

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.48	0
5-yr UST	2.72	0
10-yr UST	2.74	-1
30-yr UST	2.97	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.48	0	3.43	0
5-yr	3.75	9	3.77	-9
7-yr	3.94	-2	3.95	0
10-yr	4.14	2	4.11	-4
15-yr	4.48	9	4.46	3
20-yr	4.58	3	4.57	0
30-yr	4.69	-9	4.74	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.72	-1
3-yr	3.52	4
5-yr	3.70	4
7-yr	3.85	5
10-yr	4.00	2

Source : Bloomberg

Upcoming Government Bond Tender

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

US Treasuries

- Last Friday, US Treasuries saw the longer-ends outperform as bonds ended near six-week highs; having plied narrow ranges before the long-weekend break as concerns over growth and signs of inflation peaking swayed investor sentiments. The curve steepened slightly as overall benchmark yields closed between 0-2bps lower. **The UST 2Y yield settled almost unchanged at 2.48% whilst the much-watched 10Y edged 1bps lower at 2.74%.** There was little reaction to peripheral data encompassing wholesale inventories, personal income/spending and also the University of Michigan consumer sentiment. The Fed's preferred inflation data i.e. PCE price index for April gained less when compared to prior month. The much-banded about current discussion centres around how high the terminal rate is expected to be but it is believed that more data especially regarding inflation is required. Meanwhile, expect attention to shift to the next major data release i.e. jobs numbers for May this coming Friday.

MGS/GII

- Local govies closed somewhat mixed last Friday; with MGS slightly pressured compared to GII amid rising IRS levels extending out from 3-year tenures. Overall benchmark MGS/GII yields settled between -9 to +9bps across amid a 54% jump in secondary market volume @ RM3.13b. **The 5Y benchmark MGS 11/26 yield spiked 9bps to 3.75% whilst the 10Y benchmark MGS 7/32 edged 2bps up at 4.14%.** Interest was mainly seen in the off-the-run 22's, 35's, benchmark 7Y GII and also 10Y MGS/GII. GII transactions fell to form 29% of overall trades. Expect attention to shift to the 3Y GII auction today followed by the PMI manufacturing data for May; come Wednesday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw slight pullback in activity last Friday with interest seen across the GG to single-A part of the curve. Overall yields closed mostly mixed, spanning across 32 names, amid the near-halving of secondary market volume to RM351m. The longer-end govt-guaranteed LPPSA and DANA 2046 tranches rallied to end 25-34bps lower compared to previous-done levels at 5.00%. AAA-rated WESTPORT 4/26 declined 19bps to 4.12% whilst DANGA 28 jumped 37bps to 4.33%. The AA-space saw plantation giant KLK's short tenured 9/22 bonds notch RM30m in total trades; moving 10bps lower to 2.62% whereas Southern Power 28 and 30 wilted to end 100-151 bps higher at 4.71% and 5.05% each. Quantum Solar 4/33 saw yields rise as well by 57bps to 5.14%. Meanwhile, the banking/finance space saw MAYBANK 2117NC26 close 6bps lower at 4.30% whereas RHB Investment Bank 27NC22 ended unchanged at 3.206%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.850	125	1.842	26/05/2022	1
MGS	09/22	2.053	658	1.953	25/05/2022	10
MGS	03/23	2.591	3	2.517	26/05/2022	7
MGS	04/23	2.608	4	2.544	26/05/2022	6
MGS	08/23	2.745	40	2.757	26/05/2022	-1
MGS	06/24	3.391	6	3.329	26/05/2022	6
MGS	07/24	3.445	10	3.420	25/05/2022	2
MGS	03/25	3.482	50	3.479	26/05/2022	0
MGS	09/25	3.596	5	3.580	26/05/2022	2
MGS	07/26	3.694	5	3.734	25/05/2022	-4
MGS	11/26	3.749	111	3.657	26/05/2022	9
MGS	05/27	3.768	1	3.801	26/05/2022	-3
MGS	11/27	3.735	3	3.837	26/05/2022	-10
MGS	06/28	3.866	2	3.901	26/05/2022	-3
MGS	04/29	3.942	175	3.962	26/05/2022	-2
MGS	08/29	4.048	1	4.037	26/05/2022	1
MGS	04/31	4.074	179	4.161	26/05/2022	-9
MGS	06/31	4.178	10	4.192	26/05/2022	-1
MGS	07/32	4.141	292	4.124	26/05/2022	2
MGS	11/33	4.307	16	4.340	25/05/2022	-3
MGS	07/34	4.403	3	4.409	26/05/2022	-1
MGS	05/35	4.510	384	4.479	26/05/2022	3
MGS	04/37	4.483	40	4.397	26/05/2022	9
MGS	06/38	4.608	12	4.569	26/05/2022	4
MGS	05/40	4.579	4	4.637	26/05/2022	-6
MGS	10/42	4.582	27	4.552	25/05/2022	3
MGS	07/48	4.873	6	4.887	25/05/2022	-1
MGS	06/50	4.687	43	4.781	26/05/2022	-9
GII	11/22	2.149	100	2.301	24/05/2022	-15
GII	05/24	3.362	30	3.499	24/05/2022	-14
GII	08/25	3.578	2	3.679	20/05/2022	-10
GII	09/26	3.741	20	3.754	26/05/2022	-1
GII	07/27	3.828	120	3.826	26/05/2022	0
GII	09/27	3.766	20	3.860	24/05/2022	-9
GII	10/28	3.952	290	3.952	26/05/2022	0
GII	07/29	3.999	14	4.032	25/05/2022	-3
GII	10/30	4.098	30	4.115	26/05/2022	-2
GII	10/32	4.109	240	4.145	26/05/2022	-4
GII	11/34	4.382	30	4.728	20/05/2022	-35
GII	07/36	4.456	20	4.425	26/05/2022	3
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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*
DanaInfra Nasional Berhad	03/27	GG	4.157	10	3.155	26/04/2021	100	42
Prasarana Malaysia Berhad	08/29	GG	4.399	30	4.430	25/05/2022	-3	46
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	4.540	10	3.939	10/03/2022	60	42
Prasarana Malaysia Berhad	03/35	GG	4.569	20	4.860	28/04/2022	-29	13
Malaysia Rail Link Sdn Berhad	07/35	GG	4.840	10	4.329	15/03/2022	51	40
DanaInfra Nasional Berhad	04/37	GG	4.720	20	4.355	18/02/2022	36	28
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	5.000	10	5.340	18/05/2022	-34	43
DanaInfra Nasional Berhad	10/46	GG	5.000	10	5.250	28/04/2022	-25	43
Westports Malaysia Sdn Berhad	04/26	AAA	4.121	20	4.313	12/05/2022	-19	48
Danga Capital Berhad	01/28	AAA	4.328	10	3.959	07/04/2022	37	44
Infracap Resources Sdn Berhad	04/31	AAA	4.769	10	5.062	20/05/2022	-29	68
Kuala Lumpur Kepong Berhad	09/22	AA1	2.624	30	2.722	13/05/2022	-10	2
Sabah Development Bank Berhad	05/25	AA1	4.038	1	4.241	26/05/2022	-20	55
GENM Capital Berhad	08/25	AA1	4.395	1	4.395	26/05/2022	0	91
Sabah Development Bank Berhad	02/26	AA1	4.814	20	4.829	26/05/2022	-1	117
Sabah Credit Corporation	06/26	AA1	4.354	10	4.260	26/04/2022	9	71
Malayan Banking Berhad	08/31	AA1	4.059	1	4.364	23/05/2022	-31	-4
RHB Investment Bank Berhad	10/27	AA3	3.206	20	3.203	25/05/2022	0	-53
Malayan Banking Berhad	02/17	AA3	4.295	10	4.359	26/05/2022	-6	-28
Jimah East Power Sdn Berhad	12/24	AA-	4.280	3	3.648	21/10/2021	63	79
MMC Corporation Berhad	03/28	AA-	4.781	10	4.797	25/05/2022	-2	90
Southern Power Generation Sdn Berhad	04/28	AA-	4.710	20	3.713	01/07/2021	100	82
Penang Port Sdn Berhad	12/29	AA-	4.818	30	4.554	18/04/2022	26	78
Southern Power Generation Sdn Berhad	10/30	AA-	5.047	10	3.539	17/07/2020	151	101
Quantum Solar Park (Semenanjung) Sdn Berhad	04/33	AA-	5.138	10	4.568	23/09/2021	57	102
CIMB Group Holdings Berhad	05/16	A1	4.098	1	3.178	21/04/2022	92	-48
Tropicana Corporation Berhad	06/23	A+	4.096	2	4.071	26/05/2022	3	150
Tropicana Corporation Berhad	06/25	A+	5.046	1	5.570	26/05/2022	-52	156
Tropicana Corporation Berhad	09/19	A	6.234	1	6.226	26/05/2022	1	166
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.999	11	4.806	25/05/2022	19	88
YNH Property Berhad	08/19	-	6.093	1	5.763	23/05/2022	33	152
Cypark Renewable Energy Sdn Berhad	09/20	-	6.850	1	7.366	05/05/2022	-52	228
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Muamalat Malaysia Berhad	Financial institution ratings (FIRs)	A2/Stable/P1	Reaffirmed
AC First Genesis Berhad	Senior Class A and Senior Class B First Tranche under the RM3 billion Sukuk Ijarah Programme	AAA/Stable and AA2/Stable	Reaffirmed
	Senior Class A	AAA/Stable	Reaffirmed
	Senior Class B	AA2/Stable	Reaffirmed
Zamarad Assets Berhad	Tranche 4 Class A Sukuk Murabahah	AAA/Stable	Reaffirmed
	Tranche 4 Class B Sukuk Murabahah	From AA2/Stable to AAA/Stable	Upgraded
	Tranche 1 Class A	AAA/Stable	Reaffirmed
	Tranche 1 Class B	AAA/Stable	Reaffirmed
AI Dzahab Assets Berhad	Tranche 3 Class A and Class B Sukuk	AAA/Stable	Reaffirmed
	Tranche 4 Class A and Class B Sukuk	AAA/Stable	Reaffirmed
	Tranche 5 Class A and Class B Sukuk	AAA/Stable	Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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