

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries, extending out from 5Y tenures rallied whilst shrugging off concerns over potential inflationary conditions from the upcoming reading of the US May CPI. The curve bull-flattened further as overall benchmark yields closed between 0-5bps lower with the UST 2Y yield almost unchanged at 0.16% whilst the much-watched 10Y bond rallied 4bps at 1.49%. The Treasury's \$38b 10Y auction notched a BTC ratio of 2.58x, the highest since 20<sup>th</sup> July 2020 whilst being awarded at 1.497%. Bond yields which have been heading lower lately suggests that investors may believe that inflation in the recovery phase of the pandemic will be temporary. Elsewhere the Fed reverse repo facility continues to be overwhelmed in excess of \$500b by market participants. Meanwhile, expect attention to shift to the \$24b 30Y reopening tonight, followed by US inflation data and ECB meeting outcome.

##### MGS/GII

- On Wednesday local govies were better-bid with overall benchmark yields closing mostly between 0-7bps lower save for the 3Y, 10Y GII and 20Y MGS. Nevertheless, overall secondary market volume eased to RM3.51b. The 5Y MGS 9/25 yield closed within 1bps down at 2.52% whilst the 10Y MGS 4/31 yield edged 2bps lower at 3.32%. Interest was mainly seen in the off-the-run 21-22's, 28's and also 10Y MGS, 5Y GII. GII bond trades inched up to form 21% of overall trades. Some optimism is seen emerging now as a slowdown in local virus cases may allow for easing of lockdown restrictions despite some concerns over the nation's fiscal deficit. Some attention may shift to the release of industrial production data on Friday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest recover strongly on Wednesday amid a jump in secondary market volume of RM774m. Trades were seen across the GG to single-A part of the curve as overall yields closed mixed-to-higher, extended over 42 names. The long-end govt-guaranteed DANA 5/46 and 5/50 ended 1-5bps lower compared to previous-done levels between 4.54-65%. AAA-rated AMAN 2/23 rallied 8bps at 2.49% whereas DANGA 1/24 closed 4bps lower at 2.65%. SEB 1/22 which saw the largest transacted amount of RM100m, moved 3bps lower at 2.25%. The AA-rated MAB 2114NC24 perps spiked 28bps instead at 4.02%. Meanwhile the banking space saw RHB Investment Bank 27NC22 decline 9bps at 3.05% whilst Bank ISLAM 27NC22 settled 6bps lower at 3.18%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	0
5-yr UST	0.75	-2
10-yr UST	1.49	-4
30-yr UST	2.17	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	0	2.03	2
5-yr	2.52	0	2.67	-2
7-yr	2.98	-3	2.94	0
10-yr	3.30	-2	3.34	6
15-yr	3.87	-7	4.02	0
20-yr	4.18	3	4.28	-1
30-yr	4.28	-1	4.47	-7

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	-1
3-yr	2.27	-2
5-yr	2.59	-2
7-yr	2.83	-5
10-yr	3.07	-1

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	1.752	104	1.667	08/06/2021	9
MGS 09/21	1.728	110	1.687	08/06/2021	4
MGS 11/21	1.761	310	1.689	08/06/2021	7
MGS 03/22	1.769	397	1.789	08/06/2021	-2
MGS 08/22	1.824	60	1.801	08/06/2021	2
MGS 03/23	1.946	31	1.957	04/06/2021	-1
MGS 08/23	2.013	38	2.009	08/06/2021	0
MGS 06/24	2.241	115	2.245	08/06/2021	0
MGS 07/24	2.295	66	2.316	08/06/2021	-2
MGS 09/25	2.522	67	2.527	08/06/2021	-1
MGS 04/26	2.656	1	2.64	08/06/2021	2
MGS 07/26	2.715	152	2.711	08/06/2021	0
MGS 11/26	2.588	40	2.579	08/06/2021	1
MGS 05/27	2.887	15	2.849	08/06/2021	4
MGS 11/27	2.923	58	2.904	08/06/2021	2
MGS 06/28	2.983	397	3.009	08/06/2021	-3
MGS 08/29	3.199	21	3.179	04/06/2021	2
MGS 04/31	3.297	564	3.32	08/06/2021	-2
MGS 06/31	3.438	10	3.409	08/06/2021	3
MGS 04/33	3.786	12	3.791	04/06/2021	0
MGS 07/34	3.877	97	3.875	08/06/2021	0
MGS 05/35	3.865	20	3.935	08/06/2021	-7
MGS 06/38	4.209	3	4.228	08/06/2021	-2
MGS 05/40	4.18	68	4.148	08/06/2021	3
MGS 06/50	4.277	4	4.29	08/06/2021	-1
GII 03/22	1.713	3	1.725	08/06/2021	-1
GII 05/23	2.034	40	2.009	08/06/2021	2
GII 11/23	2.116	11	2.132	04/06/2021	-2
GII 08/24	2.277	29	2.294	03/06/2021	-2
GII 10/24	2.293	80	2.312	08/06/2021	-2
GII 03/26	2.672	312	2.688	08/06/2021	-2
GII 10/30	3.339	102	3.28	08/06/2021	6
GII 06/33	3.834	40	3.814	08/06/2021	2
GII 08/33	3.808	30	3.829	03/06/2021	-2
GII 11/34	3.991	40	3.994	08/06/2021	0
GII 09/41	4.276	10	4.29	08/06/2021	-1
GII 11/49	4.469	54	4.543	08/06/2021	-7
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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*
Small Medium Enterprise Development Bank Malaysia B	03/26	GG	2.990	20	2.851	02/07/2020	14	44
Danainfra Nasional Berhad	11/35	GG	4.129	20	4.128	03/06/2021	0	19
Prasarana Malaysia Berhad	09/37	GG	4.310	20	4.300	05/05/2021	1	37
Danainfra Nasional Berhad	05/46	GG	4.540	40	4.590	08/06/2021	-5	38
Danainfra Nasional Berhad	05/50	GG	4.650	5	4.660	26/04/2021	-1	49
Berjaya Land Berhad	12/21	AAA	2.945	30	3.561	17/03/2020	-62	115
Sarawak Energy Berhad	01/22	AAA	2.249	100	2.280	21/04/2021	-3	45
Malaysia Airports Capital Berhad	12/22	AAA	2.840	30	2.809	02/06/2021	3	84
Aman Sukuk Berhad	02/23	AAA	2.486	40	2.567	20/05/2021	-8	49
Danga Capital Berhad	01/24	AAA	2.653	10	2.689	31/05/2021	-4	40
TNB Northern Energy Berhad	11/24	AAA	2.836	20	2.759	10/07/2020	8	58
Sarawak Energy Berhad	01/27	AAA	3.348	10	3.328	04/06/2021	2	53
Aman Sukuk Berhad	04/27	AAA	3.258	10	2.849	25/11/2020	41	44
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.629	60	3.719	26/04/2021	-9	48
Pengurusan Air SPV Berhad	02/29	AAA	3.609	10	3.609	08/06/2021	0	46
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/29	AAA	3.627	20	3.628	25/05/2021	0	47
Manjung Island Energy Berhad	11/29	AAA	3.620	10	3.168	15/12/2020	45	47
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.858	40	3.820	28/05/2021	4	57
Infracap Resources Sdn Berhad	04/31	AAA	4.085	10	4.089	27/05/2021	0	80
Sarawak Energy Berhad	04/31	AAA	3.931	20	3.950	03/06/2021	-2	64
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.048	2			405	76
Pengurusan Air SPV Berhad	09/35	AAA	4.379	5	3.789	16/12/2020	59	44
Tenaga Nasional Berhad	08/40	AAA	4.471	11	4.490	08/06/2021	-2	31
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.155	10	3.170	17/05/2021	-2	136
Sabah Development Bank Berhad	06/23	AA1	3.780	62	-	-	-	178
GENM Capital Berhad	07/28	AA1	4.601	3	4.634	31/05/2021	-3	161
Genting RMTN Berhad	11/34	AA1	4.857	1	4.857	08/06/2021	0	92
CIMB Bank Berhad	08/26	AA+	2.430	2	2.300	16/02/2021	13	-13
Edra Solar Sdn Berhad	10/34	AA2	4.790	2	4.729	06/11/2019	6	85
Malaysia Airport Holdings Berhad	12/14	AA2	4.017	10	3.742	28/12/2020	28	-14
Fortune Premiere Sdn Berhad	09/25	AA	3.476	20	3.436	01/06/2021	4	103
CIMB Group Holdings Berhad	11/27	AA	2.887	10	2.885	28/05/2021	0	6
AmBank Islamic Berhad	03/22	AA3	2.744	20	2.746	21/05/2021	0	95
RHB Investment Bank Berhad	10/27	AA3	3.053	10	3.140	26/04/2021	-9	23
MMC Corporation Berhad	03/28	AA-	4.301	10	4.297	04/06/2021	0	131
Jimah East Power Sdn Berhad	12/28	AA-	4.048	20	4.048	23/04/2021	0	106
Edra Energy Sdn Berhad	07/31	AA3	4.449	10	4.529	05/05/2021	-8	116
Bank Islam Malaysia Berhad	11/27	A1	3.181	20	3.237	27/04/2021	-6	36
Naza TTDI Capital Berhad	06/26	-	6.200	18	-	-	-	365
Mah Sing Group Berhad	04/17	-	4.846	1	4.853	08/06/2021	-1	69
YNH Property Berhad	08/19	-	6.846	3	6.842	08/06/2021	0	269
YNH Property Berhad	08/19	-	6.423	1	6.423	03/06/2021	0	226
				<u>774</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Projek Lintasan Sungai Besi – Ulu Klang Sdn Bhd's (PLSUKE)	Sukuk Wakalah Programme of up to RM2.0 billion	A+ IS/Stable	Affirmed

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