

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries extended their rally on Wednesday, influenced by Fed minutes that indicated that expectations for an inflationary economic recovery may continue to ease. The curve bull-flattened as overall benchmark yields declined between 0-4bps. The UST 2Y yield closed almost unchanged at 0.22% whilst the much-watched UST 10Y shed 3bps to 1.32%. The UST rally was also partly due to short-covering activities. Meanwhile, the Fed is expected to make progress on its bond tapering exercise but is nevertheless seen to differ on the exact timing. It also said that despite balanced risks to activity, risks to inflation are seen tilted to the upside. Elsewhere, US job openings rose to a fresh record in May, reflecting more vacancies in healthcare, education and hospitality industries. Expect attention to shift to the jobless claims data tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.78	-2
10-yr UST	1.32	-3
30-yr UST	1.94	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.22	2	2.24	-2
5-yr	2.47	-2	2.58	-3
7-yr	2.92	-4	2.91	-2
10-yr	3.14	-4	3.23	-3
15-yr	3.75	-4	3.92	-3
20-yr	4.06	-8	4.20	-3
30-yr	4.18	-7	4.44	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	0
3-yr	2.29	-2
5-yr	2.57	-3
7-yr	2.82	-2
10-yr	3.02	-3

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Wednesday, local govies closed stronger across the curve with MGS seen bull-flattening ahead of the important MPC meeting by BNM. Overall benchmark yields ended between 2-8bps lower save for the short-end MGS, amid a rise in secondary market volume @ RM3.64b. The 5Y MGS 9/25 yield edged 2bps down from prior day's close at 2.47%, whilst the 10Y MGS 4/31 closed almost unchanged at 3.19%. Interest was mainly seen in the benchmark 3Y, 5Y, 7Y 10Y and even 20Y MGS/GII. GII transactions eased to form 42% of overall trades. Investors will be keenly watching for further updates on the political front. Expect attention to shift to BNM's MPC meeting decision this afternoon for which we are projecting OPR to stay pat at 1.75% for now.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw interest wane on Wednesday amid a drop in secondary market volume jumped of RM391m with trades nevertheless still seen across the GG to single-A part of the curve. Overall yields closed mixed-to-lower spanning across 21 names in total. Govt-guaranteed DANA 28-29's transacted RM100m in total; spiking 17-36bps between 3.27-34%. Whilst the long-end 5/41 tranche closed 13bps lower instead at 4.36%. AAA-rated Sarawak state-related INFRACAP 4/26 mdeclined 18bps at 3.28% whilst PLUS 29 edged 2bps lower at 3.55%. AA-rated MMC Corp 11/25 and 3/28 closed 8-24bps at 3.65% whereas BKAWAN 6/23 declined 7bps at 2.60%. Meanwhile the banking space was saw CIMB Group 2116NC23 perps move 5bps lower at 3.40%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.750	189	1.759	06/07/2021	-1
MGS 11/21	1.766	139	1.761	06/07/2021	1
MGS 03/22	1.749	100	1.765	06/07/2021	-2
MGS 08/22	1.750	2	1.706	06/07/2021	4
MGS 09/22	1.766	30	1.770	06/07/2021	0
MGS 03/23	1.892	40	1.903	06/07/2021	-1
MGS 04/23	1.903	20	1.917	06/07/2021	-1
MGS 08/23	1.953	23	1.964	05/07/2021	-1
MGS 06/24	2.224	148	2.203	06/07/2021	2
MGS 07/24	2.239	1	2.265	06/07/2021	-3
MGS 09/25	2.467	220	2.482	06/07/2021	-2
MGS 04/26	2.596	10	2.651	02/07/2021	-5
MGS 07/26	2.632	20	2.664	06/07/2021	-3
MGS 05/27	2.834	52	2.843	06/07/2021	-1
MGS 11/27	2.893	62	2.877	05/07/2021	2
MGS 06/28	2.921	338	2.965	06/07/2021	-4
MGS 04/30	3.222	11	3.247	02/07/2021	-2
MGS 04/31	3.144	178	3.189	06/07/2021	-4
MGS 06/31	3.330	47	3.342	05/07/2021	-1
MGS 04/33	3.740	5	3.764	02/07/2021	-2
MGS 07/34	3.789	40	3.818	06/07/2021	-3
MGS 05/35	3.747	75	3.789	06/07/2021	-4
MGS 06/38	4.130	1	4.154	05/07/2021	-2
MGS 05/40	4.058	316	4.141	06/07/2021	-8
MGS 09/43	4.272	1	4.308	01/07/2021	-4
MGS 06/50	4.181	41	4.247	06/07/2021	-7
GII 05/23	1.880	10	1.967	02/07/2021	-9
GII 10/24	2.238	341	2.257	06/07/2021	-2
GII 10/25	2.536	1	2.572	05/07/2021	-4
GII 03/26	2.577	512	2.606	06/07/2021	-3
GII 09/26	2.727	20	2.727	06/07/2021	0
GII 09/27	2.905	58	2.926	06/07/2021	-2
GII 08/28	3.024	20	3.019	05/07/2021	0
GII 07/29	3.190	100	3.217	06/07/2021	-3
GII 10/30	3.228	330	3.260	06/07/2021	-3
GII 06/33	3.726	40	3.760	02/07/2021	-3
GII 08/33	3.776	60	3.795	02/07/2021	-2
GII 10/35	4.000	20	4.115	30/06/2021	-12
GII 07/36	3.924	10	3.954	06/07/2021	-3
GII 09/41	4.195	1	4.224	05/07/2021	-3
GII 11/49	4.435	11	4.450	06/07/2021	-2
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Perbadanan Tabung Pendidikan Tinggi Nasional	07/28	GG	3.260	15	3.298	02/07/2021	-4	33
Danainfra Nasional Berhad	11/28	GG	3.269	20	3.098	25/02/2021	17	34
Danainfra Nasional Berhad	11/29	GG	3.338	80	2.981	06/01/2021	36	27
Danainfra Nasional Berhad	05/41	GG	4.359	20	4.485	08/06/2021	-13	28
Putrajaya Holdings Sdn Berhad	04/22	AAA	2.095	20	2.789	22/06/2020	-69	33
Danum Capital Berhad	05/23	AAA	2.438	20	2.455	02/07/2021	-2	52
Putrajaya Bina Sdn Berhad	09/24	AAA	2.711	10	2.455	03/02/2021	26	51
Infracap Resources Sdn Berhad	04/26	AAA	3.283	60	3.467	11/06/2021	-18	81
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.548	30	3.567	06/07/2021	-2	48
Tenaga Nasional Berhad	08/38	AAA	4.279	3	4.300	01/07/2021	-2	53
Tenaga Nasional Berhad	08/40	AAA	4.310	4	4.308	05/07/2021	0	23
Sarawak Power Generation Sdn Berhad	12/21	AA1	2.366	10	4.020	28/06/2013	-165	60
Batu Kawan Berhad	06/23	AA1	2.601	15	2.675	28/05/2021	-7	68
YTL Power International Berhad	05/27	AA1	3.859	4	3.894	17/06/2021	-4	109
MMC Corporation Berhad	11/25	AA-	3.651	10	3.892	23/06/2021	-24	124
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.229	1	4.208	01/07/2021	2	176
MMC Corporation Berhad	03/28	AA-	4.121	12	4.203	05/07/2021	-8	119
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	AA-	4.550	2	4.552	30/06/2021	0	149
CIMB Group Holdings Berhad	05/16	A1	3.396	50	3.445	06/07/2021	-5	-68
CIMB Group Holdings Berhad	05/16	A1	3.550	1	3.558	02/06/2021	-1	-53
DRB-Hicom Berhad	12/26	A+	4.349	5	4.490	19/04/2021	-14	188
			<u>391</u>					

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

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

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