

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.45	-11
5-yr UST	3.81	-12
10-yr UST	3.69	-11
30-yr UST	3.89	-7

MGS			GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.41	-1	3.36	-1
5-yr	3.47	-1	3.52	-1
7-yr	3.64	-5	3.70	-1
10-yr	3.74	-1	3.81	-2
15-yr	4.03	0	4.01	0
20-yr	4.10	-2	4.15	-2
30-yr	4.19	0	4.26	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.51	-2
3-yr	3.49	-3
5-yr	3.53	-4
7-yr	3.65	-5
10-yr	3.78	-4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries recovered on Tuesday following the extended weekend break. Bonds rose from the recent depths not seen since March, as investors digested the temporary suspension of the debt ceiling on the back of a flurry of month-end purchases. **Both the benchmark UST 2Y and much-watched 10Y yields declined by 11bps each to 4.45% and 3.69% respectively.** The debt limit agreement between President Biden and House speaker McCarthy may however affect the Fed policy tightening going forward. Meanwhile, the longer-dated bonds found support ahead of the month-end bond index rebalancing. Elsewhere, Fed-dated OIS pricing currently reflect a 59% probability of a 25bps rate hike in June followed by a 45% chance of a similar hike in July. Expect attention to shift to the release of jobless claims and ISM manufacturing data on Thursday, followed closely by NFP jobs data on Friday which could influence the Fed's decision on its policy.

MGS/GII

- Local govies saw follow-through buying during Tuesday's session, nudged by relatively strong receiving interest in IRS. Overall benchmark MGS/GII yields ended lower between 0-5bps across amid a further 30% pullback in secondary market volume @ RM2.31b. **Both the benchmarks 5Y MGS 4/28 and MGS 10Y 7/32 edged 1bps lower at 3.47% and 3.74% each.** Interest was mainly seen in benchmarks, 3Y, 15Y MGS, 10Y GII. GII transactions notched higher portion to form 33% of overall trades. Meanwhile, the auction consisting of the re-opening of 15Y MGS 6/38 saw strong demand mainly from lifers and pension funds with BTC ratio at 2.201x whilst being awarded at 4.023%.

Corp Bonds/Sukuk

- On Tuesday, 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 sustained at about RM301m, as overall yields ended mostly mixed across a lower number of trades totaling 22. There were no govt-guaranteed trades. AAA-rated PUTRAJAYA 4/25 which last traded in July 2021 jumped 106bps higher compared to previous-done levels to 3.88% whereas AMAN 2/26 declined 55bps instead to 3.91%. In the AA-space, KLK 8/25 closed unchanged at 3.91% whilst EDRA 7/25 fell 14bps to 4.15%. Meanwhile, the banking/finance space saw PUBLIC Islamic 29NC24 move 12bps lower to 3.88% whereas MBSB 12/23 rose 3bps instead to 3.85%.

Daily Trades: Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/24	3.172	60	3.256	26/05/2023	-8
MGS	09/25	3.335	4	3.348	29/05/2023	-1
MGS	08/23	3.080	80	3.228	29/05/2023	-15
MGS	03/25	3.316	100	3.328	29/05/2023	-1
MGS	07/26	3.408	172	3.419	29/05/2023	-1
MGS	07/32	3.738	92	3.751	29/05/2023	-1
MGS	09/24	3.258	1	3.224	29/05/2023	3
MGS	08/29	3.657	30	3.675	29/05/2023	-2
MGS	04/31	3.763	1	3.797	29/05/2023	-3
MGS	10/42	4.095	51	4.112	29/05/2023	-2
MGS	04/28	3.474	71	3.483	29/05/2023	-1
MGS	04/30	3.635	60	3.686	29/05/2023	-5
MGS	04/29	3.643	2	3.653	29/05/2023	-1
MGS	04/33	3.819	41	3.822	29/05/2023	0
MGS	05/35	3.990	2	3.974	29/05/2023	2
MGS	11/27	3.493	15	3.508	29/05/2023	-2
MGS	06/38	4.028	640	4.030	26/05/2023	0
MGS	06/28	3.536	6	3.560	29/05/2023	-2
MGS	07/48	4.159	1	4.197	26/05/2023	-4
MGS	05/40	4.082	2	4.145	26/05/2023	-6
GII	07/29	3.700	70	3.709	29/05/2023	-1
GII	10/32	3.808	310	3.827	29/05/2023	-2
GII	07/28	3.524	100	3.534	29/05/2023	-1
GII	10/30	3.778	1	3.795	29/05/2023	-2
GII	05/52	4.264	80	4.273	29/05/2023	-1
GII	08/43	4.147	110	4.165	29/05/2023	-2
GII	09/30	3.699	120	3.710	29/05/2023	-1
GII	03/26	3.359	20	3.352	29/05/2023	1
GII	10/25	3.361	69	3.375	25/05/2023	-1
GII	05/47	4.192	2	4.037	19/05/2023	16
			<u>2311</u>			

Daily Trades: Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)		
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/23	AAA	3.850	20	3.820	29/08/2022	3	67
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.875	30	2.820	05/07/2021	106	59
Danum Capital Berhad	05/25	AAA	3.721	10	3.708	17/05/2023	1	44
Aman Sukuk Berhad	02/26	AAA	3.914	20	4.464	22/11/2022	-55	51
Malaysia Airport Holdings Berhad	11/27	AAA	4.027	16	4.028	26/05/2023	0	58
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.450	20	4.460	25/05/2023	-1	44
Tenaga Nasional Berhad	08/38	AAA	4.370	20	4.358	22/05/2023	1	36
Sabah Development Bank Berhad	12/23	AA1	4.965	2	5.226	05/05/2023	-26	178
Sabah Development Bank Berhad	05/25	AA1	4.327	1	5.451	29/05/2023	-112	105
Kuala Lumpur Kepong Berhad	08/25	AA1	3.908	40	3.906	18/05/2023	0	63
Sabah Development Bank Berhad	10/29	AA1	4.929	10	4.938	29/05/2023	-1	135
Public Islamic Bank Berhad	10/29	AA1	3.880	20	3.999	29/03/2023	-12	30
Bumitama Agri Ltd	07/26	AA2	4.157	20	4.148	15/05/2023	1	75
Imtiaz Sukuk II Berhad	05/29	AA2	4.258	1	4.368	05/04/2023	-11	68
Edra Energy Sdn Berhad	07/25	AA3	4.146	10	4.284	19/07/2022	-14	86
PONSB Capital Berhad	06/29	AA3	4.307	20	4.390	05/05/2023	-8	73
Malayan Banking Berhad	02/17	AA3	4.383	1	4.251	12/05/2023	13	27
UEM Sunrise Berhad	04/26	AA-	5.067	10	-	-	-	166
Dialog Group Berhad	11/20	A1	5.252	1	4.799	29/05/2023	45	114
DRB-Hicom Berhad	08/28	A+	5.218	30	5.219	17/05/2023	0	174
Alliance Bank Malaysia Berhad	10/32	A2	4.951	1	4.700	05/05/2023	25	122
YNH Property Berhad	08/19	-	6.223	1	7.203	29/05/2023	-98	211
				301				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tenaga Nasional Berhad	corporate credit rating	AAA/Stable	Affirmed

Source: RAM, MARC

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