

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.40	-5
5-yr UST	3.76	-5
10-yr UST	3.65	-4
30-yr UST	3.86	-3

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.39	-2	3.30	-6	
5-yr	3.47	0	3.53	1	
7-yr	3.60	-3	3.69	-1	
10-yr	3.70	-4	3.79	-2	
15-yr	3.98	-5	3.98	-3	
20-yr	4.07	-2	4.14	0	
30-yr	4.16	-3	4.23	-3	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.50	-1
3-yr	3.48	-1
5-yr	3.49	-3
7-yr	3.62	-2
10-yr	3.74	-4

Source : Bloomberg

- US Treasuries rallied on Wednesday as Fed officials, Jefferson and Harker stated their preference for the Fed to maintain interest rates in June despite the resilient job market. Easing concerns over US debt-ceiling matters gave a boost to bonds. Also, the month-end index rebalancing provided strong support especially from passive managers. **The benchmark UST 2Y yield fell the most by 5bps to 4.40% whilst the much-watched 10Y declined 4bps to 3.65%.** The Fed's Beige Book survey on regional business and economic conditions were little-changed with some bias pointing to signs of a cooling economy. Fed-dated OIS pricing currently reflect a slightly lower probability of between 32-39% of a 25bps rate hike in June and July with peak terminal rates at ~5.25% in July. Meanwhile, expect attention to shift to the release of jobless claims tonight followed closely watched NFP jobs data tomorrow.

##### MGS/GII

- Local govies saw improved performance for the 3<sup>rd</sup> session on Wednesday, led by lower IRS yields. Overall benchmark MGS/GII yields ended lower between 0-6bps across (save for the 5Y GII) amid a 56% jump in secondary market volume @ RM3.60b. **The benchmark 5Y MGS 4/28 settled within 1bps lower at 3.47% whilst the MGS 10Y 7/32 eased 3bps to 3.70%.** Interest was mainly seen in the off-the-run 23's, 29's and benchmarks, 5Y, 7Y MGS, 10Y MGS/GII. GII transactions inched slightly lower to form 30% of overall trades.

##### Corp Bonds/Sukuk

- On Wednesday, the Corporate Bonds/Sukuk space saw modest investor activity with some interest seen across the AAA to single A part of the curve. Secondary market volume rose by a modest 23% to RM369m, as overall yields ended mostly mixed-to-lower across a higher number of trades totaling 29. The long-end PRASA 8/39 and 9/42 declined 14-15bps compared to previous-done levels between 4.21-26% area. AAA-rated TNB Power 3/38 and 3/43 edged 1bps lower at 4.28% and 4.40% each whereas AMAN 2/26 declined 55bps instead to 3.91%. In the AA-space, edotco bonds saw a slew of tranches exchange hands. The 2027, 2029 and 2032 tranches closed mixed on yields i.e.; between -6 to +2bps at 4.00%, 4.10% and 4.22% respectively. Meanwhile, the banking/finance space saw SABAH Development Bank 10/29 move 3bps lower to 4.90%.

#### Upcoming Government Bond Tender

Nil

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/23	3.071	225	3.080	30/05/2023	-1
MGS	06/24	3.130	41	3.230	26/05/2023	-10
MGS	07/24	3.201	19	3.172	30/05/2023	3
MGS	09/24	3.231	40	3.258	30/05/2023	-3
MGS	03/25	3.251	181	3.316	30/05/2023	-6
MGS	09/25	3.330	35	3.335	30/05/2023	0
MGS	04/26	3.355	1	3.409	26/05/2023	-5
MGS	07/26	3.391	111	3.408	30/05/2023	-2
MGS	11/26	3.418	6	3.481	29/05/2023	-6
MGS	03/27	3.493	1	3.445	11/05/2023	5
MGS	05/27	3.480	6	3.543	26/05/2023	-6
MGS	11/27	3.471	120	3.493	30/05/2023	-2
MGS	04/28	3.471	291	3.474	30/05/2023	0
MGS	06/28	3.536	23	3.536	30/05/2023	0
MGS	09/28	3.552	1	3.605	18/05/2023	-5
MGS	04/29	3.631	174	3.643	30/05/2023	-1
MGS	08/29	3.634	153	3.657	30/05/2023	-2
MGS	04/30	3.602	235	3.635	30/05/2023	-3
MGS	04/31	3.746	28	3.763	30/05/2023	-2
MGS	06/31	3.740	3	3.769	29/05/2023	-3
MGS	07/32	3.701	232	3.738	30/05/2023	-4
MGS	04/33	3.805	111	3.819	30/05/2023	-1
MGS	11/33	3.750	6	3.845	26/05/2023	-10
MGS	07/34	3.884	93	3.912	29/05/2023	-3
MGS	05/35	3.948	44	3.990	30/05/2023	-4
MGS	04/37	3.994	3	4.000	29/05/2023	-1
MGS	06/38	3.975	137	4.028	30/05/2023	-5
MGS	05/40	4.078	5	4.082	30/05/2023	0
MGS	10/42	4.073	40	4.095	30/05/2023	-2
MGS	09/43	4.116	42	4.161	26/05/2023	-4
MGS	03/46	4.152	22	4.201	29/05/2023	-5
MGS	07/48	4.135	5	4.159	30/05/2023	-2
MGS	06/50	4.164	19	4.263	30/05/2023	-10
MGS	03/53	4.156	72	4.189	29/05/2023	-3
GII	11/23	3.133	1	3.160	26/05/2023	-3
GII	05/24	3.222	14	3.187	26/05/2023	4
GII	08/24	3.222	25	3.262	26/05/2023	-4
GII	10/24	3.314	3	3.353	29/05/2023	-4
GII	08/25	3.285	6	3.364	29/05/2023	-8
GII	10/25	3.300	110	3.361	30/05/2023	-6
GII	03/26	3.351	10	3.359	30/05/2023	-1
GII	09/26	3.402	10	3.356	29/05/2023	5
GII	09/27	3.474	2	3.534	29/05/2023	-6
GII	07/28	3.534	40	3.524	30/05/2023	1
GII	10/28	3.559	13	3.580	29/05/2023	-2
GII	07/29	3.679	251	3.700	30/05/2023	-2
GII	09/30	3.687	164	3.699	30/05/2023	-1
GII	10/30	3.789	6	3.778	30/05/2023	1
GII	10/32	3.785	254	3.808	30/05/2023	-2
GII	11/34	3.886	3	3.945	29/05/2023	-6
GII	07/36	3.994	5	4.014	24/05/2023	-2
GII	03/38	3.978	31	4.009	26/05/2023	-3
GII	09/41	4.101	4	4.085	29/05/2023	2
GII	08/43	4.142	99	4.147	30/05/2023	0
GII	05/52	4.231	21	4.264	30/05/2023	-3
			3598			

## 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	11/28	GG	3.677	5	3.739	19/04/2023	-6	22
Prasarana Malaysia Berhad	03/34	GG	4.001	45	4.159	04/04/2023	-16	29
Prasarana Malaysia Berhad	08/39	GG	4.210	5	4.364	04/04/2023	-15	23
Prasarana Malaysia Berhad	09/42	GG	4.260	5	4.399	10/02/2023	-14	17
Mercedes-Benz Services Malaysia Sdn Berhad	09/23	AAA	3.412	20	2.545	05/02/2021	87	23
Aman Sukuk Berhad	05/24	AAA	3.723	10	3.853	16/03/2023	-13	54
Bakun Hydro Power Generation Sdn Berhad (fka Sara	08/26	AAA	3.864	4	3.984	17/03/2023	-12	47
Bakun Hydro Power Generation Sdn Berhad	08/26	AAA	5.395	1	5.962	19/05/2023	-57	200
Mercedes-Benz Services Malaysia Sdn Berhad	03/27	AAA	3.883	5	3.963	12/04/2023	-8	44
Projek Lebuh raya Usahasama Berhad	01/34	AAA	4.318	10	4.408	24/05/2023	-9	61
TNB Power Generation Sdn Berhad	03/38	AAA	4.279	10	4.290	22/05/2023	-1	30
Pengurusan Air Selangor Sdn Berhad	04/38	AAA	4.489	10	4.510	24/05/2023	-2	51
Tenaga Nasional Berhad	08/40	AAA	4.399	10	4.703	29/05/2023	-30	42
TNB Power Generation Sdn Berhad	03/43	AAA	4.400	50	4.410	24/05/2023	-1	31
Sabah Development Bank Berhad	07/24	AA1	5.103	4	5.100	29/05/2023	0	192
Sabah Development Bank Berhad	05/27	AA1	4.965	2	5.687	30/05/2023	-72	153
GENM Capital Berhad	05/28	AA1	4.724	1	4.816	25/05/2023	-9	127
Sabah Development Bank Berhad	10/29	AA1	4.899	10	4.929	30/05/2023	-3	134
edotco Malaysia Sdn Berhad	09/27	AA+	4.004	10	4.003	17/05/2023	0	57
edotco Malaysia Sdn Berhad	09/29	AA+	4.101	10	4.158	05/05/2023	-6	54
edotco Malaysia Sdn Berhad	09/32	AA+	4.221	30	4.200	22/05/2023	2	52
Press Metal Aluminium Holdings Berhad	08/25	AA2	4.108	40	4.131	22/05/2023	-2	84
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn B	07/23	AA3	4.202	10	4.491	27/01/2023	-29	102
Gamuda Berhad	11/23	AA3	3.818	20	3.578	16/08/2022	24	63
Tanjung Bin Energy Sdn Berhad	03/27	AA3	5.458	40	5.931	01/12/2022	-47	202
Malaysian Reinsurance Berhad	10/32	AA3	4.900	1	4.502	12/05/2023	40	120
Alliance Bank Malaysia Berhad	10/35	A2	5.134	1	4.783	26/05/2023	35	142
Tropicana Corporation Berhad	09/19	A-	9.459	1	9.440	25/05/2023	2	537
AEON Credit Service (M) Berhad	12/14	-	5.496	1	3.073	05/05/2023	242	140
				369				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Konsortium KAJV Sdn Bhd	RM1.0 billion Sukuk Wakalah Programme	AA-IS/Stable	Affirmed
Al Dhab Assets Berhad	Tranche 1-5 outstanding amount of RM45 mil, RM65 mil, RM85mil, RM75mil and RM140mil Class A and Class B	AAA/Stable	Affirmed
Zamarad Assets Berhad	Tranche 1 and 4 outstanding amounts of RM145 mil and RM105 mil, Class A and Class B	AAA/Stable	Affirmed
	Tranche 6 and 7 of outstanding amount of RM85mil and RM210mil Class A and Class B	AAA/Stable and AA2/Stable	Affirmed

Source: RAM, MARC

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