

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries gained strength last Friday with the belly rallying the most following the mixed jobs report for June that is expected to support the Fed's accommodative stance. The curve shifted lower as overall benchmark yields settled 2-4bps lower across. The UST 2Y yield edged 2bps lower at 0.23% whilst the much-watched UST 10Y shed 3bps instead at 1.43%. While the strong 850k jobs print reveals the strength in NFP, the unemployment rate inched higher. Nevertheless, this coupled with the still decent data from the housing sector these past months may encourage the Fed to taper MBS earlier instead of USTs. Meanwhile, US financial markets will be closed today to celebrate Independence Day. Expect attention to shift to the Markit Services PMI tomorrow followed by the FOMC meeting minutes and jobless claims on Thursday.

MGS/GII

- Last Friday, local govies were well-bid and ended mostly stronger; led by sliding IRS levels. Overall benchmark yields ended mostly lower between 1-9bps save for the long-end MGS, amid a higher secondary market volume of RM6.66b. The 5Y MGS 9/25 yield fell 5bps from prior day's close to 2.50%, whilst the 10Y MGS 4/31 yield declined 4bps at 3.23%. Interest was mainly seen in the off-the-run 23's, 28's and also benchmark 10Y MGS, 3Y, 5Y, 7Y GII. GII transactions dropped to form 37% of overall trades. Elsewhere, five (5) states are expected to move into Phase 2 of the National Recovery Plan today with more industries being allowed to operate whilst the progress of vaccination roll-outs gather stronger momentum throughout the nation this month.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw slight decline in secondary market volume @ RM344m last Friday with trades seen mainly across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower, spanning across 20 names only in total. DANA dominated the govt-guaranteed space with a slew of tranches exchanging hands. DANA 11/24 settled unchanged compared to previous-done levels at 2.45% whilst the longer-ends i.e. 4/37 and 9/50 tranches closed 7-27bps lower at 4.23% and 4.59% each. AAA-rated PASB 24-25's moved 4-6bps lower between 2.78-94% whilst Pengurusan Air Selangor 12/27 ended 3bps lower at 3.48%. AA-rated MMC Corp 11/27 rallied 9bps at 4.16%. Meanwhile the banking space saw MAYBANK 2117NC26 perps edge 1bps down at 3.39% whereas CIMB Group Holdings 29NC24 closed unchanged at 4.11%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	-2
5-yr UST	0.86	-4
10-yr UST	1.43	-3
30-yr UST	2.04	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.18	-7	2.25	-2
5-yr	2.50	-5	2.59	-4
7-yr	2.94	-6	2.94	-4
10-yr	3.23	-4	3.29	-3
15-yr	3.78	-3	3.90	-9
20-yr	4.16	6	4.25	-2
30-yr	4.26	6	4.47	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	-2
3-yr	2.29	-6
5-yr	2.59	-4
7-yr	2.79	-3
10-yr	3.04	-2

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	165	1.751	01/07/2021	0
MGS 09/21	1.769	162	1.747	01/07/2021	2
MGS 03/22	1.723	63	1.728	01/07/2021	0
MGS 08/22	1.756	167	1.815	01/07/2021	-6
MGS 09/22	1.757	54	1.787	01/07/2021	-3
MGS 03/23	1.893	916	1.913	01/07/2021	-2
MGS 04/23	1.914	206	1.920	01/07/2021	-1
MGS 06/24	2.179	363	2.248	01/07/2021	-7
MGS 07/24	2.295	47	2.307	01/07/2021	-1
MGS 09/24	2.332	21	2.353	01/07/2021	-2
MGS 03/25	2.412	15	2.442	01/07/2021	-3
MGS 09/25	2.495	213	2.544	01/07/2021	-5
MGS 04/26	2.651	268	2.676	01/07/2021	-3
MGS 07/26	2.644	15	2.696	01/07/2021	-5
MGS 09/26	2.716	70	2.727	01/07/2021	-1
MGS 11/26	2.563	3	2.583	01/07/2021	-2
MGS 05/27	2.862	134	2.882	01/07/2021	-2
MGS 11/27	2.915	53	2.928	01/07/2021	-1
MGS 06/28	2.944	275	3.002	01/07/2021	-6
MGS 09/28	3.062	1	3.061	30/06/2021	0
MGS 08/29	3.120	174	3.146	01/07/2021	-3
MGS 04/30	3.247	19	3.270	01/07/2021	-2
MGS 04/31	3.226	378	3.269	01/07/2021	-4
MGS 06/31	3.370	6	3.376	01/07/2021	-1
MGS 04/33	3.764	15	3.761	01/07/2021	0
MGS 07/34	3.828	63	3.840	01/07/2021	-1
MGS 05/35	3.779	257	3.808	01/07/2021	-3
MGS 06/38	4.180	4	4.212	01/07/2021	-3
MGS 05/40	4.157	53	4.094	01/07/2021	6
MGS 03/46	4.382	5	4.400	01/07/2021	-2
MGS 07/48	4.466	1	4.461	01/07/2021	0
MGS 06/50	4.255	6	4.194	01/07/2021	6
GII 08/21	1.756	160	1.758	24/06/2021	0
GII 04/22	1.742	8	1.760	30/06/2021	-2
GII 07/22	1.780	10	2.020	01/07/2021	-24
GII 11/22	1.804	80	1.812	28/06/2021	-1
GII 05/23	1.967	120	1.941	01/07/2021	3
GII 05/24	2.208	50	2.250	29/06/2021	-4
GII 10/24	2.253	371	2.270	01/07/2021	-2
GII 03/26	2.594	420	2.634	01/07/2021	-4
GII 09/26	2.728	1	2.782	28/06/2021	-5
GII 09/27	2.936	350	2.979	01/07/2021	-4
GII 08/28	3.035	190	3.124	11/03/2021	-9
GII 07/29	3.217	60	3.231	01/07/2021	-1
GII 10/30	3.295	279	3.326	01/07/2021	-3
GII 06/33	3.760	73	3.798	30/06/2021	-4
GII 08/33	3.795	20	3.727	30/06/2021	7
GII 07/36	3.901	142	3.991	01/07/2021	-9
GII 09/41	4.253	80	4.273	01/07/2021	-2
GII 11/49	4.466	53	4.481	01/07/2021	-1
		<u>6659</u>			

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	11/24	GG	2.447	50	2.447	05/03/2021	0	24
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.181	20	4.361	07/04/2021	-18	39
Danainfra Nasional Berhad	04/37	GG	4.231	10	4.504	29/03/2021	-27	44
Danainfra Nasional Berhad	09/50	GG	4.590	10	4.660	04/05/2021	-7	41
Danainfra Nasional Berhad	02/51	GG	4.602	40	-	-	-	42
Rantau Abang Capital Berhad	10/22	AAA	2.338	20	2.343	01/07/2021	0	56
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.385	10	2.656	16/03/2021	-27	44
Danum Capital Berhad	05/23	AAA	2.455	30	2.488	29/06/2021	-3	51
Pengurusan Air SPV Berhad	06/24	AAA	2.776	5	2.837	18/06/2021	-6	56
Pengurusan Air SPV Berhad	06/25	AAA	2.936	5	2.978	21/06/2021	-4	51
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.480	5	3.510	29/06/2021	-3	64
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.796	2	4.048	09/06/2021	-25	56
Pengurusan Air SPV Berhad	10/34	AAA	4.238	20	4.230	30/06/2021	1	45
Kuala Lumpur Kepong Berhad	09/34	AA1	4.371	5	4.389	24/06/2021	-2	58
Genting RMTN Berhad	11/34	AA1	4.948	1	5.001	01/07/2021	-5	116
CIMB Group Holdings Berhad	09/29	AA	3.231	10	3.235	23/06/2021	0	11
Malayan Banking Berhad	02/17	AA3	3.394	40	3.408	30/06/2021	-1	-78
MMC Corporation Berhad	11/27	AA-	4.158	60	4.248	01/06/2021	-9	132
Alliance Bank Malaysia Berhad	10/35	A2	3.976	1	4.108	01/07/2021	-13	19
YNH Property Berhad	08/19	-	6.723	1	6.092	01/07/2021	63	255
				344				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Quill Retail Malls Sdn Bhd	RM350 mil Sukuk Murabahah (2017/2024) Class A Class B Class C Class D	AA1/Negative AA3/Negative A2/Negative A3/Negative	Reaffirmed
Tune Protect Group Berhad	Corporate credit rating	A2/Negative/P1	Reaffirmed

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