

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.48	-2
5-yr UST	2.71	-1
10-yr UST	2.75	0
30-yr UST	2.98	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	1	3.43	2
5-yr	3.66	-2	3.86	0
7-yr	3.96	-2	3.95	-6
10-yr	4.12	0	4.15	-3
15-yr	4.40	-25	4.43	-6
20-yr	4.55	0	4.57	0
30-yr	4.78	2	4.74	-13

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.72	-3
3-yr	3.49	-6
5-yr	3.66	-7
7-yr	3.80	-9
10-yr	3.98	-7

Source : Bloomberg

### Upcoming Government Bond Tender

Re-opening of RM5.0b 3Y GII 10/25 on Monday, 30<sup>th</sup> of May

## Fixed Income Daily Market Snapshot

### US Treasuries

- On Thursday, US Treasuries held its ground ending narrowly mixed despite improving risk appetite. Data released confirmed that the US economy contracted in 1Q2022 under the weight of a record trade deficit and slightly slower pace of inventory accumulation compared to prior quarter. Overall benchmark yields closed mixed i.e. between -2 to +1bps. **The UST 2Y yield edged 2bps lower at 2.48% whilst the much-watched 10Y closed almost unchanged at 2.75%.** Treasury's \$42b 7Y note auction notched solid bidding metrics with BTC ratio @ 2.69x (previous six auction average: 2.37x) and awarded at 2.777% (previous auction: 2.908%). A separate report also showed that the number of Americans filing new claims for unemployment fell last week, signalling continued tightness in the labor market. Monies parked at the Fed's overnight Reverse Repo Facility climbed above \$2 trillion and closed in on the all-time high reached earlier this week. Meanwhile, expect attention to shift to the PCE (inflation) data for April data along with the University of Michigan sentiment index.

### MGS/GII

- Local govies continued to shine on Thursday albeit by smaller gains; nudged by lower IRS across the curve. Overall benchmark MGS/GII yields fell between 0-25bps (save for the short-ends and 30Y MGS) amid a 35% decrease in secondary market volume @ RM2.03b. **The 5Y benchmark MGS 11/26 yield edged 2bps lower at 3.66% whilst the 10Y benchmark MGS 7/32 settled unchanged at 4.12%.** Interest was mainly seen in the off-the-run 29's and also both the benchmark 10Y MGS/GII. GII transactions jumped again to form 49% of overall trades. Expect attention to shift to the 3Y GII auction next Monday.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to witness robust activity on Thursday with interest mainly seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower, spanning across 37 names, amid a 39% jump in secondary market volume to RM618m. The longer-end govt-guaranteed DANA 5/46 and 2/49 tranches rallied to end 21-22bps lower between 5.03-09% whereas the 2/51 tranche declined 29bps to 5.12%. AAA-rated SEB saw different fortunes with the 6/26 tranche well-bid resulting in a 15bps fall to 4.15% whilst the 12/32 tranche spiked 60bps to 4.74%. WESTPORTS 3/28 notched RM60m in total trades; jumping 46bps to 4.39%. The AA-space saw energy-related bonds Southern Power 4/27 edge 1bps lower at 4.62% whereas UEM Sunrise 6/23 moved 2bps higher to 3.88%. Meanwhile, the banking/finance space saw MAYBANK 2117NC 26 decline 8bps to 4.36%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.842	73	2.080	25/05/2022	-24
MGS	03/23	2.517	76	2.542	25/05/2022	-2
MGS	04/23	2.544	50	2.539	25/05/2022	0
MGS	08/23	2.757	1	2.756	25/05/2022	0
MGS	06/24	3.329	43	3.426	25/05/2022	-10
MGS	09/24	3.406	24	3.471	25/05/2022	-6
MGS	03/25	3.479	21	3.472	25/05/2022	1
MGS	09/25	3.580	13	3.584	25/05/2022	0
MGS	09/26	3.680	2	4.439	06/05/2022	-76
MGS	11/26	3.657	8	3.684	25/05/2022	-3
MGS	03/27	3.730	8	3.834	24/05/2022	-10
MGS	05/27	3.801	1	3.834	24/05/2022	-3
MGS	11/27	3.837	25	3.797	25/05/2022	4
MGS	04/29	3.962	221	3.987	25/05/2022	-2
MGS	08/29	4.037	17	3.990	25/05/2022	5
MGS	04/31	4.161	13	4.134	25/05/2022	3
MGS	06/31	4.192	30	4.165	25/05/2022	3
MGS	07/32	4.124	160	4.129	25/05/2022	0
MGS	04/33	4.361	1	4.356	25/05/2022	0
MGS	07/34	4.409	5	4.497	25/05/2022	-9
MGS	05/35	4.479	90	4.505	25/05/2022	-3
MGS	06/38	4.569	32	4.582	25/05/2022	-1
MGS	05/40	4.637	60	4.612	25/05/2022	2
MGS	06/50	4.781	62	4.760	25/05/2022	2
GII	07/22	2.001	140	1.884	25/05/2022	12
GII	07/23	2.632	30	2.672	25/05/2022	-4
GII	10/24	3.433	132	3.412	25/05/2022	2
GII	03/26	3.731	5	3.697	25/05/2022	3
GII	07/27	3.826	59	4.131	20/05/2022	-31
GII	10/28	3.952	130	4.012	25/05/2022	-6
GII	10/30	4.115	40	4.141	25/05/2022	-3
GII	10/32	4.145	330	4.175	25/05/2022	-3
GII	06/33	4.322	43	4.339	25/05/2022	-2
GII	07/36	4.425	78	4.487	25/05/2022	-6
GII	08/37	4.671	10	4.861	23/05/2022	-19
			<u>2033</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Prasarana Malaysia Berhad	08/28	GG	4.299	30	3.970	06/04/2022	33	39
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	10/28	GG	4.309	10	3.347	14/04/2021	96	40
Perbadanan Tabung Pendidikan Tinggi Nasional	10/28	GG	4.320	10	4.350	24/05/2022	-3	41
DanaInfra Nasional Berhad	10/28	GG	4.309	10	4.500	19/05/2022	-19	40
DanaInfra Nasional Berhad	05/46	GG	5.029	10	5.249	28/04/2022	-22	47
DanaInfra Nasional Berhad	02/49	GG	5.085	30	5.290	26/04/2022	-21	53
DanaInfra Nasional Berhad	02/51	GG	5.119	60	5.405	13/05/2022	-29	56
Malaysia Airports Capital Berhad	12/22	AAA	2.954	40	2.573	28/03/2022	38	36
Projek Lebuhraya Usahasama Berhad	01/23	AAA	3.003	10	2.587	01/04/2022	42	41
Danum Capital Berhad	05/23	AAA	3.123	5	3.246	19/05/2022	-12	53
Cagamas Berhad	10/24	AAA	3.739	10	3.763	24/05/2022	-2	34
Cagamas Berhad	11/24	AAA	3.809	20	3.921	20/05/2022	-11	32
Cagamas Berhad	01/25	AAA	3.869	20	3.930	23/05/2022	-6	38
Mercedes-Benz Services Malaysia Sdn Berhad	04/25	AAA	3.976	10	-	-	-	49
Sarawak Energy Berhad	06/26	AAA	4.147	80	4.299	18/05/2022	-15	49
Westports Malaysia Sdn Berhad	03/28	AAA	4.388	60	3.929	20/10/2021	46	48
Pengurusan Air SPV Berhad	02/30	AAA	4.700	5	4.810	06/05/2022	-11	63
Sarawak Energy Berhad	12/32	AAA	4.739	20	4.138	17/03/2022	60	60
TNB Western Energy Berhad	01/33	AAA	4.998	10	4.988	25/05/2022	1	86
TNB Western Energy Berhad	01/34	AAA	5.080	5	4.441	23/02/2022	64	94
Tenaga Nasional Berhad	08/37	AAA	4.920	20	5.120	11/05/2022	-20	48
Tenaga Nasional Berhad	08/38	AAA	4.994	50	5.200	13/05/2022	-21	55
Sabah Development Bank Berhad	06/23	AA1	3.735	1	4.247	23/05/2022	-51	114
Sabah Development Bank Berhad	05/25	AA1	4.241	1	4.243	24/05/2022	0	75
Sabah Development Bank Berhad	02/26	AA1	4.829	10	4.608	23/02/2022	22	118
Jimah Energy Ventures Sdn Berhad	11/22	AA3	3.025	4	2.736	15/04/2022	29	43
IJM Corporation Berhad	06/23	AA3	3.219	10	2.730	17/01/2022	49	62
Malayan Banking Berhad	02/17	AA3	4.359	20	4.443	23/05/2022	-8	-20
UEM Sunrise Berhad	06/23	AA-	3.879	10	3.857	25/05/2022	2	128
Southern Power Generation Sdn Berhad	04/27	AA-	4.616	10	4.628	25/05/2022	-1	88
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/29	AA-	5.668	2	4.809	20/04/2021	86	169
UMW Holdings Berhad	04/18	AA-	5.059	20	5.690	25/05/2022	-63	50
TG Excellence Berhad	02/20	AA-	4.729	1	4.200	25/05/2022	53	17
Hong Leong Financial Group Berhad	11/17	A1	3.570	3	4.137	17/05/2022	-57	-99
Tropicana Corporation Berhad	06/23	A+	4.071	1	5.286	24/05/2022	-122	148
Tropicana Corporation Berhad	06/25	A+	5.570	1	5.470	25/05/2022	10	208
Affin Bank Berhad	07/18	A3	3.635	1	4.160	25/05/2022	-53	-92
				<u>618</u>				

\*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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