

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	0
30-yr UST	2.97	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.43	-5	3.49	-13
5-yr	3.67	-8	3.76	-1
7-yr	3.95	0	3.96	1
10-yr	4.13	-1	4.14	3
15-yr	4.47	-1	4.46	1
20-yr	4.60	2	4.57	0
30-yr	4.75	6	4.74	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.73	1
3-yr	3.49	-4
5-yr	3.69	0
7-yr	3.85	0
10-yr	4.00	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US financial markets were closed on Monday to celebrate the Memorial Day holiday. Nevertheless at the time of writing, USTs were seen weaker with yields creeping higher. Investors are seen transgressing data to see how tighter financial conditions may slow economic growth as the Fed intends to keep raising interest rates. Fed official Waller said that he prefers to see 50bps rises until inflation eases back towards the central bank's 2.0% target. Elsewhere global bonds were seen steadier with both USTs and IG space heading for their best month since November as the speculation of central-bank interest rate hikes are being priced-in. 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 mixed on Monday; with the front-ends better-bid whilst the longer-ends seemed pressured despite IRS generally slipping lower. The curve ended steeper as overall benchmark MGS/GII yields settled between -13 to +6bps across amid a 9% uptick in secondary market volume @ RM3.41b. **The 5Y benchmark MGS 11/26 yield rallied, to end 8bps lower at 3.67% whilst the 10Y benchmark MGS 7/32 edged 1bps down at 4.13%.** Interest was mainly seen in the off-the-run 22's, 35's, benchmark 3Y MGS/GII, 7Y GII and also 10Y MGS. GII transactions sustained to form 31% of overall trades. The 3Y GII auction saw registered solid bidding metrics with BTC ratio at 3.632x and awarded at 3.539%. It was reflective of strong participation mainly from both onshore and offshore financial institutions. Expect attention to shift to the PMI manufacturing data for May this Wednesday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see further pullback in interest on Monday with trades still seen across the GG to single-A part of the curve. Overall yields closed mostly mixed, spanning across 21 names, amid a 30% reduction of secondary market volume to RM246m. Govt-guaranteed PRASA 8/29 closed unchanged compared to previous-done levels at 4.40% whilst the long-end LPPSA 10/48 spiked 136bps to 5.06% with total transacted amounts of RM30m. AAA-rated MAHB 11/30 notched the highest volume of RM50m; easing 11bps to close at 4.22%. The AA-space saw Press METAL 8/25 bonds notch RM30m in total trades; moving 10bps lower to 2.62%. Meanwhile, the banking/finance space saw PUBLIC 2118NC23 perps jump 23bps higher to 3.54%. There were also several odd-lot trades seen in Alliance Bank, MBSB and also Sabah Development Bank bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.950	182	1.850	27/05/2022	10
MGS	09/22	1.959	86	2.053	27/05/2022	-9
MGS	04/23	2.548	100	2.608	27/05/2022	-6
MGS	06/24	3.196	37	3.391	27/05/2022	-20
MGS	07/24	3.251	50	3.420	25/05/2022	-17
MGS	09/24	3.294	30	3.406	26/05/2022	-11
MGS	03/25	3.433	640	3.482	27/05/2022	-5
MGS	09/25	3.548	9	3.596	27/05/2022	-5
MGS	04/26	3.623	3	3.667	24/05/2022	-4
MGS	11/26	3.669	179	3.749	27/05/2022	-8
MGS	06/28	3.859	20	3.866	27/05/2022	-1
MGS	04/29	3.945	42	3.942	27/05/2022	0
MGS	08/29	3.978	21	4.048	27/05/2022	-7
MGS	04/31	4.096	2	4.074	27/05/2022	2
MGS	07/32	4.130	649	4.141	27/05/2022	-1
MGS	04/33	4.290	57	4.361	26/05/2022	-7
MGS	05/35	4.531	150	4.510	27/05/2022	2
MGS	04/37	4.474	11	4.483	27/05/2022	-1
MGS	05/40	4.610	20	4.579	27/05/2022	3
MGS	10/42	4.597	16	4.582	27/05/2022	2
MGS	03/46	4.789	2	4.913	23/05/2022	-12
MGS	06/50	4.746	41	4.687	27/05/2022	6
GII	05/23	2.508	8	2.603	25/05/2022	-10
GII	07/23	2.643	7	2.632	26/05/2022	1
GII	11/23	2.753	1	2.739	25/05/2022	1
GII	10/24	3.278	20	3.433	26/05/2022	-16
GII	10/25	3.485	440	3.610	23/05/2022	-13
GII	03/26	3.725	7	3.731	26/05/2022	-1
GII	09/26	3.641	76	3.741	27/05/2022	-10
GII	09/27	3.755	30	3.766	27/05/2022	-1
GII	10/28	3.959	384	3.952	27/05/2022	1
GII	07/29	3.999	1	3.999	27/05/2022	0
GII	10/32	4.136	65	4.109	27/05/2022	3
GII	11/34	4.380	4	4.382	27/05/2022	0
GII	10/35	4.503	2	4.786	23/05/2022	-28
GII	07/36	4.462	10	4.456	27/05/2022	1
GII	09/39	4.553	2	4.740	26/05/2022	-19
GII	05/47	4.817	3	5.037	23/05/2022	-22
			3407			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Prasarana Malaysia Berhad	08/29	GG	4.400	15	4.399	27/05/2022	0	45
Lembaga Pembiayaan Perumahan Sektor Awam	10/48	GG	5.060	30	3.700	19/02/2020	136	49
Danga Capital Berhad	09/27	AAA	4.260	5	4.149	22/04/2022	11	54
Malaysia Airport Holdings Berhad	11/30	AAA	4.650	10	4.813	27/04/2022	-16	63
Infracap Resources Sdn Berhad	04/33	AAA	4.951	5	4.400	10/03/2022	55	82
TNB Western Energy Berhad	01/34	AAA	5.049	30	5.080	26/05/2022	-3	92
Sabah Development Bank Berhad	05/25	AA1	4.038	1	4.038	27/05/2022	0	60
Sime Darby Plantation Berhad (fka Sime Darby Plantation)	03/16	AA	4.478	30	3.894	25/03/2022	58	-10
IJM Corporation Berhad	06/23	AA3	3.217	20	3.219	26/05/2022	0	62
Southern Power Generation Sdn Berhad	10/23	AA-	3.536	10	3.039	03/03/2022	50	94
MMC Corporation Berhad	03/28	AA-	4.732	10	4.781	27/05/2022	-5	85
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.220	50	4.330	20/05/2022	-11	78
Public Bank Berhad	06/18	AA3	3.540	20	3.313	25/04/2022	23	-103
Cenergi SEA Berhad	12/26	A1	5.596	2	5.000	22/12/2021	60	187
CIMB Group Holdings Berhad	05/16	A1	4.102	2	4.098	27/05/2022	0	-47
Hong Leong Financial Group Berhad	11/17	A1	3.619	1	3.231	08/04/2022	39	-95
Tropicana Corporation Berhad	10/25	A+	5.116	1	5.565	20/05/2022	-45	168
Tropicana Corporation Berhad	04/26	A+	5.210	1	5.269	20/04/2022	-6	160
Tropicana Corporation Berhad	06/25	A+	5.821	2	5.046	27/05/2022	77	239
Alliance Bank Malaysia Berhad	10/30	A2	4.229	1	3.930	20/05/2022	30	20
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.788	2	4.999	27/05/2022	-21	66
				246				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cypark Ref Sdn Bhd	RM550 mil SRI Sukuk Murabahah Programme (2019/2041)	AA3/Negative	Reaffirmed

Source: RAM, MARC

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