

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.53	16
5-yr UST	3.91	13
10-yr UST	3.82	8
30-yr UST	4.00	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.43	1	3.38	2
5-yr	3.52	2	3.58	3
7-yr	3.71	1	3.80	1
10-yr	3.81	5	3.88	3
15-yr	4.06	2	3.99	0
20-yr	4.13	6	4.21	3
30-yr	4.23	-1	4.30	-1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.53	4
3-yr	3.52	3
5-yr	3.61	5
7-yr	3.73	6
10-yr	3.86	4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries extended losses on Thursday on choppy price action with sentiment surrounding the unresolved debt-ceiling issue and lingering effects from Fitch Ratings earlier Negative Watch statement issued prior day. Nevertheless, some support was seen following the surprisingly strong 7Y note auction. The curve was flatter as overall benchmark yields closed mostly higher between 1-16bps across. **The UST 2Y yield spiked the most by another 16bps to 4.53% on higher probability of another rate hike in June; whilst the much-watched UST 10Y rose 8bps to 3.82%.** Treasury's coupon offering of \$35b UST 7Y notes via an auction saw strong demand with BTC notching 2.61x (previous six auction average: 2.46x) and awarded at 3.827% (previous auction: 3.563%). Elsewhere, Fed-dated OIS pricing currently reflect between 46-48% probability of a 25bps rate hike in June and July. Meanwhile, expect attention to shift to April PCE inflation data release later tonight.

MGS/GII

Local govies snapped prior days' recovery and resumed trending weaker on Thursday as MYR continued to slip against the greenback. Overall benchmark MGS/GII yields ended higher between 0-6bps across (save for the ultra-long bonds), amid the sustained secondary market volume of RM2.82b. **The benchmark 5Y MGS 4/28 yield edged 2bps up at 3.52% whilst the 10Y MGS 7/32 jumped 5bps higher to 3.81%.** Interest was mainly seen in the off-the-run 26's and benchmarks 3Y MGS, 7Y GII. GII transactions climbed higher to form 46% of overall trades. Focus will be on April CPI data release today which will reaffirm further moderation in inflation outlook.

Corp Bonds/Sukuk

On Thursday, the Corporate Bonds/Sukuk space saw improvement in investor activity with interest seen mainly across the GG-AA part of the curve. Secondary market volume rose 26% to RM557m, as overall yields ended mostly mixed-to-lower across a higher number of trades totaling 40. The long-end govt-guaranteed DANA 10/46 and 2/41 tranches fell 79-93bps compared to previous-done levels to 4.22% and 4.33% each. AAA-rated PLUS 35-37's was well-bid, resulting in 2-13bps decline to 4.42-46% levels. In the AA-space, MMC and JOPORT 32's too ended 8-38bps lower between 4.56-59% area. Meanwhile, the banking/finance space was relatively quiet with several odd-lot transactions seen in Sabah Development Bank, AmBank, and Alliance Islamic bank bonds.

## Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/23	3.166	102	3.196	24/05/2023	-3
MGS	06/24	3.182	41	3.209	24/05/2023	-3
MGS	07/24	3.229	39	3.213	24/05/2023	2
MGS	09/24	3.287	48	3.234	23/05/2023	5
MGS	03/25	3.329	67	3.315	24/05/2023	1
MGS	09/25	3.355	47	3.385	24/05/2023	-3
MGS	07/26	3.432	319	3.422	24/05/2023	1
MGS	09/26	3.477	20	3.567	02/03/2023	-9
MGS	11/26	3.457	17	3.482	24/05/2023	-3
MGS	05/27	3.524	8	3.507	24/05/2023	2
MGS	11/27	3.540	1	3.541	24/05/2023	0
MGS	04/28	3.524	110	3.507	24/05/2023	2
MGS	06/28	3.580	2	3.584	24/05/2023	0
MGS	04/29	3.674	2	3.681	24/05/2023	-1
MGS	08/29	3.739	3	3.712	24/05/2023	3
MGS	04/30	3.709	104	3.702	24/05/2023	1
MGS	04/31	3.790	22	3.770	24/05/2023	2
MGS	06/31	3.804	6	3.819	24/05/2023	-2
MGS	07/32	3.810	82	3.764	24/05/2023	5
MGS	04/33	3.871	10	3.862	24/05/2023	1
MGS	11/33	3.834	60	3.817	24/05/2023	2
MGS	07/34	3.929	91	3.940	24/05/2023	-1
MGS	05/35	4.000	6	4.011	24/05/2023	-1
MGS	04/37	4.015	240	4.000	24/05/2023	1
MGS	06/38	4.056	8	4.035	24/05/2023	2
MGS	05/40	4.120	11	4.086	24/05/2023	3
MGS	10/42	4.130	1	4.065	24/05/2023	6
MGS	03/46	4.168	14	4.165	24/05/2023	0
MGS	07/48	4.180	2	4.147	24/05/2023	3
MGS	06/50	4.234	3	4.230	24/05/2023	0
MGS	03/53	4.231	40	4.237	24/05/2023	-1
GII	05/24	3.198	25	4.215	24/05/2023	-102
GII	08/24	3.269	100	3.108	09/05/2023	16
GII	10/24	3.267	120	3.210	22/05/2023	6
GII	10/25	3.375	2	3.352	22/05/2023	2
GII	03/26	3.410	250	3.387	23/05/2023	2
GII	09/27	3.597	5	3.515	24/05/2023	8
GII	07/28	3.577	80	3.547	24/05/2023	3
GII	07/29	3.775	100	3.773	24/05/2023	0
GII	09/30	3.795	272	3.781	23/05/2023	1
GII	10/32	3.884	73	3.853	24/05/2023	3
GII	08/33	3.959	2	3.845	24/05/2023	11
GII	08/37	3.923	1	3.884	23/05/2023	4
GII	03/38	3.987	70	3.987	24/05/2023	0
GII	09/39	4.127	2	3.910	23/05/2023	22
GII	08/43	4.206	100	4.181	24/05/2023	3
GII	11/49	4.132	11	4.109	24/05/2023	2
GII	05/52	4.298	81	4.312	24/05/2023	-1
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## Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)		
Jambatan Kedua Sdn Berhad	07/26	GG	3.596	80	3.604	23/05/2023	-1	17
Perbadanan Tabung Pendidikan Tinggi Nasional	08/26	GG	3.537	10	3.578	13/04/2023	-4	-60
DanaInfra Nasional Berhad	03/27	GG	3.598	30	3.597	19/04/2023	0	14
DanaInfra Nasional Berhad	10/46	GG	4.219	30	5.148	16/06/2022	-93	8
DanaInfra Nasional Berhad	02/51	GG	4.332	30	5.119	26/05/2022	-79	19
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.330	10	4.480	10/04/2023	-15	91
TNB Northern Energy Berhad	05/26	AAA	3.973	10	4.549	13/10/2022	-58	45
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.883	5	3.887	24/05/2023	0	14
Malaysia Airport Holdings Berhad	04/27	AAA	3.999	10	4.146	18/04/2023	-15	-14
Malaysia Airport Holdings Berhad	11/27	AAA	3.952	20	3.951	17/05/2023	0	15
Gas Malaysia Distribution Sdn Berhad	12/27	AAA	3.970	1	4.070	05/04/2023	-10	20
Tenaga Nasional Berhad	06/32	AAA	4.270	10	4.369	13/03/2023	-10	81
Tenaga Nasional Berhad	08/32	AAA	4.271	5	4.220	19/05/2023	5	50
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.418	10	4.440	17/05/2023	-2	90
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.431	40	4.560	02/05/2023	-13	63
Tenaga Nasional Berhad	11/36	AAA	4.329	45	4.799	20/12/2022	-47	115
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.460	40	4.529	22/05/2023	-7	100
Sabah Development Bank Berhad	06/23	AA1	8.916	4	45043.000	06/04/1901	892	892
YTL Power International Berhad	05/27	AA1	4.257	50	4.256	22/05/2023	0	426
Sabah Development Bank Berhad	05/27	AA1	4.968	1	5.569	23/05/2023	-60	92
Sabah Credit Corporation	09/28	AA1	4.258	10	3.780	24/09/2021	48	49
United Overseas Bank (Malaysia) Berhad	10/32	AA1	3.854	1	4.350	23/05/2023	-50	39
UMW Holdings Berhad	11/25	AA+	3.954	4	3.981	19/04/2023	-3	78
Imtiaz Sukuk II Berhad	11/27	AA2	4.081	10	4.059	24/05/2023	2	62
Pelabuhan Tanjung Pelepas Sdn Berhad	06/25	AA	4.036	10	4.366	05/01/2023	-33	404
Sime Darby Plantation Berhad (fka Sime Darby Planta	03/16	AA	4.185	10	4.172	23/05/2023	1	41
Affin Islamic Bank Berhad	12/27	AA3	4.409	0	3.929	19/05/2023	48	61
WCT Holdings Berhad	04/24	AA-	5.105	20	5.100	30/03/2023	1	183
UEM Sunrise Berhad	04/25	AA-	4.195	1	4.850	02/05/2023	-65	5
UEM Sunrise Berhad	02/26	AA-	5.048	4	5.539	07/12/2022	-49	128
MMC Port Holdings Sdn Berhad	04/32	AA-	4.559	10	4.639	10/05/2023	-8	456
AmBank (M) Berhad	03/33	A1	4.347	1	4.119	24/05/2023	23	92
DRB-Hicom Berhad	12/24	A+	4.719	3	4.382	12/05/2023	34	95
MCIS Insurance Berhad	12/31	A2	5.261	1	4.587	19/05/2023	67	184
Alliance Bank Malaysia Berhad	10/35	A2	5.184	0	4.983	12/05/2023	20	191
Tropicana Corporation Berhad	06/24	A	6.955	1	6.947	22/05/2023	1	368
Bank Muamalat Malaysia Berhad	06/31	A3	4.535	8	4.572	03/05/2023	-4	454
Tropicana Corporation Berhad	09/19	A-	9.440	1	6.990	19/05/2023	245	592
Johor Port Berhad	10/32	AA-	4.589	20	4.972	10/01/2023	-38	45
Alliance Islamic Bank Berhad	03/19	BBB1	5.938	2	6.005	07/11/2022	-7	594
				557				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
ANIH Berhad	RM2.5 billion Senior Sukuk Musharakah programme	From AA IS/Stable to AA/IS/Negative	Outlook downgrade

Source: RAM, MARC

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