

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.58	-3
5-yr UST	2.80	-4
10-yr UST	2.78	-6
30-yr UST	3.00	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.60	-1	3.57	-3
5-yr	3.79	-7	4.01	-15
7-yr	4.19	-13	4.17	-22
10-yr	4.32	-8	4.58	0
15-yr	4.66	-9	4.71	-12
20-yr	4.70	-8	4.82	-23
30-yr	4.95	-6	5.11	-6

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.78	-2
3-yr	3.55	-13
5-yr	3.74	-10
7-yr	3.92	-11
10-yr	4.08	-14

Source : Bloomberg

Upcoming Government Bond Tender

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

US Treasuries

- US Treasuries extended their advance last Friday led by gains across the curve despite another round of block sales seen in 5Y note futures. Bonds benefitted from their safe-haven appeal as equities came under pressure after failing to sustain the early upward move. The curve shifted lower as overall benchmark yields declined between 3-6bps. **The UST 2Y yield declined 3bps to 2.58% whilst the much-watched 10Y rallied to end 6bps lower at 2.78%.** The earlier hot inflation data that drove UST yields higher across the the curve to multiyear highs has been stopped momentarily in their tracks as economic growth concerns cast a dark shadow of late. Nevertheless expect volatility ahead after Fed Chair Powell made hawkish comments; committing to rate hikes until there were “clear and convincing” evidence that inflation is nipped in the bud. Meanwhile, expect attention to shift to US PMI manufacturing and services data for May tonight.

MGS/GII

- Local govies continued to be in demand as they rallied across the curve last Friday, taking cue from falling IRS levels seen across most tenures. Overall benchmark MGS/GII yields declined between 1-23bps amid a sustained secondary market volume of RM2.01b. **The 5Y benchmark MGS 11/26 yield declined 7bps to 3.79% whilst the 10Y benchmark MGS 7/32 settled 8bps lower at 4.32%; ahead of the its upcoming auction today.** Trades were again mainly seen in the off-the-run 22’s, 29’s and also benchmark 7Y GII. GII trades jumped to form 58% of overall transactions. Expect attention to shift to the 10Y MGS auction today followed by April inflation data on Wednesday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see strong investor interest last Friday with interest mainly seen across the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 35 names amid a 24% jump in secondary market volume to RM516m. Govt-guaranteed MRL spiked 95bps compared to previous-done levels to 5.05% whilst PRASA 8/36 edged 2bps lower at 5.02%. AAA-rated PLUS 36 rose 8bps to 5.08% whereas the 2037 tranche eased 2bps instead to 5.18%. The AA-space saw PRESS METAL 8/25 settle 54bps higher at 4.33% whilst energy-related bonds EDRA 10/31 and BGSM 8/25 slipped 34-66bps higher to 5.21% and 4.31% each. Meanwhile, the banking/finance space saw MAYBANK 31NC26 jump 33bps higher to 4.39% whereas RHB 31NC26 saw yields rise 24bps to 4.63%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.950	56	1.929	19/05/2022	2
MGS	09/22	2.004	65	2.054	19/05/2022	-5
MGS	03/23	2.570	13	2.538	19/05/2022	3
MGS	04/23	2.552	52	2.693	17/05/2022	-14
MGS	08/23	2.859	4	2.845	19/05/2022	1
MGS	06/24	3.491	22	3.574	18/05/2022	-8
MGS	09/24	3.521	23	3.666	18/05/2022	-15
MGS	03/25	3.599	63	3.605	19/05/2022	-1
MGS	09/25	3.666	15	3.679	19/05/2022	-1
MGS	07/26	3.795	56	3.988	18/05/2022	-19
MGS	11/26	3.793	27	3.866	19/05/2022	-7
MGS	03/27	3.919	8	4.191	12/05/2022	-27
MGS	05/27	3.833	22	4.114	19/05/2022	-28
MGS	11/27	3.971	1	4.070	19/05/2022	-10
MGS	06/28	4.113	8	4.233	19/05/2022	-12
MGS	04/29	4.185	153	4.318	19/05/2022	-13
MGS	08/29	4.389	2	4.497	18/05/2022	-11
MGS	04/31	4.359	37	4.563	19/05/2022	-20
MGS	06/31	4.359	32	4.434	19/05/2022	-8
MGS	07/32	4.318	32	4.397	19/05/2022	-8
MGS	04/33	4.510	21	4.720	19/05/2022	-21
MGS	07/34	4.692	19	4.736	19/05/2022	-4
MGS	05/35	4.667	5	4.882	19/05/2022	-22
MGS	04/37	4.658	1	4.743	19/05/2022	-9
MGS	05/40	4.757	19	4.914	19/05/2022	-16
MGS	10/42	4.696	33	4.773	19/05/2022	-8
MGS	09/43	4.931	20	4.959	19/05/2022	-3
MGS	03/46	4.900	6	5.033	19/05/2022	-13
MGS	06/50	4.949	22	5.006	19/05/2022	-6
GII	07/22	1.883	155	1.758	19/05/2022	13
GII	08/24	3.549	40	3.875	11/05/2022	-33
GII	10/24	3.566	30	3.592	19/05/2022	-3
GII	08/25	3.679	12	3.911	17/05/2022	-23
GII	03/26	3.852	23	4.007	17/05/2022	-16
GII	07/27	4.131	3	4.235	17/05/2022	-10
GII	09/27	4.008	55	4.158	19/05/2022	-15
GII	10/28	4.174	393	4.396	19/05/2022	-22
GII	10/30	4.353	83	4.474	19/05/2022	-12
GII	11/34	4.728	30	4.922	11/05/2022	-19
GII	07/36	4.706	5	4.822	19/05/2022	-12
GII	08/37	4.905	24	4.991	19/05/2022	-9
GII	09/41	4.817	2	5.051	17/05/2022	-23
GII	05/52	5.108	320	5.172	19/05/2022	-6
			<u>2011</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*
Malaysia Rail Link Sdn Berhad	07/36	GG	5.046	2	4.099	27/08/2021	95	23
Prasarana Malaysia Berhad	08/36	GG	5.021	2	5.041	05/05/2022	-2	20
Aman Sukuk Berhad	04/24	AAA	3.634	10	3.700	19/05/2022	-7	6
Cagamas Berhad	10/24	AAA	3.761	5	3.399	26/04/2022	36	18
Cagamas Berhad	11/24	AAA	3.921	10	3.339	14/04/2022	58	28
Pengurusan Air SPV Berhad	02/29	AAA	4.640	10	4.133	11/04/2022	51	29
Infracap Resources Sdn Berhad	04/31	AAA	5.062	25	5.065	19/05/2022	0	61
Pengurusan Air SPV Berhad	02/32	AAA	4.881	20	4.890	06/05/2022	-1	43
Danga Capital Berhad	01/33	AAA	4.846	60	4.668	21/04/2022	18	40
Projek Lebuhraya Usahasama Berhad	01/36	AAA	5.079	30	4.999	22/04/2022	8	26
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.180	30	5.195	11/05/2022	-2	36
Sabah Development Bank Berhad	05/23	AA1	3.950	30	3.553	06/04/2022	40	123
GENM Capital Berhad	08/25	AA1	4.233	2	4.233	19/05/2022	0	59
Sabah Development Bank Berhad	05/27	AA1	4.574	1	4.573	17/05/2022	0	58
Danajamin Nasional Berhad	10/27	AA1	3.147	10	2.994	26/04/2022	15	-84
Malayan Banking Berhad	01/31	AA1	4.388	50	4.055	26/04/2022	33	-7
Edra Solar Sdn Berhad	10/31	AA2	5.205	10	4.549	06/11/2019	66	75
OSK Rated Bond Sdn Berhad	04/28	AA	4.682	1	4.357	24/03/2022	33	45
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.330	60	3.786	28/03/2022	54	69
BGSM Management Sdn Berhad	08/25	AA3	4.308	20	3.967	21/04/2022	34	66
Press Metal Aluminium Holdings Berhad	12/28	AA3	5.174	14	4.572	15/03/2022	60	82
RHB Bank Berhad	04/31	AA3	4.628	10	4.390	25/04/2022	24	18
Malayan Banking Berhad	02/17	AA3	4.492	30	4.500	19/05/2022	-1	-44
Evyap Sabun Malaysia Sdn Berhad	12/25	AA-	5.508	20	4.717	03/11/2021	79	165
AZRB Capital Sdn Berhad	12/28	AA-	5.812	10	-	-	-	146
Jimah East Power Sdn Berhad	06/29	AA-	5.201	20	4.428	17/12/2021	77	85
Quantum Solar Park (Semenanjung) Sdn Berhad	10/30	AA-	5.151	10	4.518	21/01/2022	63	74
Quantum Solar Park (Semenanjung) Sdn Berhad	10/33	AA-	5.231	10	4.758	25/03/2022	47	78
TG Excellence Berhad	02/20	AA-	4.149	1	4.626	17/05/2022	-48	-78
CIMB Group Holdings Berhad	05/16	A1	5.258	1	4.377	15/04/2022	88	33
Tropicana Corporation Berhad	09/19	A	6.895	1	6.090	19/05/2022	81	196
Affin Bank Berhad	07/18	A3	3.545	1	4.214	11/05/2022	-67	-139
Mah Sing Group Berhad	10/26	-	5.606	1	4.640	25/11/2021	97	175
Tropicana Corporation Berhad	06/23	A+	5.287	1	4.678	13/05/2022	61	257
Sunsuria Berhad	12/25	A+	6.032	1	5.470	08/07/2021	56	217
				<u>516</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Amanat Lebuhraya Rakyat Berhad	Proposed Senior Sukuk Programme of up to RM5.5 bil (2022/2044)	AAA/Stable	Assigned

Source: RAM, MARC

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