

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- On Monday, US Treasuries gave up prior day's gains due to a pick-up in risk appetite whilst making concessions for the upcoming coupon offerings later this week. Profit-taking activities were evident amid recovering strength seen on Wall Street. The curve shifted higher as overall benchmark yields rose between 4-7bps. **The UST 2Y yield rose 4bps to 2.62% whilst the much-watched 10Y jumped 7bps higher to 2.85%.** Elsewhere, Fed official Bostic confirmed his view of 50bps rate hikes in June and July. Meantime, the amount of funds that investors parked at the major Overnight Reverse Repo Facility exceeded \$2 trillion for the first time as supply-demand imbalances in the short-end continued to rise. Meanwhile, expect attention to shift to the \$47b worth of 2Y notes auction later tonight along with the US PMI manufacturing and services data for May.

MGS/GII

- Local govvnies continued to rally across most parts of the curve on Monday, brushing aside higher IRS levels seen. Overall benchmark MGS/GII yields declined between 0-33bps amid a 62% rise in secondary market volume @ RM3.26b. **The 5Y benchmark MGS 11/26 yield declined 6bps to 3.73% whilst the 10Y benchmark MGS 7/32 settled 8bps lower at 4.24%.** Interest was mainly seen in the off-the-run 22's, 23's, 29's and also both the benchmark 10Y MGS/GII. GII fell to form a mere 17% of overall trades. The 10Y MGS auction saw solid participation mainly from both onshore and offshore financial institutions and asset management companies; with BTC captured at an impressive 2.598x and awarded at 4.294%. Expect attention to shift to the April inflation data tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw slight easing of investor interest on Monday with interest mainly seen across the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 23 names amid a sharp 72% drop in secondary market volume to RM299m. Govt-guaranteed PRASA 2/26 spiked 54bps compared to previous-done levels to 4.12% whilst the 8/29 tranche declined 5bps to 4.45%. AAA-rated Khaznah-related SPV i.e. DANGA 33 edged 1bps higher at 4.86%. The AA-space saw KEDAH Cement 23 jump 34bps higher to 3.35% whilst EXSIM 7/25 settled 48bps up @ 5.11%. Meanwhile, the banking/finance space saw PUBLIC 29NC24 rally, to end 10bps lower at 3.80% whereas MAYBANK 2117NC26 perps eased 5bps to 4.44%. AFFIN 27NC22 too edged 1bps lower at 2.54%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.62	4
5-yr UST	2.87	7
10-yr UST	2.85	7
30-yr UST	3.05	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	-11	3.49	-7
5-yr	3.73	-6	3.84	-17
7-yr	4.17	-2	4.14	-4
10-yr	4.24	-8	4.25	-33
15-yr	4.65	-1	4.73	2
20-yr	4.66	-4	4.82	0
30-yr	4.87	-8	5.03	-8

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.78	0
3-yr	3.56	1
5-yr	3.73	-1
7-yr	3.92	0
10-yr	4.08	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.849	22	1.950	20/05/2022	-10
MGS	09/22	2.001	227	2.004	20/05/2022	0
MGS	03/23	2.470	119	2.570	20/05/2022	-10
MGS	04/23	2.506	12	2.552	20/05/2022	-5
MGS	08/23	2.754	5	2.859	20/05/2022	-11
MGS	06/24	3.416	3	3.491	20/05/2022	-8
MGS	07/24	3.432	67	3.656	19/05/2022	-22
MGS	03/25	3.490	106	3.599	20/05/2022	-11
MGS	09/25	3.550	71	3.666	20/05/2022	-12
MGS	04/26	3.627	1	3.965	18/05/2022	-34
MGS	11/26	3.733	9	3.793	20/05/2022	-6
MGS	03/27	3.857	1	3.919	20/05/2022	-6
MGS	11/27	3.950	20	3.971	20/05/2022	-2
MGS	06/28	3.920	12	4.113	20/05/2022	-19
MGS	04/29	4.168	599	4.185	20/05/2022	-2
MGS	08/29	4.126	163	4.389	20/05/2022	-26
MGS	04/30	4.182	12	4.502	18/05/2022	-32
MGS	04/31	4.285	25	4.359	20/05/2022	-7
MGS	06/31	4.293	35	4.359	20/05/2022	-7
MGS	04/32	4.346	2	4.762	05/05/2022	-42
MGS	07/32	4.243	956	4.318	20/05/2022	-7
MGS	04/33	4.512	1	4.510	20/05/2022	0
MGS	07/34	4.662	12	4.692	20/05/2022	-3
MGS	05/35	4.615	37	4.667	20/05/2022	-5
MGS	04/37	4.649	3	4.658	20/05/2022	-1
MGS	06/38	4.731	35	4.893	20/05/2022	-16
MGS	05/40	4.830	38	4.757	20/05/2022	7
MGS	10/42	4.657	91	4.696	20/05/2022	-4
MGS	09/43	4.903	1	4.931	20/05/2022	-3
MGS	07/48	4.955	8	5.024	19/05/2022	-7
MGS	06/50	4.874	26	4.949	20/05/2022	-8
GII	07/22	1.853	59	1.883	20/05/2022	-3
GII	10/23	2.818	2	2.383	21/04/2022	44
GII	05/24	3.449	23	3.693	17/05/2022	-24
GII	08/24	3.488	51	3.549	20/05/2022	-6
GII	10/24	3.491	14	3.566	20/05/2022	-7
GII	10/25	3.610	2	3.695	19/05/2022	-9
GII	09/26	3.810	8	4.031	19/05/2022	-22
GII	09/27	3.839	20	4.008	20/05/2022	-17
GII	10/28	4.136	74	4.174	20/05/2022	-4
GII	10/30	4.251	20	4.353	20/05/2022	-10
GII	10/32	4.253	172	4.584	13/05/2022	-33
GII	08/33	4.656	1	4.756	19/05/2022	-10
GII	10/35	4.786	1	4.806	19/05/2022	-2
GII	07/36	4.727	1	4.706	20/05/2022	2
GII	08/37	4.861	2	4.905	20/05/2022	-4
GII	09/39	4.911	1	5.148	10/05/2022	-24
GII	11/49	5.009	1	5.094	19/05/2022	-9
GII	05/52	5.026	90	5.108	20/05/2022	-8
			<u>3260</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Maturity (dd/mm/yyyy)	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	02/26	GG	4.121	10	3.580	31/03/2022	54	42
Prasarana Malaysia Berhad	08/29	GG	4.450	15	4.500	27/04/2022	-5	32
Cagamas Berhad	11/22	AAA	2.706	10	2.302	09/02/2022	40	7
Cagamas Berhad	01/25	AAA	3.930	10	4.038	18/05/2022	-11	43
Toyota Capital Malaysia Sdn Berhad	07/25	AAA	4.452	20	3.100	03/12/2020	135	95
Danga Capital Berhad	01/33	AAA	4.855	20	4.846	20/05/2022	1	60
Sabah Development Bank Berhad	07/24	AA1	4.499	1	4.091	12/05/2022	41	107
Sabah Development Bank Berhad	05/25	AA1	4.243	1	4.039	19/05/2022	20	74
GENM Capital Berhad	08/25	AA1	4.232	6	4.233	20/05/2022	0	73
Public Bank Berhad	07/29	AA1	3.797	40	3.896	19/05/2022	-10	-33
Malayan Banking Berhad	08/31	AA1	4.364	50	4.067	22/04/2022	30	12
CIMB Group Holdings Berhad	11/27	AA	3.172	10	2.681	17/11/2021	49	-87
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	01/23	AA3	3.349	10	3.011	28/03/2022	34	71
Edra Energy Sdn Berhad	07/23	AA3	3.443	2	2.967	22/02/2022	48	81
Exsim Capital Resources Berhad	07/25	AA3	5.111	5	4.691	20/12/2021	42	161
Malayan Banking Berhad	02/17	AA3	4.443	45	4.492	20/05/2022	-5	-25
UEM Sunrise Berhad	12/24	AA-	4.825	5	4.185	08/12/2021	64	132
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	5.009	5	4.318	22/11/2021	69	88
Affin Bank Berhad	09/27	A1	3.540	20	3.553	17/05/2022	-1	-26
Tropicana Corporation Berhad	09/19	A	6.088	1	6.895	20/05/2022	-81	139
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	5.002	7	4.850	19/05/2022	15	74
YNH Property Berhad	08/19	-	5.763	1	6.546	11/05/2022	-78	107
Quantum Solar Park (Semenanjung) Sdn Berhad	10/28	AA-	4.927	5	4.249	10/11/2021	68	88
				<u>299</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tanjung Bin Energy Sdn Bhd	RM4.5 bil Islamic MTN Programme (2021/2041)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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