

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker on Thursday following a series of strong economic data that included May ADP employment change and a decline in jobless claims numbers. Overall benchmark yields rose between 1-5bps with the UST 2Y yield closing 1bps up at 0.16% whilst the much-watched 10Y bond yields closed 4bps higher at 1.63%. Expectations are now rife that May's nonfarm job numbers may notch higher than the 674k estimate. Elsewhere, demand for the Fed's reverse repos climbed for the first time this week with 40 participants taking up ~\$480b as the facility pays 0% to help temporarily reduce the quantity of reserve balances in the banking system. The Fed's holdings of Treasury securities has increased the most since December 2020 to \$5.12 trillion whilst its total assets increased to \$7.984 trillion. Meanwhile, expect all eyes on the upcoming May jobs data tonight.

MGS/GII

- On Thursday, local govies saw follow-through bids continuing for the 3rd consecutive session as overall benchmark yields closed mostly between 0-6bps lower save for the 10Y and 20Y MGS amid a higher overall secondary market volume of RM5.18b. The 5Y MGS 9/25 yield declined 4bps at 2.52% whilst the 10Y MGS 4/31 yield spiked 7bps instead at 3.27%. Interest was mainly seen in the off-the-run 21's, 24's, 27's and also 3Y MGS, 5Y GII. GII bond trades maintained to form 40% of overall trades. Expect range-bound trading to emerge following strong safe-haven support for bonds the past several days as the ongoing movement restrictions is expected to impact GDP.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw follow-through buying on Thursday amid a further rise in secondary market volume to RM892m. Trades were seen across the GG-AA part of the curve as overall yields closed mixed on 42 various names. Both govt-guaranteed DANA 5/28 and 4/40 tranches edged 1bps lower compared to previous-done levels at 3.18% and 4.44% respectively. AAA-rated SEB dominated this space with with total trades worth RM280m. SEB 6/26 edged 1bps up at 3.21% whilst the 7/29, 4/31 and 4/36 tranches closed unchanged between 3.68-4.48%. AMAN 3/23 rallied 9bps at 2.50%. AA-rated energy-related bonds EDRA 23-34's ended 0-1bps lower between 3.32-50% levels whilst the 2028 tranche moved 3bps lower at 4.06%. TG BIN O&M 26-27's closed lower on yields as well between 3.45-61%. Meanwhile the banking space saw RHB Islamic 29NC24 spike 15bps at 3.21%. Elsewhere several odd-lot transactions were noted in property-related names such as ECO World, Mah Sing and also YNH Property.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.84	5
10-yr UST	1.63	4
30-yr UST	2.30	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	-3	2.01	-2
5-yr	2.52	-4	2.65	-5
7-yr	2.95	-4	2.94	-6
10-yr	3.27	7	3.30	0
15-yr	3.88	-5	4.01	-2
20-yr	4.12	18	4.27	-2
30-yr	4.28	1	4.50	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	-3
3-yr	2.29	-2
5-yr	2.62	0
7-yr	2.85	0
10-yr	3.10	0

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.5b + RM500m (Private placement) of 10Y MGS 4/31 Tuesday, 8th June

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.717	113	1.700	02/06/2021	2
MGS	09/21	1.657	20	1.718	02/06/2021	-6
MGS	11/21	1.725	304	1.671	02/06/2021	5
MGS	03/22	1.745	97	1.760	02/06/2021	-1
MGS	08/22	1.810	26	1.826	02/06/2021	-2
MGS	09/22	1.809	30	1.833	02/06/2021	-2
MGS	03/23	1.936	326	1.957	02/06/2021	-2
MGS	08/23	1.996	60	2.037	02/06/2021	-4
MGS	06/24	2.237	470	2.268	02/06/2021	-3
MGS	07/24	2.332	13	2.316	02/06/2021	2
MGS	09/24	2.323	47	2.325	02/06/2021	0
MGS	09/25	2.515	236	2.553	02/06/2021	-4
MGS	04/26	2.582	160	2.612	02/06/2021	-3
MGS	07/26	2.723	59	2.733	02/06/2021	-1
MGS	11/26	2.599	50	2.653	02/06/2021	-5
MGS	03/27	2.814	12	2.827	01/06/2021	-1
MGS	05/27	2.846	46	2.891	02/06/2021	-4
MGS	11/27	2.880	18	2.860	02/06/2021	2
MGS	06/28	2.947	444	2.985	02/06/2021	-4
MGS	08/29	3.186	172	3.172	02/06/2021	1
MGS	04/30	3.306	39	3.311	02/06/2021	0
MGS	04/31	3.271	32	3.198	02/06/2021	7
MGS	04/33	3.749	24	3.791	02/06/2021	-4
MGS	07/34	3.867	20	3.828	02/06/2021	4
MGS	05/35	3.881	35	3.926	02/06/2021	-5
MGS	06/38	4.181	1	4.189	02/06/2021	-1
MGS	05/40	4.124	103	3.945	02/06/2021	18
MGS	09/43	4.366	1	4.351	01/06/2021	1
MGS	03/46	4.362	2	4.357	01/06/2021	0
MGS	06/50	4.280	155	4.270	02/06/2021	1
GII	04/22	1.780	19	1.790	02/06/2021	-1
GII	11/22	1.875	90	1.888	01/06/2021	-1
GII	05/23	2.012	5	2.035	01/06/2021	-2
GII	10/23	2.127	20	2.192	06/04/2021	-7
GII	11/23	2.135	11	2.163	02/06/2021	-3
GII	02/24	2.370	20	2.450	22/04/2021	-8
GII	05/24	2.282	150	2.320	02/06/2021	-4
GII	08/24	2.294	120	2.342	01/06/2021	-5
GII	10/24	2.268	217	2.318	02/06/2021	-5
GII	08/25	2.532	10	2.609	02/06/2021	-8
GII	03/26	2.650	481	2.704	02/06/2021	-5
GII	07/27	2.930	83	2.984	02/06/2021	-5
GII	09/27	2.939	120	3.004	02/06/2021	-6
GII	07/29	3.224	150	3.253	02/06/2021	-3
GII	10/30	3.296	32	3.297	02/06/2021	0
GII	08/33	3.829	60	3.859	01/06/2021	-3
GII	07/36	4.009	25	4.034	01/06/2021	-2
GII	09/39	4.276	8	4.307	02/06/2021	-3
GII	09/41	4.268	30	4.283	02/06/2021	-2
GII	05/47	4.555	260	4.671	01/06/2021	-12
GII	11/49	4.500	150	4.500	02/06/2021	0
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.117	50	2.261	23/04/2021	-14	32
Jambatan Kedua Sdn Berhad	07/23	GG	2.372	25	2.402	25/05/2021	-3	37
DanaInfra Nasional Berhad	08/23	GG	2.351	35	2.452	12/05/2021	-10	35
DanaInfra Nasional Berhad	04/24	GG	2.467	15	2.966	15/04/2020	-50	22
DanaInfra Nasional Berhad	05/24	GG	2.468	30	2.157	18/11/2020	31	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/24	GG	2.521	10	2.700	30/04/2021	-18	27
DanaInfra Nasional Berhad	05/28	GG	3.188	30	3.200	27/05/2021	-1	23
GovCo Holdings Berhad	02/32	GG	3.670	5	3.671	01/06/2021	0	45
DanaInfra Nasional Berhad	11/35	GG	4.128	10	3.460	28/10/2020	67	19
Prasarana Malaysia Berhad	08/39	GG	4.410	10	4.409	22/04/2021	0	27
DanaInfra Nasional Berhad	04/40	GG	4.430	30	4.440	04/05/2021	-1	29
Manjung Island Energy Berhad	11/22	AAA	2.357	10	2.594	09/04/2021	-24	56
Aman Sukuk Berhad	03/23	AAA	2.495	80	2.584	28/05/2021	-9	50
Danum Capital Berhad	05/23	AAA	2.524	30	2.545	27/05/2021	-2	53
Infracap Resources Sdn Berhad	04/24	AAA	2.995	20	2.956	03/05/2021	4	75
Danum Capital Berhad	02/25	AAA	2.868	15	2.860	20/05/2021	1	43
Sarawak Energy Berhad	06/26	AAA	3.209	130	3.199	25/05/2021	1	67
Pengerang LNG (Two) Sdn Berhad	10/26	AAA	3.128	5	3.252	13/04/2021	-12	59
Danga Capital Berhad	09/27	AAA	3.267	10	3.282	28/05/2021	-2	45
Pengurusan Air SPV Berhad	02/28	AAA	3.489	5	3.522	02/06/2021	-3	53
Sarawak Energy Berhad	07/29	AAA	3.680	30	3.684	27/04/2021	0	55
Sarawak Energy Berhad	04/31	AAA	3.950	100	3.950	21/05/2021	0	73
Sarawak Energy Berhad	04/36	AAA	4.479	20	4.477	28/05/2021	0	54
Danajamin Nasional Berhad	10/27	AA1	2.766	20	2.778	02/06/2021	-1	-5
Genting RMTN Berhad	11/34	AA1	4.903	2	4.903	02/06/2021	0	97
UMW Holdings Berhad	11/25	AA2	3.363	5	3.349	02/06/2021	1	92
AC First Genesis Berhad	11/26	AA2	4.310	1	4.310	28/05/2021	0	177
Anih Berhad	11/22	AA	2.777	20	2.967	05/04/2021	-19	98
Edra Energy Sdn Berhad	07/23	AA3	3.324	10	3.330	19/05/2021	-1	133
Edra Energy Sdn Berhad	01/24	AA3	3.418	10	3.420	12/05/2021	0	117
Edra Energy Sdn Berhad	07/24	AA3	3.499	10	3.501	12/05/2021	0	125
Malakoff Power Berhad	12/24	AA-	3.161	30	3.382	23/06/2020	-22	72
Edra Energy Sdn Berhad	01/28	AA3	4.058	10	4.089	05/05/2021	-3	110
RHB Islamic Bank Berhad	05/29	AA3	3.210	10	3.065	16/11/2020	15	8
Malakoff Power Berhad	12/25	AA-	3.321	10	3.018	02/03/2021	30	79
Tanjung Bin O&M Berhad	07/26	AA-	3.453	20	3.485	10/05/2021	-3	92
Tanjung Bin O&M Berhad	07/27	AA-	3.608	20	3.988	20/09/2019	-38	79
Affin Bank Berhad	09/27	A1	3.761	2	3.154	17/05/2021	61	94
CIMB Group Holdings Berhad	05/16	A1	3.936	1	3.936	02/06/2021	0	-21
Eco World Capital Assets Berhad	08/24	-	4.813	1	5.099	19/05/2021	-29	256
Mah Sing Group Berhad	04/17	-	4.842	2	4.884	24/05/2021	-4	70
YNH Property Berhad	08/19	-	6.423	3	6.424	01/06/2021	0	228
				<u>892</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Inverfin Sdn Bhd	RM160 million of its Medium-Term Notes (MTN) programme.	AAA/Stable	Affirmed

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