MGS	09/22	2.256	238	2.206	20/06/2022	5
MGS	03/23	2.915	115	2.919	20/06/2022	0
MGS	04/23	3.011	4	3.000	17/06/2022	1
MGS	08/23	3.048	2	3.076	20/06/2022	-3
MGS	06/24	3.388	57	3.451	17/06/2022	-6
MGS	07/24	3.473	1	3.522	17/06/2022	-5
MGS	09/24	3.493	12	3.476	20/06/2022	2
MGS	03/25	3.531	70	3.590	17/06/2022	-6
MGS	09/25	3.721	23	3.713	20/06/2022	1
MGS	04/26	3.856	8	3.850	17/06/2022	1
MGS	07/26	3.959	11	3.927	20/06/2022	3
MGS	11/26	3.990	48	4.036	20/06/2022	-5
MGS	03/27	4.090	1	4.008	17/06/2022	8
MGS	05/27	4.088	11	3.987	20/06/2022	10
MGS	11/27	4.076	14	4.066	20/06/2022	1
MGS	06/28	4.220	8	4.162	20/06/2022	6
MGS	04/29	4.282	80	4.280	20/06/2022	0
MGS	08/29	4.303	209	4.342	17/06/2022	-4
MGS	04/30	4.300	5	4.390	17/06/2022	-9
MGS	04/31	4.363	13	4.426	20/06/2022	-6
MGS	06/31	4.380	1	4.424	20/06/2022	-4
MGS	04/32	4.469	2	4.315	16/06/2022	15
MGS	07/32	4.324	5	4.336	17/06/2022	-1
MGS	07/34	4.687	11	4.726	20/06/2022	-4
MGS	05/35	4.690	3	4.749	20/06/2022	-6
MGS	04/37	4.709	3	4.714	20/06/2022	-1
MGS	06/38	4.893	1	4.848	17/06/2022	4
MGS	05/40	4.774	3	4.851	20/06/2022	-8
MGS	07/48	4.984	1	4.985	20/06/2022	0
MGS	06/50	5.007	3	5.017	20/06/2022	-1
GII	07/22	2.096	270	2.029	20/06/2022	7
GII	05/23	2.989	6	2.814	14/06/2022	18
GII	11/23	3.159	2	3.005	13/06/2022	15
GII	08/24	3.280	9	3.351	31/05/2022	-7
GII	10/24	3.562	1	3.382	17/06/2022	18
GII	10/25	3.585	10	3.617	20/06/2022	-3
GII	03/26	3.926	0	3.868	17/06/2022	6
GII	06/27	4.259	0	4.213	20/06/2022	5
GII	09/27	4.210	29	4.211	20/06/2022	0
GII	07/29	4.326	7	4.329	17/06/2022	0
GII	10/30	4.305	10	4.362	20/06/2022	-6
GII	08/33	4.527	4	4.558	20/06/2022	-3
GII	10/35	4.808	1	4.599	09/06/2022	21
			1452			

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*	
Prasarana Malaysia Berhad	09/23	GG	2.988	5	3.151	09/06/2022	-16	15
DanaInfra Nasional Berhad	04/26	GG	4.063	20	3.348	05/01/2022	72	24
Prasarana Malaysia Berhad	08/28	GG	4.433	30	4.299	26/05/2022	13	25
DanaInfra Nasional Berhad	10/28	GG	4.486	2	4.309	26/05/2022	18	30
Public Bank Berhad	04/25	AAA	3.949	20	3.276	03/03/2022	67	38
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.556	2	3.939	07/04/2022	62	37
EKVE Sdn Berhad	01/33	AAA	5.019	10	3.370	10/09/2020	165	69
TNB Power Generation Sdn Berhad	06/37	AAA	4.785	1	5.009	15/06/2022	-22	7
Sabah Development Bank Berhad	07/24	AA1	4.138	1	4.548	15/06/2022	-41	71
UMW Holdings Berhad	11/26	AA+	4.387	10	4.206	10/06/2022	18	56
Hong Leong Financial Group Berhad	06/28	AA2	3.506	4	3.432	01/06/2022	7	-68
CIMB Group Holdings Berhad	03/28	AA	3.367	4	3.637	14/06/2022	-27	-82
AEON Credit Service (M) Berhad	02/28	AA3	4.925	6	4.470	14/04/2022	46	74
Telekosang Hydro One Sdn Berhad	08/33	AA3	6.137	6			614	181
Telekosang Hydro One Sdn Berhad	08/35	AA3	6.228	8	5.019	18/02/2020	121	151
Segi Astana Sdn Berhad	01/23	A+	4.310	1	4.879	27/09/2019	-57	147
Tropicana Corporation Berhad	06/25	A+	5.287	1	5.287	20/06/2022	0	172
DRB-Hicom Berhad	12/29	A+	5.661	1	5.613	13/06/2022	5	137
YNH Property Berhad	08/19	-	5.747	1	6.599	20/06/2022	-85	91
YNH Property Berhad	08/19	-	6.354	1	6.673	17/06/2022	-32	152
Alliance Bank Malaysia Berhad	11/17	BBB1	5.068	1	4.730	25/07/2019	34	23
				133				

*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

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.