

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended weaker ignited by higher Canadian bond yields following BoC's 25bps surprise rate hike; ending its 4-month pause. This coupled with some hawkish guidance was seen to fuel further bets that the Fed may follow in its footsteps. The curve shifted higher as overall benchmark yields closed higher between 8-14bps across. **The benchmark UST 2Y yield jumped 8bps higher to 4.56% whilst the much-watched UST 10Y spiked the most by 14bps to 3.80%.** Elsewhere, the US breakeven inflation rate for the 10Y CPI-linked bonds rose 2bps to 2.23% and has been ranging between 2.15-2.30% levels since March. Fed-dated OIS pricing currently reveals a 30% probability of a 25bps hike in next week's FOMC meeting. Meanwhile, expect some attention to shift to the jobless claims data release tonight.

##### MGS/GII

- Local govvnies saw the short-ends and belly pressured on Wednesday; dragged by slightly higher IRS yields. Overall benchmark MGS/GII yields ended higher between 0-4bps (save for the 15Y and 30Y MGS), amid a 38% fall in secondary market volume to a mere RM1.52b. **The benchmark 5Y MGS 4/28 yield edged 2bps up at 3.51% whilst the 10Y MGS 7/32 ended another 2bps lower at 3.67%.** Interest was mainly seen in the off-the-run 23-24's and benchmark 3Y MGS/GII. GII transactions rose to form 45% of overall trades. Meanwhile, expect some attention to shift to the release of April industrial production data tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.56	8
5-yr UST	3.94	13
10-yr UST	3.80	14
30-yr UST	3.95	10

MGS			GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	3.42	<div><div></div>2</div>	3.34	<div><div></div>2</div>	
5-yr	3.51	<div><div></div>2</div>	3.54	<div><div></div>0</div>	
7-yr	3.59	<div><div></div>0</div>	3.68	<div><div></div>0</div>	
10-yr	3.70	<div><div></div>3</div>	3.80	<div><div></div></div>	
15-yr	3.95	<div><div></div>-1</div>	3.94	<div><div></div>0</div>	
20-yr	4.05	<div><div></div>0</div>	4.16	<div><div></div>4</div>	
30-yr	4.10	<div><div></div>-1</div>	4.21	<div><div></div>0</div>	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.47	0
3-yr	3.44	1
5-yr	3.47	2
7-yr	3.59	1
10-yr	3.71	0

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

#### Corp Bonds/Sukuk

- On Wednesday, the Corporate Bonds/Sukuk space saw a ramp-up in investor appetite with interest seen mainly across the GG to single-A part of the curve as secondary market volume tripled to RM601m. Overall yields ended mostly lower across a higher number of trades totaling 24. Government-guaranteed BPMB 9/34 fell 17bps compared to previous-done levels to 4.05%, whilst PLUS 12/38 eased 4bps to 4.18%. AAA-rated toll-operator ALRB rallied with yields ending 35bps lower at 4.35%. In the AA-space, the short-tenured BGSM 9/23 and SP SETIA 6/26 bonds ended 5bps lower at 3.75% and 4.26% each. Meanwhile, in the banking/finance space, Bank ISLAM 2021NC27 perps climbed 5bps instead to 4.82%.

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/23	2.713	107	3.063	06/06/2023	-35
MGS	07/24	3.245	100	3.201	06/06/2023	4
MGS	09/24	3.270	1	3.251	06/06/2023	2
MGS	09/25	3.307	24	3.344	06/06/2023	-4
MGS	07/26	3.418	120	3.395	02/06/2023	2
MGS	11/26	3.435	37	3.469	06/06/2023	-3
MGS	05/27	3.520	1	3.488	06/06/2023	3
MGS	11/27	3.518	77	3.492	06/06/2023	3
MGS	04/28	3.507	58	3.482	06/06/2023	2
MGS	06/28	3.542	17	3.536	06/06/2023	1
MGS	04/29	3.602	30	3.593	06/06/2023	1
MGS	08/29	3.630	7	3.590	06/06/2023	4
MGS	04/31	3.751	6	3.741	06/06/2023	1
MGS	06/31	3.727	2	3.708	06/06/2023	2
MGS	07/32	3.699	32	3.673	06/06/2023	3
MGS	04/33	3.776	10	3.762	06/06/2023	1
MGS	11/33	3.770	40	3.787	06/06/2023	-2
MGS	05/35	3.933	2	3.948	06/06/2023	-2
MGS	04/37	3.994	2	3.989	06/06/2023	1
MGS	06/38	3.951	146	3.962	06/06/2023	-1
MGS	05/40	4.057	2	4.086	06/06/2023	-3
MGS	10/42	4.053	1	4.054	06/06/2023	0
MGS	07/48	4.129	4	4.126	06/06/2023	0
MGS	06/50	4.136	6	4.158	06/06/2023	-2
MGS	03/53	4.097	1	4.106	06/06/2023	-1
GII	10/25	3.342	73	3.320	06/06/2023	2
GII	03/26	3.368	13	3.405	06/06/2023	-4
GII	09/26	3.447	486	3.409	02/06/2023	4
GII	07/27	3.474	1	3.459	02/06/2023	2
GII	09/27	3.491	1	3.522	06/06/2023	-3
GII	07/29	3.673	1	3.673	06/06/2023	0
GII	10/32	3.795	10	3.795	06/06/2023	0
GII	07/36	3.980	1	3.965	02/06/2023	2
GII	03/38	3.943	50	3.943	06/06/2023	0
GII	09/39	4.060	3	4.028	06/06/2023	3
GII	08/43	4.158	52	4.118	06/06/2023	4
			<u>1524</u>			

## 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*
Bank Pembangunan Malaysia Berhad	09/34	GG	4.054	20	4.220	10/02/2023	-17	35
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.175	330	4.219	08/05/2023	-4	22
Mercedes-Benz Services Malaysia Sdn Berhad	11/23	AAA	3.475	40	3.659	03/04/2023	-18	28
Public Islamic Bank Berhad	12/27	AAA	4.079	1	4.177	24/03/2023	-10	58
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	4.074	20	4.089	06/06/2023	-2	58
Petroleum Sarawak Exploration & Production Sdn Berh	02/30	AAA	4.237	10	4.339	25/04/2023	-10	62
Amanat Lebuhraya Rakyat Berhad	10/33	AAA	4.349	20	4.698	21/02/2023	-35	65
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.450	20	4.537	01/06/2023	-9	49
YTL Power International Berhad	10/24	AA1	4.014	10	4.022	01/06/2023	-1	81
YTL Power International Berhad	05/27	AA1	4.249	20	4.255	29/05/2023	-1	79
YTL Power International Berhad	03/30	AA1	4.419	40	4.429	23/05/2023	-1	81
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA	4.055	5	4.124	11/04/2023	-7	76
SP Setia Berhad	06/26	AA	4.256	10	4.305	10/05/2023	-5	85
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA	4.181	5	4.550	29/07/2022	-37	73
BGSM Management Sdn Berhad	09/23	AA3	3.750	15	3.798	17/01/2023	-5	55
PONSB Capital Berhad	06/29	AA3	4.286	10	4.307	30/05/2023	-2	72
Malayan Banking Berhad	02/17	AA3	4.286	1	4.286	02/06/2023	0	23
STM Lottery Sdn Berhad (fka Sports Toto Malaysia S	06/25	AA-	4.771	10	4.919	20/07/2022	-15	148
Alliance Bank Malaysia Berhad	10/30	A2	4.715	1	4.351	02/06/2023	36	110
Bank Islam Malaysia Berhad	08/21	A3	4.824	10	4.773	24/03/2023	5	77
Tropicana Corporation Berhad	09/19	A-	7.748	2	8.363	09/05/2023	-61	369
Tropicana Corporation Berhad	09/19	A-	7.391	1	8.400	02/05/2023	-101	334
Mah Sing Group Berhad	03/25	-	4.995	1	4.915	12/05/2023	8	170
YNH Property Berhad	08/19	-	6.048	1	6.149	02/06/2023	-10	199
				601				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UniTapah Sdn Bhd	RM600 mil Sukuk Murabahah (2014/2035)	From AA1/Stable to AAA/Stable	Upgraded
Bank Muamalat Malaysia Berhad	Financial Institution ratings	A2/Stable/P1	Affirmed

Source: RAM, MARC

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