















## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.34	-6
5-yr UST	3.70	-6
10-yr UST	3.60	-5
30-yr UST	3.82	-5

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.40	 1	3.31	 1	
5-yr	3.48	 1	3.53	 0	
7-yr	3.61	 1	3.71	 2	
10-yr	3.71	 1	3.80	 2	
15-yr	3.98	 0	3.94	 -4	
20-yr	4.07	 -1	4.13	 -1	
30-yr	4.16	 0	4.23	 0	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.49	-1
3-yr	3.45	-2
5-yr	3.48	-1
7-yr	3.61	-2
10-yr	3.73	-1

Source : Bloomberg

- US Treasuries rallied again on Thursday amid weaker price data and ISM manufacturing in May~ coupled with positive outcome on negotiations pertaining to the debt-ceiling, as the House voted 314 to 117 in favor of the Fiscal Responsibility Act. Comments from Fed official, Harper that the central bank is close to the point where it can stop raising rates also gave bonds a boost. The curve shifted lower as overall benchmark yields closed lower between 5-6bps across. **The benchmark UST 2Y yield fell the most by 6bps to 4.34% whilst the much-watched 10Y declined 5bps to 3.60%.** Meanwhile, Treasury Secretary Yellen has warned that the government may run out of cash if the debt-ceiling is not removed by next Monday, 5<sup>th</sup> June. Meanwhile, expect attention to shift to the release of the closely-watched NFP jobs data tonight.

##### MGS/GII

- Local govies underwent mild-profit taking on Thursday following gains seen in several earlier sessions, led by lower IRS yields. Overall benchmark MGS/GII yields ended mostly mixed-to-higher between -4 to +2bps across (save for the longer-ends i.e.; 15-year tenures and beyond), amid a 15% drop in secondary market volume @ RM3.07b. **Both the benchmarks 5Y MGS 4/28 and MGS 10Y 7/32 yield edged 1bps higher at 3.48% and 3.71% each.** Interest was mainly seen in the off-the-run 34's and benchmarks 5Y GII, 15Y MGS, 10Y MGS/GII. GII transactions rose to form 38% of overall trades.

##### Corp Bonds/Sukuk

- On Thursday, the Corporate Bonds/Sukuk space saw strong participation interest with seen mainly across the GG to single A part of the curve. Secondary market volume spiked 82% to the highest seen in almost 2 weeks @ RM671m, as overall yields ended mostly mixed across a higher number of trades totaling 33. Govt-guaranteed LPPSA and DANA 25's moved opposite ends with the former settling 39bps lower compared to previous-done levels at 3.45%, whilst the later edged 2bps up instead to also close at 3.45%. AAA-rated PASB 29-20's ended between -1 to +1bps within 4.05-09% area. In the AA-space, KLK 9/29 bonds edged 2bps down at 4.12%. Meanwhile, the banking/finance space saw Sabah Credit Corp inch 1bps lower to 4.25% whilst Bank ISLAM 30NC25 moved 5bps lower to 4.29%.

#### 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	3.142	50	3.071	31/05/2023	7
MGS	06/24	3.207	97	3.130	31/05/2023	8
MGS	07/24	3.220	56	3.201	31/05/2023	2
MGS	09/24	3.158	4	3.231	31/05/2023	-7
MGS	03/25	3.282	31	3.251	31/05/2023	3
MGS	09/25	3.332	65	3.330	31/05/2023	0
MGS	04/26	3.373	1	3.355	31/05/2023	2
MGS	07/26	3.403	11	3.391	31/05/2023	1
MGS	11/26	3.439	38	3.418	31/05/2023	2
MGS	03/27	3.492	1	3.493	31/05/2023	0
MGS	05/27	3.475	4	3.480	31/05/2023	0
MGS	11/27	3.511	123	3.471	31/05/2023	4
MGS	04/28	3.483	41	3.471	31/05/2023	1
MGS	06/28	3.512	26	3.536	31/05/2023	-2
MGS	04/29	3.612	29	3.631	31/05/2023	-2
MGS	08/29	3.630	6	3.634	31/05/2023	0
MGS	04/30	3.610	1	3.602	31/05/2023	1
MGS	04/31	3.750	40	3.746	31/05/2023	0
MGS	06/31	3.740	1	3.740	31/05/2023	0
MGS	07/32	3.708	327	3.701	31/05/2023	1
MGS	04/33	3.810	121	3.805	31/05/2023	0
MGS	11/33	3.776	13	3.750	31/05/2023	3
MGS	07/34	3.889	254	3.884	31/05/2023	0
MGS	05/35	3.953	62	3.948	31/05/2023	0
MGS	04/37	3.995	155	3.994	31/05/2023	0
MGS	06/38	3.977	233	3.975	31/05/2023	0
MGS	05/40	4.112	3	4.078	31/05/2023	3
MGS	10/42	4.065	80	4.073	31/05/2023	-1
MGS	03/46	4.148	3	4.152	31/05/2023	0
MGS	07/48	4.171	2	4.135	31/05/2023	4
MGS	06/50	4.154	22	4.164	31/05/2023	-1
GII	05/24	3.184	55	3.222	31/05/2023	-4
GII	08/24	3.228	213	3.222	31/05/2023	1
GII	10/24	3.266	80	3.314	31/05/2023	-5
GII	08/25	3.281	21	3.285	31/05/2023	0
GII	10/25	3.316	12	3.300	31/05/2023	2
GII	03/26	3.350	11	3.351	31/05/2023	0
GII	09/26	3.378	23	3.402	31/05/2023	-2
GII	07/27	3.460	7	3.519	24/05/2023	-6
GII	09/27	3.474	4	3.474	31/05/2023	0
GII	07/28	3.534	275	3.534	31/05/2023	0
GII	10/28	3.578	40	3.559	31/05/2023	2
GII	07/29	3.706	30	3.679	31/05/2023	3
GII	09/30	3.709	30	3.687	31/05/2023	2
GII	10/30	3.780	7	3.789	31/05/2023	-1
GII	10/32	3.801	322	3.785	31/05/2023	2
GII	03/38	3.939	5	3.978	31/05/2023	-4
GII	09/41	4.089	8	4.101	31/05/2023	-1
GII	08/43	4.130	18	4.142	31/05/2023	-1
GII	05/52	4.231	15	4.231	31/05/2023	0
			3074			

## 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*
Lembaga Pembiayaan Perumahan Sektor Awam	10/25	GG	3.454	60	3.843	16/01/2023	-39	17
DanaInfra Nasional Berhad	11/25	GG	3.447	160	3.424	19/04/2023	2	17
Prasarana Malaysia Berhad	10/28	GG	3.677	10	3.838	10/04/2023	-16	20
Pengurusan Air SPV Berhad	06/33	GG	3.950	45	-	-	-	24
Pengurusan Air SPV Berhad	06/38	GG	4.140	60	-	-	-	16
Malaysia Airport Holdings Berhad	04/25	AAA	3.838	10	3.793	19/05/2023	4	56
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.881	35	3.883	25/05/2023	0	48
Pengurusan Air SPV Berhad	10/26	AAA	3.929	10	4.176	19/09/2022	-25	53
Malaysia Airport Holdings Berhad	12/26	AAA	3.979	10	3.896	24/05/2023	8	53
Amanat Lebuhraya Rakyat Berhad	10/28	AAA	4.078	10	4.087	19/05/2023	-1	60
Pengurusan Air SPV Berhad	06/29	AAA	4.048	40	4.058	17/05/2023	-1	49
Pengurusan Air SPV Berhad	01/30	AAA	4.089	20	4.080	22/05/2023	1	47
Infracap Resources Sdn Berhad	04/31	AAA	4.197	10	4.199	12/05/2023	0	54
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.537	40	4.450	30/05/2023	9	56
Pengurusan Air Selangor Sdn Berhad	04/38	AAA	4.484	5	4.489	31/05/2023	0	51
YTL Power International Berhad	10/24	AA1	4.022	10	4.203	03/05/2023	-18	83
Sabah Development Bank Berhad	05/27	AA1	4.965	1	4.965	31/05/2023	0	152
GENM Capital Berhad	07/28	AA1	4.785	1	4.782	27/04/2023	0	131
Sabah Credit Corporation	09/28	AA1	4.247	30	4.258	25/05/2023	-1	77
Kuala Lumpur Kepong Berhad	09/29	AA1	4.118	10	4.141	29/05/2023	-2	56
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.154	1	4.404	31/05/2023	-25	47
Solarpack Suria Sungai Petani Sdn Berhad	10/32	AA2	4.859	10	-	-	-	117
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	4.102	10	4.203	23/05/2023	-10	91
BGSM Management Sdn Berhad	08/25	AA3	3.939	10	3.986	18/04/2023	-5	66
BGSM Management Sdn Berhad	03/26	AA3	3.945	10	4.086	24/03/2023	-14	55
Malayan Banking Berhad	02/17	AA3	4.384	1	4.383	30/05/2023	0	30
MMC Corporation Berhad	11/25	AA-	4.289	10	4.535	13/01/2023	-25	101
MMC Port Holdings Sdn Berhad	04/29	AA-	4.429	10	4.457	24/05/2023	-3	87
TG Excellence Berhad	02/20	AA-	6.382	1	5.703	29/05/2023	68	229
Bank Islam Malaysia Berhad	03/30	A1	4.290	20	4.342	07/04/2023	-5	68
Affin Bank Berhad	07/32	A1	4.530	1	4.545	06/04/2023	-1	84
Hong Leong Bank Berhad	11/17	A1	4.168	1	4.239	29/05/2023	-7	8
DRB-Hicom Berhad	12/29	A+	5.404	11	5.254	18/05/2023	15	179
				671				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Encorp Systembilt Sdn Bhd	RM1.575 bil Sukuk Murabahah	AA1/Stable	Affirmed

Source: RAM, MARC

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