

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.59	7
5-yr UST	2.83	10
10-yr UST	2.83	11
30-yr UST	2.92	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.59	-2	3.49	8
5-yr	3.89	-5	4.07	1
7-yr	4.37	-1	4.37	-1
10-yr	4.29	4	4.45	7
15-yr	4.82	-3	4.82	-3
20-yr	4.92	-1	5.00	-6
30-yr	5.00	-4	4.99	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.48	3
3-yr	3.42	0
5-yr	3.85	-1
7-yr	4.06	1
10-yr	4.30	3

Source : Bloomberg

#### Upcoming Government Bond Tender

RM5.0bn 7Y MGS 04/29 (28 April 2022)

- US treasuries retreated overnight after a recent rally, leaving the overall benchmark yields higher by 7-11bps. **The yield on the benchmark 2Y UST notes rose by 7bps to 2.59% while the benchmark 10Y UST yield shot up 11bps to 2.83%.** The newly auctioned \$49b 5Y notes appeared less appealing to investors with BTC coming in at 2.41x (versus 2.53x prior). The rebound in US yields are in line with the widely shared view that the 10Y yield may soon reach 3.0% as the Fed begins to unwind its balance sheet and hike the fed funds rate next week. Elevated inflation and a looming growth crunch resulting from China's Covid situation amid tighter monetary policy continue to shape the narratives for the global economic outlook and the direction of the bond market. The US will also report its advance estimates of first quarter GDP growth today, followed by the core PCE inflation tomorrow.

##### MGS/GIII

- Local govies took some reprieves on Wednesday from the recent selloff alongside the stabilization in the ringgit. Govvies generally traded on a mixed note, where the overall benchmark MGS/GII yields moved by -6 to 8bps. The secondary market volume steadied at RM3.4b, compared to RM3.3b in the prior session. **The yield on the benchmark 5Y MGS 11/26 ticked lower by 5bps to 3.89% while that of the 10Y MGS 7/32 rose 4bps to 4.29%.** The benchmark 30Y MGS was down by 4bps, right at 5.0%. The off-the-run 10Y MGS remains the most actively traded bond involving 14 transactions amounting to RM362m (still the highest volume although half of previous trade of RM743m). Interest was also seen in the off-the-run 5Y and 15Y MGS and 7Y GII. GII trade formed 30% of total trade, higher than the mere 23% in the previous session. Expect the local bond market to remain driven by the general unease over a potential global slowdown triggered by China's Covid uncertainties just ahead of next week's Fed policy tightening.

##### Corporate Bonds/Sukuk

- Actions in the Corp/Sukuk market moderated slightly as investors continued to sell bonds and pushed yields higher on Wednesday. Total trade fell to RM439m (versus RM564m prior) spanning only 17 names. The Govt-guaranteed space remained rather active; DANA 02/51 rose 72bps to 5.33% after changing hands by RM30m. LPPSA 04/29 jumped 154bps to 4.49% following RM20m trade. Interest was mostly seen in the AAA space, CAGAMAS 10/23 fell 115bps to 3.07% after being traded for RM70m. PLUS 01/37 also recorded a transaction of RM70m, resulting in higher yield of 5.17% (+10bps). Notably, ALLIANCE ISLAMIC 09/27 made its debut trading and topped the overall market volume at RM130m; its yield jumped 271bps to 2.71%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.722	7	1.818	26/04/22	-10
MGS	09/22	1.782	60	1.698	26/04/22	8
MGS	03/23	2.481	361	2.550	26/04/22	-7
MGS	04/23	2.514	80	2.486	26/04/22	3
MGS	08/23	2.639	5	2.643	26/04/22	0
MGS	06/24	3.467	271	3.405	26/04/22	6
MGS	07/24	3.471	6	3.460	26/04/22	1
MGS	09/24	3.523	100	3.503	26/04/22	2
MGS	03/25	3.586	76	3.604	26/04/22	-2
MGS	09/25	3.742	113	3.760	26/04/22	-2
MGS	04/26	3.870	50	3.822	26/04/22	5
MGS	07/26	3.884	65	3.884	26/04/22	0
MGS	11/26	3.896	61	3.942	26/04/22	-5
MGS	05/27	4.110	80	4.106	26/04/22	0
MGS	11/27	4.071	83	4.133	26/04/22	-6
MGS	06/28	4.371	223	4.386	26/04/22	-1
MGS	08/29	4.501	142	4.509	26/04/22	-1
MGS	04/30	4.525	19	4.355	25/04/22	17
MGS	04/31	4.559	174	4.529	26/04/22	3
MGS	06/31	4.534	12	4.650	26/04/22	-12
MGS	07/32	4.289	55	4.250	26/04/22	4
MGS	04/33	4.701	23	4.682	26/04/22	2
MGS	07/34	4.709	35	4.812	26/04/22	-10
MGS	05/35	4.835	9	4.879	26/04/22	-4
MGS	04/37	4.819	16	4.850	26/04/22	-3
MGS	06/38	4.776	3	4.870	26/04/22	-9
MGS	05/40	4.965	55	4.988	26/04/22	-2
MGS	10/42	4.922	139	4.930	26/04/22	-1
MGS	09/43	4.961	12	4.977	26/04/22	-2
MGS	03/46	5.046	8	5.045	26/04/22	0
MGS	06/50	5.001	27	5.038	26/04/22	-4
GII	07/22	1.799	42	1.722	25/04/22	8
GII	11/22	1.751	20	1.773	15/04/22	-2
GII	05/24	3.407	46	3.442	26/04/22	-4
GII	08/24	3.500	221	3.514	26/04/22	-1
GII	10/24	3.492	1	3.416	25/04/22	8
GII	03/26	3.840	13	3.881	26/04/22	-4
GII	09/26	3.898	1	3.627	21/04/22	27
GII	09/27	4.069	150	4.061	26/04/22	1
GII	10/28	4.373	208	4.387	26/04/22	-1
GII	07/29	4.424	10	4.235	21/04/22	19
GII	10/30	4.481	14	4.478	26/04/22	0
GII	10/32	4.452	138	4.385	26/04/22	7
GII	06/33	4.640	2	4.662	26/04/22	-2
GII	08/33	4.702	2	4.616	25/04/22	9
GII	11/34	4.814	1	4.720	25/04/22	9
GII	07/36	4.818	115	4.851	26/04/22	-3
GII	09/39	4.987	1	4.906	26/04/22	8

GII	09/41	5.000	46	5.060	26/04/22	-6
GII	11/49	4.991	6	4.984	21/04/22	1
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**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*
Lembaga Pembiayaan Perumahan Sektor Awam	04/29	GG	4.489	20	2.951	04/02/21	154	13
Prasarana Malaysia Berhad	08/29	GG	4.500	5	4.489	26/04/22	1	15
Prasarana Malaysia Berhad	03/31	GG	4.600	10	3.900	08/03/22	70	23
Prasarana Malaysia Berhad	10/32	GG	4.590	10	3.816	23/06/21	77	28
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	5.230	5	4.559	09/11/21	67	28
DanaInfra Nasional Berhad	02/51	GG	5.330	30	4.615	08/03/22	72	38
Danum Capital Berhad	05/23	AAA	3.007	10	2.946	22/04/22	6	59
Cagamas Berhad	10/23	AAA	3.068	70	4.219	20/09/17	-115	65
Bakun Hydro Power Generation Sdn Berhad	08/30	AAA	4.718	20	3.967	17/03/22	75	35
Malaysia Airport Holdings Berhad	11/30	AAA	4.813	10	4.258	31/01/22	56	44
Manjung Island Energy Berhad	11/31	AAA	4.708	20	4.128	23/03/22	58	40
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.169	70	5.069	22/04/22	10	32
Kuala Lumpur Kepong Berhad	03/27	AA1	5.199	5	5.087	21/04/22	11	-
Dialog Group Berhad	01/32	AA2	4.959	10	4.475	25/03/22	48	65
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.795	10	3.800	26/04/22	0	46
PONSB Capital Berhad	12/28	AA3	5.048	3	4.627	01/04/22	42	69
MBSB Bank Berhad	12/29	A3	4.641	1	3.489	28/03/22	115	28
Alliance Islamic Bank Berhad	09/27	-	2.710	130	-	-	271	-
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\*spread against nearest indicative tenured MGS (Source: BPAM)

**Rating Action**

Issuer	PDS Description	Rating/Outlook	Action
Sarawak Petchem Sdn Bhd	RM6.0b Islamic Medium-Term Notes Programme (proposed Sukuk Wakalah)	AAA (s)/Stable	Assign
UiTM Solar Power Sdn Bhd	Outstanding RM202.3 million Green SRI Sukuk	MARCWatch Negative	Extended

Source: RAM, MARC Ratings

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