

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended slightly weaker on Monday, a departure from last Friday's rally following weaker-than-expected jobs data for May. Bond movements were seen lacking catalysts with limited price action with the new auction cycle starting on Tuesday. Overall benchmark yields edged between 1-2bps with the UST 2Y yield closing at 0.16% whilst the much-watched 10Y bond at 1.57%. Nevertheless, there was little to suggest that there were major fears over Fed tapering or even additional stimulus for now. The Treasury auction cycle this week comprises \$58b 3Y new issue on Tuesday followed by \$38b 10Y and \$24b 30Y reopenings on Wednesday and Thursday. Elsewhere, the flood of cash continues to overwhelm US dollar funding markets despite the mere offering of 0% rate on the Fed facility. Meanwhile, expect attention to shift to the US inflation data and ECB meeting outcome on Thursday.

##### MGS/GII

- Financial markets were closed Monday due to the public holiday. However last Friday, local govies were slightly pressured going into the long weekend; breaking the recent upward trend for the past several sessions with overall benchmark yields closing between 0-6bps higher save for the 10Y MGS and 30Y GII. Overall overall secondary market volume plunged to a mere RM1.53b. The 5Y MGS 9/25 yield ended almost unchanged at 2.52% whilst the 10Y MGS 4/31 yield declined 3bps instead at 3.24%. Interest was mainly seen in the off-the-run 28's, 33-34's and also 10Y MGS. GII bond trades eased to form 33% of overall trades. Moody's Analytics in a recent report said that the nation's exports are powering ahead, thanks to the high commodity prices coupled with strong consumer tech demand. However it was mindful of the limitations due to capacity constraints introduced during the latest lockdown. Expect attention to shift to today's 10Y MGS auction.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk however saw strong investor interest last Friday despite a slide in secondary market volume @ RM565m. Trades were seen across the GG to single-A part of the curve as overall yields closed mixed on 29 various names. Govt-guaranteed DANA 7/27 spiked 41bps compared to previous-done levels whilst the 9/27 tranche closed 5bps lower before settling at 3.10% each. The longer-end AAA-rated MANJUNG 11/31 rallied 24bps at 3.88% whereas TNB 8/38 moved 3bps lower at 4.47%. AA-rated energy-related bonds MALAKOF 12/22 ended 7bps lower at 2.79% whilst JEP 6/27 edged 2bps down at 3.80%. UEM Sunrise 9/23 however closed 2bps higher at 3.87%. Meanwhile the banking space was relatively quiet. Elsewhere several odd-lot transactions were noted in property-related names such as IJM Land, Mah Sing and also YNH Property.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.79	1
10-yr UST	1.57	2
30-yr UST	2.25	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	0	2.01	0
5-yr	2.52	0	2.65	0
7-yr	2.98	3	2.94	0
10-yr	3.24	-3	3.30	0
15-yr	3.94	6	4.02	1
20-yr	4.15	2	4.27	0
30-yr	4.28	0	4.49	-1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.30	0
5-yr	2.63	1
7-yr	2.87	3
10-yr	3.08	-2

Source: Bloomberg

#### Upcoming Government Bond Tender

Reopening of RM4.5b + RM500m (Private placement) of 10Y MGS 4/31 on Tuesday, 8<sup>th</sup> June 2021

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.740	60	1.717	03/06/2021	2
MGS 09/21	1.743	91	1.657	03/06/2021	9
MGS 11/21	1.638	31	1.725	03/06/2021	-9
MGS 08/22	1.814	22	1.810	03/06/2021	0
MGS 03/23	1.957	7	1.936	03/06/2021	2
MGS 06/24	2.239	13	2.237	03/06/2021	0
MGS 07/24	2.298	7	2.332	03/06/2021	-3
MGS 09/25	2.519	93	2.515	03/06/2021	0
MGS 07/26	2.740	7	2.723	03/06/2021	2
MGS 11/26	2.636	94	2.599	03/06/2021	4
MGS 05/27	2.863	18	2.846	03/06/2021	2
MGS 11/27	2.898	23	2.880	03/06/2021	2
MGS 06/28	2.978	155	2.947	03/06/2021	3
MGS 08/29	3.186	61	3.186	03/06/2021	0
MGS 04/30	3.303	70	3.306	03/06/2021	0
MGS 04/31	3.241	129	3.271	03/06/2021	-3
MGS 06/31	3.399	1	3.382	02/06/2021	2
MGS 04/33	3.791	20	3.749	03/06/2021	4
MGS 07/34	3.828	56	3.867	03/06/2021	-4
MGS 05/35	3.945	4	3.881	03/06/2021	6
MGS 05/40	4.148	23	4.124	03/06/2021	2
MGS 09/43	4.316	1	4.366	03/06/2021	-5
MGS 06/50	4.280	40	4.280	03/06/2021	0
GII 04/22	1.781	31	1.780	03/06/2021	0
GII 11/23	2.132	1	2.135	03/06/2021	0
GII 10/24	2.290	1	2.268	03/06/2021	2
GII 07/27	2.930	50	2.930	03/06/2021	0
GII 09/27	2.941	6	2.939	03/06/2021	0
GII 12/28	3.077	20	3.054	05/05/2021	2
GII 06/33	3.815	136	3.851	25/05/2021	-4
GII 11/34	3.975	160	3.993	02/06/2021	-2
GII 07/36	4.016	26	4.009	03/06/2021	1
GII 08/37	4.172	2	4.156	20/05/2021	2
GII 09/41	4.268	70	4.268	03/06/2021	0
GII 11/49	4.488	1	4.506	03/06/2021	-2
		<u>1529</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.501	40	2.571	02/06/2021	-7	26
Jambatan Kedua Sdn Berhad	07/26	GG	3.001	30	3.005	28/04/2021	0	46
DanaInfra Nasional Berhad	07/27	GG	3.100	190	2.688	21/01/2021	41	29
DanaInfra Nasional Berhad	09/27	GG	3.100	5	3.151	01/06/2021	-5	29
Pengurusan Air SPV Berhad	02/24	AAA	2.825	10	2.865	27/04/2021	-4	58
Pengurusan Air SPV Berhad	02/24	AAA	2.827	10	2.827	02/06/2021	0	58
Telekom Malaysia Berhad	03/24	AAA	2.660	5	2.685	27/05/2021	-2	41
Pengurusan Air SPV Berhad	06/24	AAA	2.888	10	2.553	05/02/2021	34	64
Danum Capital Berhad	02/26	AAA	3.029	10	3.095	28/04/2021	-7	49
Bank Pembangunan Malaysia Berhad	06/26	AAA	3.250	20	-	-	-	71
Sarawak Energy Berhad	06/26	AAA	3.208	20	3.209	03/06/2021	0	67
Sarawak Energy Berhad	01/27	AAA	3.328	20	3.328	28/05/2021	0	52
Danga Capital Berhad	09/27	AAA	3.255	20	3.267	03/06/2021	-1	45
Manjung Island Energy Berhad	11/31	AAA	3.879	10	4.119	06/04/2021	-24	63
Tenaga Nasional Berhad	08/38	AAA	4.469	20	4.500	02/06/2021	-3	53
Tenaga Nasional Berhad	08/40	AAA	4.490	17	4.489	02/06/2021	0	34
Genting RMTN Berhad	11/34	AA1	4.903	23	4.903	03/06/2021	0	96
Malakoff Power Berhad	12/22	AA-	2.790	10	2.856	26/04/2021	-7	80
UEM Sunrise Berhad	09/23	AA-	3.866	10	3.851	02/11/2020	2	187
Jimah East Power Sdn Berhad	06/27	AA-	3.804	10	3.827	44299	-2	100
MMC Corporation Berhad	03/28	AA-	4.297	10	4.278	01/06/2021	2	133
AmBank (M) Berhad	03/28	A1	4.040	1	4.031	03/05/2021	1	107
CIMB Group Holdings Berhad	05/16	A1	3.936	1	3.936	03/06/2021	0	-21
UMW Holdings Berhad	04/18	A1	4.259	30	4.631	06/05/2021	-37	11
Alliance Bank Malaysia Berhad	10/32	A2	3.524	1	3.723	27/05/2021	-20	28
IJM Land Berhad	03/19	A2	4.398	1	5.038	17/05/2021	-64	25
Mah Sing Group Berhad	04/17	-	4.505	30	-	-	-	36
Mah Sing Group Berhad	04/17	-	4.835	1	4.842	03/06/2021	-1	69
YNH Property Berhad	08/19	-	6.249	1	5.957	02/06/2021	29	210
				<u>565</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Telekom Malaysia Berhad	RM3 bil Islamic MTN Programme (2013/2033) RM4 bil Islamic MTN Programme (2018/2048) and Islamic CP Programme (2018/2025)	AAA/Stable/P1 AAA/Stable/P1	Reaffirmed

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