

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw the longer-ends richer in an otherwise quiet session on Thursday, ahead of the all-important June jobs data. The curve flattened as overall benchmark yields settled between -3 to +1bps across the curve. The UST 2Y yield edged 1bps up at 0.25% whilst the much-watched UST 10Y closed 1bps lower instead at 1.46%. Earlier market reaction to initial jobless claims and Markit and ISM manufacturing gauges was lukewarm. Meanwhile, the US Treasury is facing growing pressure to cut its bill supply to meet a debt ceiling which is expected to be reimposed by end of this month. Front-end investors continued to bid strongly for T-bills amid concerns that supply will be limited going forward. Expect attention to shift to the all-important June jobs report tonight.

MGS/GII

- On Thursday, local govies were steadier and continued to be influenced by lower IRS levels. Overall benchmark yields ended mostly lower between 0-9bps amid a sustained secondary market volume of RM5.44b. The 5Y MGS 9/25 yield closed within 1bps from prior day's close at 2.54%, whilst the 10Y MGS 4/31 yield edged 1bps lower at 3.27%. Interest was mainly seen in the off-the-run 23's, 26's, 29's and also benchmark 3Y MGS, 5Y GII and 10Y MGS/GII. GII transactions jumped to form 52% of overall trades. Investors will be closely watching the economic impact of the further tighter lockdown restrictions in the country, especially Selangor. Nevertheless, the silver lining is in the recent ramp-up of vaccination rates.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space registered lesser interest amid a sharp drop in secondary market volume @ RM393m on Thursday. Trades were mainly seen across the GG-AA part of the curve as overall yields closed mostly mixed, spanning across 28 names in total. Both govt-guaranteed DANA and LPPSA 28's moved 3bps higher compared to previous-done levels between 3.24-26%. PUTRAJAYA dominated the AAA-space with 7/22 and 9/26 tranches declining between 4-15bps at 2.24% and 3.10% respectively whilst the 9/23 tranche was pressured 18bps higher at 2.50%. Energy-related bonds i.e. SEB 24-25's settled unchanged at 2.86% and 3.13% each. AA-rated 7-ELEVEN 6/26 edged 2bps lower at 4.21% whilst SOUTHERN Power 4/28 registered RM20m worth of trades whilst closing 9bps lower at 3.71%. Meanwhile the banking space saw MAYBANK 29NC24 rally 32bps at 2.78% whereas ALLIANCE 35NC30 spiked 43bps at 4.11%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.25	1
5-yr UST	0.89	0
10-yr UST	1.46	-1
30-yr UST	2.06	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	-2	2.27	-3
5-yr	2.54	0	2.63	-5
7-yr	3.00	0	2.98	-4
10-yr	3.27	-1	3.33	-2
15-yr	3.81	0	3.99	-1
20-yr	4.09	-9	4.27	0
30-yr	4.19	-9	4.48	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	-1
3-yr	2.35	-2
5-yr	2.63	0
7-yr	2.82	0
10-yr	3.07	-1

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	1.751	9	1.730	30/06/2021	2
MGS 09/21	1.747	41	1.719	30/06/2021	3
MGS 11/21	1.748	44	1.771	30/06/2021	-2
MGS 03/22	1.728	30	1.785	30/06/2021	-6
MGS 03/23	1.913	356	1.920	30/06/2021	-1
MGS 04/23	1.920	101	1.917	30/06/2021	0
MGS 08/23	2.002	44	1.989	30/06/2021	1
MGS 06/24	2.248	199	2.269	30/06/2021	-2
MGS 07/24	2.307	20	2.350	30/06/2021	-4
MGS 09/24	2.353	66	2.353	30/06/2021	0
MGS 03/25	2.442	26	2.502	30/06/2021	-6
MGS 09/25	2.544	35	2.538	30/06/2021	1
MGS 04/26	2.676	102	2.664	30/06/2021	1
MGS 07/26	2.696	203	2.711	30/06/2021	-1
MGS 09/26	2.727	50	2.780	24/06/2021	-5
MGS 11/26	2.583	31	2.613	30/06/2021	-3
MGS 03/27	2.876	2	2.862	25/06/2021	1
MGS 05/27	2.882	45	2.900	30/06/2021	-2
MGS 11/27	2.928	7	2.964	30/06/2021	-4
MGS 06/28	3.002	89	3.003	30/06/2021	0
MGS 08/29	3.146	262	3.173	30/06/2021	-3
MGS 04/30	3.270	32	3.299	30/06/2021	-3
MGS 04/31	3.269	262	3.282	30/06/2021	-1
MGS 06/31	3.376	5	3.389	30/06/2021	-1
MGS 11/33	3.827	2	3.766	30/06/2021	6
MGS 07/34	3.840	14	3.858	30/06/2021	-2
MGS 05/35	3.808	333	3.812	30/06/2021	0
MGS 04/37	4.059	1	4.045	28/06/2021	1
MGS 05/40	4.094	182	4.186	30/06/2021	-9
MGS 03/46	4.400	5	4.402	29/06/2021	0
MGS 07/48	4.461	14	4.403	30/06/2021	6
MGS 06/50	4.194	25	4.286	30/06/2021	-9
GII 03/22	1.719	20	1.721	30/06/2021	0
GII 07/22	2.020	1	1.800	28/06/2021	22
GII 05/23	1.941	40	1.992	30/06/2021	-5
GII 11/23	1.982	580	2.077	30/06/2021	-10
GII 10/24	2.270	230	2.298	30/06/2021	-3
GII 03/26	2.634	856	2.687	30/06/2021	-5
GII 09/27	2.979	54	3.015	30/06/2021	-4
GII 07/29	3.231	124	3.272	30/06/2021	-4
GII 10/30	3.326	418	3.351	30/06/2021	-2
GII 11/34	3.925	160	3.954	30/06/2021	-3
GII 07/36	3.991	24	4.000	30/06/2021	-1
GII 09/39	4.287	170	4.329	30/06/2021	-4
GII 09/41	4.273	56	4.272	30/06/2021	0
GII 11/49	4.481	73	4.472	30/06/2021	1
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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*
Danainfra Nasional Berhad	08/23	GG	2.219	40	2.251	29/06/2021	-3	26
Small Medium Enterprise Development Bank Malaysia B	04/27	GG	3.099	6	3.107	05/05/2021	-1	23
Danainfra Nasional Berhad	02/28	GG	3.260	10	3.229	23/04/2021	3	27
Lembaga Pembiayaan Perumahan Sektor Awam	03/28	GG	3.241	50	3.207	23/06/2021	3	25
GovCo Holdings Berhad	06/31	GG	3.602	20	3.641	25/06/2021	-4	33
Telekom Malaysia Berhad	06/22	AAA	2.276	30	2.315	21/06/2021	-4	49
Putrajaya Holdings Sdn Berhad	07/22	AAA	2.236	70	2.280	04/09/2020	-4	45
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/22	AAA	2.322	15	2.570	01/04/2021	-25	53
Rantau Abang Capital Berhad	10/22	AAA	2.343	9	2.599	05/03/2021	-26	55
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.496	5	2.317	09/02/2021	18	54
Sarawak Energy Berhad	07/24	AAA	2.858	5	2.856	30/06/2021	0	63
Sarawak Energy Berhad	08/25	AAA	3.130	5	3.130	28/06/2021	0	70
Putrajaya Bina Sdn Berhad	09/26	AAA	3.102	10	3.248	19/05/2021	-15	55
Sarawak Energy Berhad	01/27	AAA	3.409	10	3.431	22/06/2021	-2	54
Pengurusan Air SPV Berhad	02/28	AAA	3.460	15	3.440	25/06/2021	2	47
Malayan Banking Berhad	01/29	AA1	2.778	20	3.098	31/03/2021	-32	-38
Genting RMTN Berhad	11/34	AA1	5.001	5	5.200	29/06/2021	-20	120
SP Setia Berhad	06/26	AA	3.748	5	-	-	-	119
SP Setia Berhad	06/28	AA	4.198	5	4.297	28/06/2021	-10	121
Trinity Asia Ventures Berhad	09/22	AA3	3.925	4	3.928	23/06/2021	0	214
IJM Corporation Berhad	08/28	AA3	3.954	10	3.969	17/06/2021	-1	96
Hong Leong Assurance Berhad	12/28	AA3	4.203	6	3.660	19/01/2021	54	121
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.208	1	4.230	25/06/2021	-2	165
Southern Power Generation Sdn Berhad	04/28	AA-	3.713	20	3.799	19/03/2021	-9	72
TG Excellence Berhad	02/20	AA-	3.508	3	4.199	29/06/2021	-69	-68
Alliance Bank Malaysia Berhad	10/35	A2	4.108	10	3.674	23/06/2021	43	31
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	3.859	5	3.822	29/03/2021	4	207
Tropicana Corporation Berhad	06/23	A+	5.258	1	4.033	24/06/2021	123	330
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TRIpIc Medical Sdn Bhd	RM639 mil Senior Sukuk Murabahah (the Senior Sukuk	From AA1/Negative to AA1/Stable	Revised

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