

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended little changed on Tuesday amid an erratic and choppy session; led mainly by movements in government bonds in Europe. USTs saw yields paring levels following Conference Board's consumer confidence gauge for June which saw a bigger-than-expected pullback. Overall benchmark yields changed within 1bp d/d. **The UST 2Y yield ended within 1bps higher at 3.11% whilst the much-watched UST 10Y edged 1bps lower at 3.19%.** Treasury's \$40b 7Y auction saw decent bidding metrics at a cover of 2.48x (previous six average auction: 2.41X) and awarded at 3.28% (previous auction: 3.277%). The month-end and quarter-end rebalancing coupled with both recessionary concerns intertwined with inflation worries are expected to add some volatilities going forward. Elsewhere, Fed official Williams said that he expects the economy to slow slightly but confident that a recession can be avoided. Meanwhile, expect attention to shift to the Fed's preferred inflation indicator i.e.; the PCE core for May come tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	3.11	0
5-yr UST	3.25	-1
10-yr UST	3.19	-1
30-yr UST	3.30	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.49	0	3.54	1
5-yr	3.94	2	4.11	2
7-yr	4.16	6	4.23	2
10-yr	4.24	0	4.24	-1
15-yr	4.67	3	4.63	-1
20-yr	4.64	0	4.80	0
30-yr	4.87	-15	5.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.01	1
3-yr	3.68	2
5-yr	3.88	1
7-yr	3.99	3
10-yr	4.09	8

Source : Bloomberg

#### Upcoming Government Bond Tender

Re-opening of RM2.5b + RM2.5b (Private Placement) of 30Y MGS 6/50 on Wednesday, 29<sup>th</sup> June 2022

##### MGS/GII

- Local govies traded cautious on Tuesday despite S & P Global Ratings upward revision of Outlook from Negative to Stable on Malaysia. As the day progressed, the short-to-medium tenures saw slight pressure influenced by the slightly higher IRS levels seen. The curve ended flatter as overall benchmark MGS/GII yields ended mixed between 0-15bps lower across the curve amid the doubling of secondary market volume @ RM3.34b. **The 5Y benchmark MGS 11/26 yield edged 2bps up at 3.94% whilst the 10Y benchmark MGS 7/32 yield closed unchanged at 4.24%.** Interest was mainly seen in the off-the-run 22-23's and also benchmark 5Y GII, 15Y MGS. GII transactions increased to form 34% of overall trades. Expect attention to shift to the 30Y MGS auction today.

##### Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw better interest on Tuesday with some focus seen along the GG-AA part of the curve spanning across 18 names. Overall yields closed mostly higher amid a 41% jump in secondary market volume @ RM310m. The longer-end govt-guaranteed DANA 7/39 and 2/48 spiked 91-112bps compared to previous-done levels to 4.91% and 5.11% respectively. AAA-rated Khazanah-related SPV's i.e.; DANGA 2/26 and DANUM 5/27 too ended 13-17bps higher to close at 4.22% and 4.33% each. EKVE 33 settled unchanged at 5.02%. Fortune Premier's and UiTM solar's AA-rated 2026 bonds saw different fortunes; with the former spiking 60bps to 4.93% whilst the latter eased 10bps instead to 5.19%. Meanwhile, the banking/finance space saw MAYBANK 2117NC26 bonds edge 1bps lower at 4.25%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	2.004	150	1.851	27/06/2022	15
MGS	09/22	2.053	513	2.154	27/06/2022	-10
MGS	03/23	2.923	375	2.831	27/06/2022	9
MGS	04/23	2.937	147	2.974	27/06/2022	-4
MGS	08/23	3.050	9	3.166	24/06/2022	-12
MGS	06/24	3.241	1	3.249	27/06/2022	-1
MGS	09/24	3.309	6	3.276	27/06/2022	3
MGS	03/25	3.490	134	3.491	27/06/2022	0
MGS	09/25	3.687	164	3.671	27/06/2022	2
MGS	07/26	3.960	32	3.865	27/06/2022	9
MGS	11/26	3.937	54	3.914	27/06/2022	2
MGS	03/27	3.992	6	3.996	22/06/2022	0
MGS	05/27	3.982	3	3.923	27/06/2022	6
MGS	11/27	4.003	11	4.023	27/06/2022	-2
MGS	06/28	4.153	10	4.144	27/06/2022	1
MGS	04/29	4.164	100	4.105	27/06/2022	6
MGS	08/29	4.254	5	4.229	27/06/2022	2
MGS	06/31	4.339	7	4.354	27/06/2022	-1
MGS	07/32	4.235	171	4.235	27/06/2022	0
MGS	04/33	4.523	1	4.491	27/06/2022	3
MGS	11/33	4.584	20	4.584	27/06/2022	0
MGS	07/34	4.615	7	4.627	27/06/2022	-1
MGS	05/35	4.660	4	4.643	27/06/2022	2
MGS	04/37	4.673	253	4.648	27/06/2022	3
MGS	05/40	4.840	6	4.847	27/06/2022	-1
MGS	06/50	4.865	2	5.015	27/06/2022	-15
GII	11/22	2.516	60	2.549	24/06/2022	-3
GII	05/23	2.950	190	2.917	27/06/2022	3
GII	11/23	3.139	10	3.150	27/06/2022	-1
GII	10/24	3.475	43	3.498	23/06/2022	-2
GII	08/25	3.565	20	3.562	24/06/2022	0
GII	10/25	3.543	32	3.536	27/06/2022	1
GII	09/27	4.105	539	4.083	27/06/2022	2
GII	10/28	4.232	128	4.214	27/06/2022	2
GII	07/29	4.188	7	4.130	27/06/2022	6
GII	10/30	4.281	1	4.195	27/06/2022	9
GII	10/32	4.241	70	4.253	24/06/2022	-1
GII	07/36	4.634	40	4.641	27/06/2022	-1
GII	09/39	4.720	1	4.837	23/06/2022	-12
GII	11/49	4.932	1	5.116	20/06/2022	-18
GII	05/52	5.050	10	5.050	16/06/2022	0
			<u>3342</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
DanaInfra Nasional Berhad	07/39	GG	4.905	10	3.784	18/12/2020	112	28
DanaInfra Nasional Berhad	02/48	GG	5.105	20	4.199	26/11/2020	91	39
Cagamas Berhad	06/25	AAA	4.000	150	-	-	-	51
Danga Capital Berhad	02/26	AAA	4.220	20	4.048	05/05/2022	17	44
Westports Malaysia Sdn Berhad	04/27	AAA	4.315	10	3.389	29/05/2020	93	39
Danum Capital Berhad	05/27	AAA	4.331	5	4.199	10/06/2022	13	40
EKVE Sdn Berhad	01/33	AAA	5.017	20	5.019	21/06/2022	0	78
Tenaga Nasional Berhad	06/37	AAA	5.230	20	-	-	-	60
Tenaga Nasional Berhad	06/42	AAA	5.360	10	-	-	-	64
Sabah Development Bank Berhad	12/23	AA1	3.885	1	3.341	27/06/2022	54	97
Celcom Networks Sdn Berhad	10/26	AA+	4.392	3	3.949	12/04/2022	44	61
Fortune Premiere Sdn Berhad	09/26	AA	4.928	10	4.328	21/01/2022	60	115
PONSB Capital Berhad	06/27	AA3	4.890	5	-	-	-	96
PONSB Capital Berhad	06/29	AA3	5.310	5	-	-	-	115
Malayan Banking Berhad	02/17	AA3	4.248	10	4.261	24/06/2022	-1	-47
UiTM Solar Power Sdn Berhad	04/26	AA-	5.192	10	5.288	22/11/2018	-10	141
Matrix Concepts Holdings Berhad	03/23	-	5.157	1	4.478	28/02/2022	68	225
YNH Property Berhad	08/19	-	6.551	1	5.694	27/06/2022	86	183
				<u>310</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
CIMB Thai Bank Public Company Limited	Financial Institution Rating	AA2/Stable/P1	Reaffirmed
	RM2 bil Tier-2 Subordinated Debt Programme (2014/2044)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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