

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw levels hold steady on Wednesday despite a quiet session with some influence from performance of bunds and also futures block activity. Overall benchmark yields closed mostly between 0-2bps lower with the UST 2Y yield closing almost unchanged again at 0.15% whilst the much-watched 10Y bond edged 2bps down at 1.59%. Meanwhile the latest Fed Beige Book showed business conditions in the Fed's districts improving slowly while inflationary pressures continue to build. Meanwhile, bond investors are seen monitoring oil giant Saudi Aramco's efforts to prepare a bond offering to fund a \$75b dividend commitment sometime this month. This is seen to slightly impact UST yields which tend to be sensitive to large corporate offerings. Meanwhile, expect all eyes on the release of jobless claims tonight and the upcoming May jobs data tomorrow.

MGS/GII

- On Wednesday, local govies continued to be well-bid as overall benchmark yields closed mostly between 0-5bps lower save for the readjustment of yield for the 20Y MGS due to prior day's presumably skewed levels. Overall secondary market volume rose slightly higher to RM4.25b. The 5Y MGS 9/25 yield fell 5bps at 2.55% whilst the 10Y MGS 4/31 yield closed 3bps lower at 3.20%. Interest was mainly seen in the off-the-run 21's, 24's, 27's and also 5Y MGS/GII. GII bond trades maintained to form 40% of overall trades. The ongoing tight movement restrictions via lockdowns may be expected to impact the fiscal deficit due to revision in GDP and the fiscal injection. Nevertheless we would expect continued support for safe-haven bonds.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw solid activity on Wednesday amid a further rise in secondary market volume to RM680m. Trades were seen across the GG to single-A part of the curve as overall yields closed mixed-to-lower on 36 various names. The shorter-end gov-guaranteed KHAZA and PTPN 22's closed 15-16bps compared to previous-done levels at 2.19-20%. PLUS 1/38 (GG) notched RM100m worth of trades, moving 3bps lower 4.39%. In the AAA-space, MACB 12/22 however spiked 21bps at 2.81% whilst PLUS continued to grind trades for the 2025, 2030 and 2031 tranches with yields declining between 5-15bps to close at 3.07%, 3.85% and 3.90% each. Both AA-rated BUMITAMA 7/26 and WCT 5/22 edged 1bps each at 3.50% and 3.80%. Meanwhile the banking space was relatively active with MAYBANK 31NC26 closing unchanged at 3.19% whereas its perps i.e. 2117NC24 ended 3bps lower at 3.20%. Sabah Dev Bank 22-25's saw substantial volumes as yields spiked sharply as levels ended between 3.72-4.33%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.79	-1
10-yr UST	1.59	-2
30-yr UST	2.27	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.27	-2	2.04	0
5-yr	2.55	-5	2.70	-2
7-yr	2.99	-1	3.00	-2
10-yr	3.20	-3	3.30	-2
15-yr	3.93	-1	4.03	0
20-yr	3.95	44	4.28	0
30-yr	4.27	0	4.50	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	-1
3-yr	2.31	-2
5-yr	2.61	-4
7-yr	2.85	-6
10-yr	3.10	-5

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	1.700	20	1.731	01/06/2021	-3
MGS 09/21	1.718	97	1.698	01/06/2021	2
MGS 11/21	1.671	458	1.719	01/06/2021	-5
MGS 03/22	1.760	135	1.788	01/06/2021	-3
MGS 08/22	1.826	10	1.769	01/06/2021	6
MGS 09/22	1.833	78	1.836	01/06/2021	0
MGS 03/23	1.957	93	1.951	01/06/2021	1
MGS 04/23	1.962	99	2.002	28/05/2021	-4
MGS 08/23	2.037	59	2.098	01/06/2021	-6
MGS 06/24	2.268	379	2.286	01/06/2021	-2
MGS 07/24	2.316	12	2.340	01/06/2021	-2
MGS 09/24	2.325	28	2.375	01/06/2021	-5
MGS 03/25	2.442	71	2.494	28/05/2021	-5
MGS 09/25	2.553	342	2.599	01/06/2021	-5
MGS 04/26	2.612	1	2.665	01/06/2021	-5
MGS 07/26	2.733	10	2.725	01/06/2021	1
MGS 11/26	2.653	1	2.640	01/06/2021	1
MGS 05/27	2.891	38	2.880	01/06/2021	1
MGS 11/27	2.860	2	2.882	01/06/2021	-2
MGS 06/28	2.985	93	2.995	01/06/2021	-1
MGS 08/29	3.172	175	3.180	01/06/2021	-1
MGS 04/30	3.311	23	3.257	01/06/2021	5
MGS 04/31	3.198	164	3.228	01/06/2021	-3
MGS 06/31	3.382	5	3.414	31/05/2021	-3
MGS 04/33	3.791	20	3.791	01/06/2021	0
MGS 07/34	3.828	41	3.872	01/06/2021	-4
MGS 05/35	3.926	87	3.936	01/06/2021	-1
MGS 04/37	4.092	1	4.072	01/06/2021	2
MGS 06/38	4.189	13	4.237	31/05/2021	-5
MGS 05/40	3.945	5	4.140	01/06/2021	-20
MGS 07/48	4.401	1	4.439	01/06/2021	-4
MGS 06/50	4.270	3	4.270	01/06/2021	0
GII 03/22	1.759	100	1.735	01/06/2021	2
GII 04/22	1.790	60	1.766	01/06/2021	2
GII 07/22	1.805	40	1.828	01/06/2021	-2
GII 11/23	2.163	40	2.177	28/05/2021	-1
GII 05/24	2.320	20	2.334	31/05/2021	-1
GII 10/24	2.318	190	2.337	01/06/2021	-2
GII 08/25	2.609	10	2.549	01/06/2021	6
GII 03/26	2.704	541	2.728	01/06/2021	-2
GII 07/27	2.984	180	3.019	01/06/2021	-4
GII 09/27	3.004	312	3.019	01/06/2021	-2
GII 10/28	3.105	40	3.106	01/06/2021	0
GII 10/30	3.297	76	3.315	01/06/2021	-2
GII 11/34	3.993	1	4.003	01/06/2021	-1
GII 09/39	4.307	26	4.346	01/06/2021	-4
GII 09/41	4.283	51	4.287	31/05/2021	0
GII 11/49	4.500	2	4.488	01/06/2021	1
		<u>4253</u>			

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*
Khazanah Nasional Berhad	09/22	GG	2.190	20	2.345	22/03/2021	-16	40
Perbadanan Tabung Pendidikan Tinggi Nasional	09/22	GG	2.195	20	2.348	03/05/2021	-15	40
Malaysia Debt Ventures Berhad	03/23	GG	2.340	35	2.037	25/01/2021	30	30
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.571	20	2.700	30/04/2021	-13	28
DanaInfra Nasional Berhad	04/26	GG	2.899	15	2.981	26/04/2021	-8	30
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.108	20	3.100	19/05/2021	1	27
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.390	100	4.415	27/05/2021	-3	44
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.374	10	2.597	24/03/2021	-22	58
Malaysia Airports Capital Berhad	12/22	AAA	2.809	15	2.598	23/02/2021	21	77
Pengurusan Air SPV Berhad	02/24	AAA	2.827	30	2.857	28/05/2021	-3	53
Projek Lebuhraya Usahasama Berhad	01/25	AAA	2.886	20	3.072	16/03/2021	-19	41
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.149	10	3.352	18/03/2021	-20	55
Danga Capital Berhad	01/28	AAA	3.338	10	3.698	22/03/2021	-36	33
Pengurusan Air SPV Berhad	02/28	AAA	3.522	5	-	-	-	52
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.760	20	3.848	03/05/2021	-9	56
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.850	5	3.898	21/05/2021	-5	63
Tenaga Nasional Berhad	08/38	AAA	4.500	10	4.549	11/05/2021	-5	55
Tenaga Nasional Berhad	08/40	AAA	4.489	8	4.489	01/06/2021	0	34
Sabah Development Bank Berhad	01/22	AA1	3.720	20	2.723	29/07/2020	100	193
Sabah Development Bank Berhad	04/23	AA1	3.960	20	3.937	24/03/2020	2	192
Sabah Development Bank Berhad	08/25	AA1	4.330	40	3.430	26/04/2021	90	185
Danajamin Nasional Berhad	10/27	AA1	2.778	8	2.912	10/03/2021	-13	-6
Malayan Banking Berhad	01/31	AA1	3.189	30	3.193	25/05/2021	0	-4
Genting RMTN Berhad	11/34	AA1	4.903	1	4.903	01/06/2021	0	96
UMW Holdings Berhad	11/25	AA2	3.349	5	3.372	20/04/2021	-2	87
Bumitama Agri Ltd	07/26	AA3	3.498	20	3.509	28/05/2021	-1	90
IJM Corporation Berhad	08/28	AA3	3.999	10	4.268	31/03/2021	-27	99
Malayan Banking Berhad	02/17	AA3	3.200	30	3.230	03/05/2021	-3	-95
WCT Holdings Berhad	05/22	AA-	3.797	30	3.811	06/01/2021	-1	200
Sports Toto Malaysia Sdn Berhad	06/22	AA-	3.469	20	3.577	11/08/2020	-11	167
UEM Sunrise Berhad	10/25	AA-	4.377	10	4.500	15/04/2021	-12	190
CIMB Group Holdings Berhad	05/16	A1	3.558	60	3.605	14/04/2021	-5	-59
CIMB Group Holdings Berhad	05/16	A1	3.936	2	3.398	19/05/2021	54	-21
Alliance Bank Malaysia Berhad	10/30	A2	3.255	1	3.550	28/05/2021	-30	5
IJM Land Berhad	03/19	A2	4.295	1	4.373	01/06/2021	-8	15
YNH Property Berhad	08/19	-	5.957	1	6.252	01/06/2021	-30	181
				<u>680</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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