

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries bear steepened slightly following the reopening of financial markets on Tuesday. Levels were choppy early in the session as strong manufacturing data impacted equities more; but the later part of the day saw block sales in 5Y noted which stemmed the slide. Overall benchmark yields closed mostly between 0-1bps higher with the UST 2Y yield closing almost unchanged at 0.15% whilst the much-watched 10Y bond edged 1bps up at 1.61%. Meanwhile investors are expected to monitor rising crude oil prices, strong manufacturing activity and supply chain bottlenecks that may mount price pressures. Separately, demand for the Fed's facility for reverse Repo fell for the 2nd straight session to ~\$450b. Expect attention to shift to the jobless claims tomorrow and the upcoming May jobs data on Friday.

MGS/GII

- On Tuesday, local govies found support from relief that the latest economic stimulus totalling RM40b known as PEMERKASA+ is seen to require a smaller-than-expected sum of RM5b in fiscal injection. Overall benchmark yields closed mostly between 0-11bps lower save for the 20Y MGS and 10Y GII; amid the jump in secondary market volume of RM4.05b. The 5Y MGS 9/25 yield edged 1bps up at 2.60% whilst the 10Y MGS 4/31 yield closed unchanged at 3.23%. Interest was mainly seen in the off-the-run 21's, 24's, 28's, 29's and also short duration bonds i.e. 3Y, 5Y GII. GII bond trades jumped to form 44% of overall trades. The ongoing tight movement restrictions via lockdowns are expected to impact economic activity and provide support for safe-haven bonds. Meanwhile, the economic calendar remains light this week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw improvement in investor activity on Tuesday amid a doubling in secondary market volume @ RM448m. Trades were seen across the curve as overall yields closed mixed on 25 various names. Govt-guaranteed GOVCO 2/27 and 2/32 spiked 23-43bps at 3.15% and 3.67% each whilst the 6/31 tranche edged 1bps lower at 3.57%. In the AAA-space, SEB 6/21 moved 3bps higher at 2.19% whilst DANUM 5/25 edged 1bps lower at 2.92%. AA-rated MMC Corp 27-28's rallied 39-69bps between 4.25-28% whilst the shorter-end JEP 12/21 registered its first trade since August 2018 @ 2.72%. Meanwhile the banking space saw both AmBank Islamic and also AmBank 28NC23 close within -1 to +1bps between 3.75-76% levels.

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Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.81	0
10-yr UST	1.61	1
30-yr UST	2.29	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.29	-2	2.04	-1
5-yr	2.60	1	2.73	0
7-yr	3.00	-2	3.02	-3
10-yr	3.23	0	3.32	2
15-yr	3.94	-6	4.03	-5
20-yr	3.51	-66	4.29	0
30-yr	4.27	-11	4.49	-5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.99	0
3-yr	2.33	0
5-yr	2.65	-1
7-yr	2.90	0
10-yr	3.15	0

Source: Bloomberg

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 07/21	1.731	153	1.728	31/05/2021	0
MGS 09/21	1.698	297	1.561	31/05/2021	14
MGS 11/21	1.719	360	1.760	31/05/2021	-4
MGS 03/22	1.788	1	1.710	31/05/2021	8
MGS 08/22	1.769	9	1.852	31/05/2021	-8
MGS 09/22	1.836	205	1.882	31/05/2021	-5
MGS 03/23	1.951	31	2.007	31/05/2021	-6
MGS 08/23	2.098	1	2.087	31/05/2021	1
MGS 06/24	2.286	140	2.311	31/05/2021	-2
MGS 07/24	2.340	31	2.336	31/05/2021	0
MGS 09/24	2.375	1	2.367	31/05/2021	1
MGS 09/25	2.599	35	2.592	31/05/2021	1
MGS 04/26	2.665	8	2.651	31/05/2021	1
MGS 07/26	2.725	45	2.692	31/05/2021	3
MGS 11/26	2.640	1	2.639	31/05/2021	0
MGS 05/27	2.880	8	2.873	31/05/2021	1
MGS 11/27	2.882	50	2.861	31/05/2021	2
MGS 06/28	2.995	214	3.018	31/05/2021	-2
MGS 08/29	3.180	201	3.160	31/05/2021	2
MGS 04/30	3.257	40	3.281	28/05/2021	-2
MGS 04/31	3.228	18	3.228	31/05/2021	0
MGS 06/31	3.408	1	3.414	31/05/2021	-1
MGS 04/32	3.614	10	3.655	20/05/2021	-4
MGS 07/34	3.872	4	3.826	31/05/2021	5
MGS 05/35	3.936	248	3.997	31/05/2021	-6
MGS 05/40	3.510	99	4.170	31/05/2021	-66
MGS 09/43	4.351	3	4.420	31/05/2021	-7
MGS 03/46	4.357	11	4.367	27/05/2021	-1
MGS 07/48	4.439	1	4.450	31/05/2021	-1
MGS 06/50	4.270	37	4.377	31/05/2021	-11
GII 03/22	1.735	1	1.790	28/05/2021	-5
GII 04/22	1.766	7	1.784	28/05/2021	-2
GII 07/22	1.828	112	1.834	31/05/2021	-1
GII 11/22	1.888	114	1.956	27/05/2021	-7
GII 05/23	2.035	230	2.042	31/05/2021	-1
GII 07/23	2.060	26	2.104	27/05/2021	-4
GII 10/24	2.337	110	2.351	28/05/2021	-1
GII 03/26	2.728	554	2.725	31/05/2021	0
GII 07/27	3.019	70	3.037	28/05/2021	-2
GII 09/27	3.019	165	3.045	31/05/2021	-3
GII 10/28	3.106	90	3.070	31/05/2021	4
GII 10/30	3.315	70	3.296	28/05/2021	2
GII 11/34	4.003	110	3.989	28/05/2021	1
GII 07/36	4.034	60	4.081	31/05/2021	-5
GII 09/39	4.346	40	4.120	27/05/2021	23
GII 05/47	4.671	1	4.564	19/05/2021	11
GII 11/49	4.488	31	4.538	31/05/2021	-5
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Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy yy)	Chg (bp)	Spread Against MGS*
DanaInfra Nasional Berhad	09/26	GG	3.007	15	3.008	25/05/2021	0	41
GovCo Holdings Berhad	02/27	GG	3.149	20	2.920	12/05/2020	23	31
DanaInfra Nasional Berhad	09/27	GG	3.151	5	3.442	16/03/2021	-29	31
GovCo Holdings Berhad	06/31	GG	3.571	10	3.580	19/05/2021	-1	35
GovCo Holdings Berhad	02/32	GG	3.671	10	3.240	03/02/2021	43	45
Prasarana Malaysia Berhad	03/34	GG	4.062	80	4.011	25/05/2021	5	12
DanaInfra Nasional Berhad	05/36	GG	4.201	20	3.519	23/04/2020	68	26
Sarawak Energy Berhad	06/21	AAA	2.194	10	2.166	20/05/2021	3	40
Danum Capital Berhad	05/25	AAA	2.918	15	2.927	19/05/2021	-1	44
Sarawak Energy Berhad	11/28	AAA	3.571	5	3.570	27/05/2021	0	57
Tenaga Nasional Berhad	08/40	AAA	4.489	2	4.489	31/05/2021	0	34
Genting RMTN Berhad	11/34	AA1	4.903	2	4.903	31/05/2021	0	96
Fortune Premiere Sdn Berhad	09/25	AA	3.436	20	3.439	25/05/2021	0	96
Jimah East Power Sdn Berhad	12/21	AA-	2.724	50	4.466	29/08/2018	-174	93
MMC Corporation Berhad	11/27	AA-	4.248	60	4.939	27/05/2021	-69	141
AmBank Islamic Berhad	10/28	A1	3.764	20	3.769	27/04/2021	-1	76
AmBank (M) Berhad	11/28	A1	3.752	10	3.745	28/04/2021	1	75
Alliance Bank Malaysia Berhad	10/35	A2	3.674	1	3.975	31/05/2021	-30	-27
IJM Land Berhad	03/19	A2	4.373	2	4.515	10/05/2021	-14	23
Eco World International Berhad	05/23	-	4.624	1	5.704	25/05/2021	-108	259
YNH Property Berhad	08/19	-	6.252	1	6.249	28/05/2021	0	210
Tropicana Corporation Berhad	09/19	-	4.981	1	5.083	28/05/2021	-10	83
MMC Corporation Berhad	03/28	AA-	4.278	60	4.665	18/05/2021	-39	127
Imtiaz Sukuk II Berhad	10/27	AA2	3.628	10	3.388	11/03/2021	24	79
Hong Leong Financial Group Berhad	06/29	AA2	3.177	20	3.337	22/04/2021	-16	4
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Public Bank Berhad	Financial institution rating	AAA/Stable/P1	Reaffirmed
Public Islamic Bank Berhad	Financial institution rating	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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