

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.48	1
5-yr UST	3.81	-1
10-yr UST	3.66	-2
30-yr UST	3.85	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	0	3.32	1
5-yr	3.48	1	3.54	2
7-yr	3.59	0	3.68	-1
10-yr	3.67	-2	3.80	-53
15-yr	3.96	15	3.94	0
20-yr	4.05	1	4.12	0
30-yr	4.11	-3	4.21	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.47	0
3-yr	3.43	0
5-yr	3.45	0
7-yr	3.58	-1
10-yr	3.70	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries generally ended stronger on Tuesday save for the front-end, following former central banker Clarida's comments that the Fed will raise rates again soon. Nevertheless, choppy, and lethargic trading was apparent as some traders preferred to stay on the sideline ahead of next week's FOMC meeting. The curve was flatter as overall benchmark yields closed between -4 to +1bps across. **The benchmark UST 2Y yield edged 1bps higher at 4.48% whilst the much-watched UST 10Y moved 2bps lower to 3.66%.** The yield curve inverted ~83bps to levels last seen in early March. A Bloomberg survey puts the probability of a recession occurring within the next 12 months at ~65%. With the debt-ceiling limit resolved, expect all eyes on the FOMC meeting next week with the ongoing battle against inflation very much in focus. Meanwhile, expect some attention to shift to jobless claims tomorrow.

MGS/GII

- Local govies were generally little-changed on Tuesday due to lack of leads with the 10-year sector seeing better bids. Overall benchmark MGS/GII yields ended between -3 and +2bps (save for the adjustment of prior day's skewed odd-lot closing trades seen in both the 10Y GII and 15Y MGS), amid a 28% increase in secondary market volume to RM2.18b. **The benchmark 5Y MGS 4/28 yield edged 1bps up at 3.48% whilst the 10Y MGS 7/32 settled another 2bps lower at 3.67%.** Interest was mainly seen in the off-the-run 29's and benchmark 10Y GII. GII transactions sustained to form 39% of overall trades. Meanwhile the economic calendar remains light until Friday when April industrial production data will be released.

Corp Bonds/Sukuk

- On Tuesday, the Corporate Bonds/Sukuk space saw slight improvement in appetite following the extended weekend break. Nevertheless, some interest was seen across the AAA-AA part of the curve as secondary market volume sustained at RM217m, as overall yields ended mostly mixed-to-lower across a similar number of trades totaling 18. There were no government-guaranteed trades. AAA-rated highway operator ALRB 10/30 saw the largest volume totaling RM50m; with yields moving 18bps lower compared to previous-done levels at 4.17%, whilst DANUM 34-35's declined 16-18bps between 4.22-26%. In the AA-space, the short-tenured PKNS 8/23 bonds ended 36bps lower at 3.93%. Meanwhile, the banking/finance space saw AFFIN Islamic 30NC25 spike 30bps instead to 4.13%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	3.201	2	3.204	02/06/2023	0
MGS	09/25	3.344	1	3.359	02/06/2023	-2
MGS	08/23	3.063	170	3.036	02/06/2023	3
MGS	03/25	3.316	4	3.298	02/06/2023	2
MGS	06/50	4.158	8	4.139	02/06/2023	2
MGS	07/32	3.673	106	3.692	02/06/2023	-2
MGS	03/53	4.106	14	4.132	02/06/2023	-3
MGS	09/24	3.251	3	3.204	02/06/2023	5
MGS	08/29	3.590	357	3.585	02/06/2023	0
MGS	04/31	3.741	2	3.751	02/06/2023	-1
MGS	10/42	4.054	20	4.043	02/06/2023	1
MGS	04/28	3.482	2	3.471	02/06/2023	1
MGS	05/27	3.488	17	3.487	02/06/2023	0
MGS	04/30	3.593	100	3.593	02/06/2023	0
MGS	11/26	3.469	82	3.439	02/06/2023	3
MGS	04/37	3.989	1	3.985	02/06/2023	0
MGS	11/33	3.787	11	3.779	02/06/2023	1
MGS	06/24	3.237	41	3.226	02/06/2023	1
MGS	04/29	3.593	127	3.584	02/06/2023	1
MGS	06/31	3.708	32	3.751	02/06/2023	-4
MGS	04/33	3.762	51	3.782	02/06/2023	-2
MGS	05/35	3.948	2	3.922	02/06/2023	3
MGS	11/27	3.492	9	3.494	02/06/2023	0
MGS	06/38	3.962	151	3.813	02/06/2023	15
MGS	06/28	3.536	8	3.555	02/06/2023	-2
MGS	05/40	4.086	2	4.036	02/06/2023	5
GII	07/29	3.673	73	3.677	02/06/2023	0
GII	09/27	3.522	2	3.474	01/06/2023	5
GII	10/32	3.795	398	3.808	02/06/2023	-1
GII	07/28	3.538	2	3.516	02/06/2023	2
GII	10/28	3.587	73	3.584	02/06/2023	0
GII	09/39	4.028	1	4.127	25/05/2023	-10
GII	10/30	3.747	7	3.779	02/06/2023	-3
GII	09/41	4.091	2	4.092	02/06/2023	0
GII	05/52	4.214	90	4.217	02/06/2023	0
GII	08/43	4.118	45	4.116	02/06/2023	0
GII	09/30	3.678	99	3.686	02/06/2023	-1
GII	03/26	3.405	4	3.350	01/06/2023	5
GII	03/38	3.943	48	3.944	02/06/2023	0
GII	10/25	3.320	11	3.316	01/06/2023	0
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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*
TNB Western Energy Berhad	07/24	AAA	3.885	3	4.010	16/02/2023	-13	69
Putrajaya Holdings Sdn Berhad	09/26	AAA	3.951	20	3.060	20/08/2021	89	54
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	4.089	20	4.539	18/07/2022	-45	60
Pengurusan Air SPV Berhad	01/30	AAA	4.078	10	4.089	01/06/2023	-1	46
DIGI Telecommunications Sdn Berhad	05/30	AAA	4.040	15			404	42
Amanat Lebuhraya Rakyat Berhad	10/30	AAA	4.167	50	4.348	21/03/2023	-18	55
Danum Capital Berhad	02/34	AAA	4.219	20	4.379	31/03/2023	-16	51
Danum Capital Berhad	02/35	AAA	4.256	5	4.327	12/05/2023	-7	55
Tenaga Nasional Berhad	06/37	AAA	4.349	5	4.470	12/04/2023	-12	39
Projek Lebuhraya Usahasama Berhad	01/38	AAA	4.509	10	4.522	24/05/2023	-1	55
Hong Leong Financial Group Berhad	06/29	AA2	4.026	5	4.137	06/04/2023	-11	46
Malaysia Airport Holdings Berhad	12/14	AA2	4.625	20	4.635	24/05/2023	-1	57
Perbadanan Kemajuan Negeri Selangor	08/23	AA3	3.927	10	4.284	10/04/2023	-36	73
Affin Islamic Bank Berhad	12/27	AA3	4.133	20	3.832	02/06/2023	30	64
Edra Energy Sdn Berhad	01/29	AA3	5.300	2	4.847	13/12/2022	45	173
UEM Sunrise Berhad	10/25	AA-	4.986	1	5.016	22/05/2023	-3	170
Tropicana Corporation Berhad	09/19	A-	9.488	1	9.459	31/05/2023	3	543
YNH Property Berhad	08/19	-	6.460	1	7.177	29/05/2023	-72	240
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*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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