

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- Treasury futures were little changed with the underlying cash markets closed to observe the Independence Day's holiday. There were also no fresh bond supplies for the 2<sup>nd</sup> week running. To recap, the UST closing levels last Friday for 2Y, 5Y, 10Y and 30Y were 0.23%, 0.86%, 1.43% and 2.04% respectively. Meanwhile, the Bloomberg Barclays US Treasury Index returned 0.62% last week compared to -0.03% average for Global Aggregate Treasury Index. Nevertheless, total YTD return for USTs remains in negative territory @ -2.42%. Expect attention to shift to the Markit Services PMI data tomorrow followed by the FOMC meeting minutes and jobless claims on Thursday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	0
5-yr UST	0.86	0
10-yr UST	1.43	0
30-yr UST	2.04	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.21	3	2.24	-1
5-yr	2.50	0	2.58	-2
7-yr	2.96	1	2.94	0
10-yr	3.19	-4	3.26	-3
15-yr	3.77	-1	3.98	8
20-yr	4.12	-3	4.22	-3
30-yr	4.16	-9	4.41	-6

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	-2
3-yr	2.29	0
5-yr	2.58	0
7-yr	2.79	0
10-yr	3.04	0

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

##### MGS/GII

- On Monday, local govovies saw the mid-to-longer tenures mostly better bid. Overall benchmark yields ended mostly lower between -9 to +3bps save for the odd-lot trade in the 15Y GII, amid a halving of secondary market volume @ RM3.11b. The 5Y MGS 9/25 was untraded from prior day's close to 2.50%, whilst the 10Y MGS 4/31 yield declined again by another 4bps at 3.19%. Interest was mainly seen in the benchmark 5Y GII, 7Y, 10Y MGS. GII transactions inched up to form 41% of overall trades. Expect attention to shift to BNM's MPC meeting decision this Thursday for which our house view projection is for OPR to stay pat at 1.75% presently.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw secondary market volumes inch higher at RM369m on Monday with trades seen across the GG to single-A part of the curve. Overall yields closed mixed spanning across 26 names in total. MKD Kenchana dominated the govt-guaranteed space with a slew of tranches exchanging hands. MKD 2/23 and 2/25 closed 6bps and 21bps higher compared to previous-done levels at 2.45% whilst the 4/23 tranche fell 11bps instead at 2.17%. AAA-rated PUTRAJAYA 4/25 and PASB 12/27 moved 3bps lower at 2.82% and 3.45% each. AA-rated energy-related bonds i.e. YTL Power 10/24 settled unchanged at 3.79% whereas JEP 6/30 spiked 10bps at 4.33%. Meanwhile the banking space saw CIMB 5/24 edge 2bps up at 2.81% on substantial transacted amounts of RM55m.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.860	150	1.751	02/07/2021	11
MGS	09/21	1.760	40	1.769	02/07/2021	-1
MGS	11/21	1.751	84	1.748	01/07/2021	0
MGS	03/22	1.767	2	1.723	02/07/2021	4
MGS	08/22	1.769	39	1.756	02/07/2021	1
MGS	09/22	1.754	90	1.757	02/07/2021	0
MGS	03/23	1.896	150	1.893	02/07/2021	0
MGS	08/23	1.964	75	2.002	01/07/2021	-4
MGS	06/24	2.212	130	2.179	02/07/2021	3
MGS	09/24	2.299	2	2.332	02/07/2021	-3
MGS	03/25	2.407	1	2.412	02/07/2021	0
MGS	07/26	2.664	12	2.644	02/07/2021	2
MGS	11/26	2.514	30	2.563	02/07/2021	-5
MGS	03/27	2.792	3	2.828	02/07/2021	-4
MGS	05/27	2.833	62	2.862	02/07/2021	-3
MGS	11/27	2.877	23	2.915	02/07/2021	-4
MGS	06/28	2.955	230	2.944	02/07/2021	1
MGS	08/29	3.100	110	3.120	02/07/2021	-2
MGS	04/31	3.186	306	3.226	02/07/2021	-4
MGS	06/31	3.342	40	3.370	02/07/2021	-3
MGS	04/32	3.460	50	3.565	24/06/2021	-11
MGS	07/34	3.823	60	3.828	02/07/2021	0
MGS	05/35	3.771	57	3.779	02/07/2021	-1
MGS	06/38	4.154	3	4.180	02/07/2021	-3
MGS	05/40	4.125	87	4.157	02/07/2021	-3
MGS	06/50	4.164	9	4.255	02/07/2021	-9
GII	04/22	1.741	4	1.742	02/07/2021	0
GII	07/23	1.962	200	2.062	18/06/2021	-10
GII	05/24	2.197	1	2.208	02/07/2021	-1
GII	08/24	2.259	4	2.298	28/06/2021	-4
GII	10/24	2.245	98	2.253	02/07/2021	-1
GII	10/25	2.572	120	2.597	02/07/2021	-2
GII	03/26	2.578	434	2.594	02/07/2021	-2
GII	08/28	3.019	10	3.035	02/07/2021	-2
GII	07/29	3.217	40	3.217	02/07/2021	0
GII	10/30	3.263	155	3.295	02/07/2021	-3
GII	07/36	3.978	1	3.901	02/07/2021	8
GII	09/41	4.224	60	4.253	02/07/2021	-3
GII	05/47	4.490	123	4.525	24/06/2021	-4
GII	11/49	4.405	20	4.466	02/07/2021	-6
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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*
MKD Kencana Sdn Berhad	02/23	GG	2.161	20	2.098	19/08/2020	6	23
MKD Kencana Sdn Berhad	04/23	GG	2.171	20	2.278	14/06/2021	-11	24
MKD Kencana Sdn Berhad	02/25	GG	2.559	30	2.350	06/08/2020	21	13
Perbadanan Tabung Pendidikan Tinggi Nasional	07/28	GG	3.298	15	3.710	07/08/2019	-41	35
Pengurusan Air SPV Berhad	02/29	GG	3.330	10	3.286	10/06/2021	4	23
Putrajaya Holdings Sdn Berhad	07/23	AAA	2.447	20	2.306	09/02/2021	14	51
CIMB Bank Berhad	05/24	AAA	2.811	55	2.795	17/05/2021	2	61
Putrajaya Holdings Sdn Berhad	04/25	AAA	2.820	10	2.849	18/06/2021	-3	39
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.450	10	3.480	02/07/2021	-3	63
Danga Capital Berhad	01/28	AAA	3.369	20	3.382	18/06/2021	-1	42
Tenaga Nasional Berhad	08/40	AAA	4.308	10	4.291	30/06/2021	2	18
YTL Power International Berhad	10/24	AA1	3.794	30	3.796	24/06/2021	0	159
Danajamin Nasional Berhad	10/27	AA1	2.729	10	2.725	23/06/2021	0	-9
Genting RMTN Berhad	11/34	AA1	5.001	1	4.948	02/07/2021	5	122
Perbadanan Kemajuan Negeri Selangor	11/21	AA3	3.016	30	2.992	23/06/2021	2	124
Trinity Asia Ventures Berhad	09/22	AA3	3.902	4	3.925	01/07/2021	-2	213
MMC Corporation Berhad	11/27	AA-	4.129	30	4.158	02/07/2021	-3	131
WCT Holdings Berhad	10/21	AA-	3.711	10	3.681	06/05/2021	3	194
MMC Corporation Berhad	03/28	AA-	4.203	10	4.328	22/06/2021	-13	125
Jimah East Power Sdn Berhad	06/30	AA-	4.328	10	4.229	18/05/2021	10	113
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	3.818	5	3.859	01/07/2021	-4	204
Tropicana Corporation Berhad	06/23	A+	4.741	1	5.258	01/07/2021	-52	281
Tropicana Corporation Berhad	05/27	A+	5.610	5	5.538	22/12/2020	7	279
Alliance Bank Malaysia Berhad	10/35	A2	3.976	1	3.976	02/07/2021	0	20
Eco World Capital Assets Berhad	08/24	-	4.607	1	5.214	24/06/2021	-61	241
YNH Property Berhad	08/19	-	6.244	1	6.723	02/07/2021	-48	211
				369				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Exsim Capital Resources Berhad	RM323 mil second issuance (Tranche 2 IMTN) Under the RM2 bil Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Assigned
Mercedes-Benz Services Malaysia Sdn Bhd	RM3 billion Commercial Papers/Medium-Term Notes Programme (2018/2025)	AAA(s)/Stable/P1	Reaffirmed
	RM3 billion Medium-Term Notes Programme (2018/2038)	AAA(s)/Stable	Reaffirmed

**Hong Leong Bank Berhad**

Fixed Income &amp; 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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