

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries surprisingly flirted briefly lower before rebounding and shrugging-off the hotter-than-expected jump of 0.6% in May CPI data; the 4th large gain in a row. The curve shifted lower as overall benchmark yields declined between 1-6bps with the UST 2Y yield 1bps down at 0.15% whilst the much-watched 10Y rallied pushing yields down 6bps at 1.43%; the lowest since early-March. The positive UST performances are believed to be due to pent-up demand especially for Inger-dated debt in view of large surpluses of cash. The Treasury's \$24b 30Y auction was decent as it notched a BTC ratio of 2.29x, (previous auction: 2.22x; previous average for 6 auctions: 2.38x) and awarded at 2.172%. Investors continue to mull whether this raises the possibility that the Fed may move sooner to slow its \$120b monthly asset purchases; a program that helped during the onset of the pandemic last year. Meanwhile, expect some attention to shift to the University of Michigan's preliminary report on consumer sentiment for June tonight.

MGS/GIII

- On Thursday, local govies saw MGS close mostly stronger deriving confidence from May's RM2.36b increase in MGS foreign holdings to a new high of RM191.7b; whilst GII closed mixed instead (overall MYR holdings rose by RM1.87b to a new high of RM247.9b). Secondary market volume rose to RM4.28b as benchmark yields closed between -7 to +7bps. The 5Y MGS 9/25 yield edged 1bps down at 2.51% whilst the 10Y MGS 4/31 yield closed 2bps lower at 3.28%. Interest was mainly seen in the off-the-run 21's, 24's, 28's and also 5Y MGS/GII. GII bond trades rose to form 28% of overall trades. Optimism in financial markets may continue to trickle as a slowdown in local virus cases will allow for easing of lockdown restrictions going forward. Expect some attention to shift to the release of industrial production data today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw one of its most active trading sessions in just over a month with investor interest sharply higher on Wednesday. Secondary market volume jumped to RM909m as trades were seen across the GG-AA part of the curve with overall yields closing mixed, spanning across 53 names. The longer-end govt-guaranteed DANA 42's rallied 26-28bps compared to previous-done levels between 4.45-46% whilst Turus Pesawat 11/32 which last traded about a year ago, spiked 50bps at 3.84%. AAA-rated TNB 8/33 declined 9bps at 4.04% whilst the 8/40 tranche edged 2bps up at 4.49%. AA-rated energy-related YTL Power 6/22 fell 40bps at 2.80% whereas EDRA 7/36 settled 2bps lower at 3.30%. BGSM 12/27 edged 1bps lower at 3.60%. Meanwhile the banking space saw RHB 31NC26 decline 7bps at 3.38%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	-1
5-yr UST	0.71	-4
10-yr UST	1.43	-6
30-yr UST	2.13	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	-1	2.03	0
5-yr	2.51	-1	2.67	-1
7-yr	2.98	0	2.97	3
10-yr	3.28	-2	3.32	-2
15-yr	3.89	2	4.04	2
20-yr	4.17	-1	4.28	0
30-yr	4.21	-7	4.54	7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.28	1
5-yr	2.59	0
7-yr	2.85	2
10-yr	3.06	-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	1.733	40	1.752	09/06/2021	-2
MGS 09/21	1.698	349	1.728	09/06/2021	-3
MGS 11/21	1.741	542	1.761	09/06/2021	-2
MGS 03/22	1.781	11	1.769	09/06/2021	1
MGS 08/22	1.805	147	1.824	09/06/2021	-2
MGS 09/22	1.808	99	1.816	08/06/2021	-1
MGS 03/23	1.926	50	1.946	09/06/2021	-2
MGS 08/23	1.988	16	2.013	09/06/2021	-2
MGS 06/24	2.232	381	2.241	09/06/2021	-1
MGS 09/24	2.315	1	2.313	08/06/2021	0
MGS 03/25	2.422	3	2.442	02/06/2021	-2
MGS 09/25	2.508	287	2.522	09/06/2021	-1
MGS 04/26	2.640	4	2.656	09/06/2021	-2
MGS 07/26	2.719	7	2.715	09/06/2021	0
MGS 09/26	2.695	20	2.718	08/06/2021	-2
MGS 11/26	2.595	50	2.588	09/06/2021	1
MGS 03/27	2.798	3	2.814	03/06/2021	-2
MGS 05/27	2.878	7	2.887	09/06/2021	-1
MGS 11/27	2.923	15	2.923	09/06/2021	0
MGS 06/28	2.983	269	2.983	09/06/2021	0
MGS 08/29	3.176	176	3.199	09/06/2021	-2
MGS 04/30	3.275	2	3.303	08/06/2021	-3
MGS 04/31	3.278	186	3.297	09/06/2021	-2
MGS 11/33	3.788	29	3.821	08/06/2021	-3
MGS 07/34	3.808	137	3.877	09/06/2021	-7
MGS 05/35	3.889	229	3.865	09/06/2021	2
MGS 05/40	4.168	23	4.180	09/06/2021	-1
MGS 09/43	4.288	1	4.316	04/06/2021	-3
MGS 06/50	4.209	2	4.277	09/06/2021	-7
GII 08/21	1.782	10	1.760	31/05/2021	2
GII 03/22	1.725	2	1.713	09/06/2021	1
GII 04/22	1.748	46	1.781	04/06/2021	-3
GII 07/22	1.946	100	2.280	09/03/2021	-33
GII 11/23	2.122	60	2.116	09/06/2021	1
GII 10/24	2.277	100	2.293	09/06/2021	-2
GII 03/26	2.666	200	2.672	09/06/2021	-1
GII 09/26	2.742	130	2.783	31/05/2021	-4
GII 07/27	2.945	80	2.930	04/06/2021	1
GII 09/27	2.966	70	2.940	08/06/2021	3
GII 07/29	3.202	110	3.230	08/06/2021	-3
GII 10/30	3.320	50	3.339	09/06/2021	-2
GII 06/33	3.833	40	3.834	09/06/2021	0
GII 08/33	3.819	50	3.808	09/06/2021	1
GII 07/36	4.037	8	4.016	04/06/2021	2
GII 11/49	4.535	143	4.469	09/06/2021	7
		<u>4284</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy)	Chg (bp)	Spread Against MGS*	
DanaInfra Nasional Berhad	04/22	GG	1.998	10	2.752	05/03/2020	-75	20
Perbadanan Tabung Pendidikan Tinggi Nasional	07/23	GG	2.344	50	2.015	18/01/2021	33	35
GovCo Holdings Berhad	02/24	GG	2.478	10	2.648	04/05/2021	-17	23
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.503	50	2.501	04/06/2021	0	25
Pengurusan Air SPV Berhad	02/29	GG	3.286	40	3.356	16/04/2021	-7	13
DanaInfra Nasional Berhad	04/30	GG	3.454	20	2.998	26/01/2021	46	22
MKD Kencana Sdn Berhad	10/32	GG	3.770	50	3.050	02/09/2020	72	48
Turus Pesawat Sdn Berhad	11/32	GG	3.840	60	3.342	05/05/2020	50	55
Prasarana Malaysia Berhad	03/34	GG	4.040	10	4.062	01/06/2021	-2	10
Prasarana Malaysia Berhad	09/37	GG	4.300	10	4.310	09/06/2021	-1	36
DanaInfra Nasional Berhad	03/42	GG	4.453	40	4.709	30/03/2021	-26	29
DanaInfra Nasional Berhad	05/42	GG	4.456	10	4.741	31/03/2021	-28	30
Lembaga Pembiayaan Perumahan Sektor Awam	04/49	GG	4.675	15	4.150	21/09/2020	52	52
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.235	10	2.423	07/04/2021	-19	44
Impian Ekspresi Sdn Berhad	11/23	AAA	3.281	5	3.358	09/03/2021	-8	128
Pengurusan Air SPV Berhad	02/24	AAA	2.824	5	2.827	04/06/2021	0	57
Aman Sukuk Berhad	05/24	AAA	2.757	10	2.540	28/10/2020	22	51
AI Dzahab Assets Berhad	03/25	AAA	3.570	10	4.560	30/05/2019	-99	113
AI Dzahab Assets Berhad	09/26	AAA	3.582	10	4.256	19/12/2019	-67	103
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.759	20	3.760	25/05/2021	0	77
Pengurusan Air SPV Berhad	04/28	AAA	3.510	21	-	-	-	52
Pengurusan Air SPV Berhad	06/28	AAA	3.531	21	-	-	-	54
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.620	35	3.629	09/06/2021	-1	47
TNB Western Energy Berhad	01/29	AAA	3.599	10	3.109	09/02/2021	49	45
Sarawak Energy Berhad	07/29	AAA	3.699	30	3.678	08/06/2021	2	55
Manjung Island Energy Berhad	11/30	AAA	3.748	10	3.929	08/04/2021	-18	51
Tenaga Nasional Berhad	08/33	AAA	4.039	40	4.129	19/05/2021	-9	75
Sarawak Energy Berhad	06/35	AAA	4.441	70	4.450	27/04/2021	-1	50
Tenaga Nasional Berhad	08/40	AAA	4.490	5	4.471	09/06/2021	2	33
YTL Power International Berhad	06/22	AA1	2.795	30	3.190	09/03/2021	-40	100
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	2.414	10	2.358	25/01/2021	6	62
GENM Capital Berhad	07/28	AA1	4.669	10	4.601	09/06/2021	7	168
Kuala Lumpur Kepong Berhad	09/34	AA1	4.410	5	4.470	10/05/2021	-6	47
Genting RMTN Berhad	11/34	AA1	5.180	2	4.857	09/06/2021	32	124
Imtiaj Sukuk II Berhad	11/21	AA2	2.301	20	2.293	17/05/2021	1	51
Perbadanan Kemajuan Negeri Selangor	12/22	AA3	3.407	10	3.536	30/03/2021	-13	161
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.191	1	5.340	08/06/2021	-15	319
IJM Corporation Berhad	04/25	AA3	3.419	20	3.217	03/02/2021	20	97
BGSM Management Sdn Berhad	12/27	AA3	3.601	5	3.610	31/05/2021	-1	78
RHB Bank Berhad	04/31	AA3	3.382	10	3.450	26/04/2021	-7	9
Edra Energy Sdn Berhad	07/36	AA3	4.824	20	4.839	06/05/2021	-2	89
Pelabuhan Tanjung Pelepas Sdn Berhad	06/25	AA-	3.303	10	3.328	14/04/2021	-2	86
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA-	3.370	10	3.090	03/03/2021	28	93
Quantum Solar Park (Semenanjung) Sdn Berhad	04/26	AA-	4.009	10	5.618	28/05/2019	-161	145
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA-	3.479	5	3.468	05/05/2021	1	92
Southern Power Generation Sdn Berhad	04/32	AA-	4.201	10	3.418	21/09/2020	78	91
Southern Power Generation Sdn Berhad	04/33	AA-	4.306	10	4.479	31/03/2021	-17	102
Tropicana Corporation Berhad	10/23	A+	5.181	1	4.674	28/05/2021	51	318
IJM Land Berhad	03/19	A2	4.391	1	4.295	02/06/2021	10	23
Eco World International Berhad	05/23	-	5.294	1	4.624	01/06/2021	67	330
YNH Property Berhad	08/19	-	6.422	2	6.423	09/06/2021	0	226
YNH Property Berhad	08/19	-	5.952	1	6.846	09/06/2021	-89	179
Sunway Treasury Sukuk Sdn Berhad	06/22	AA-	3.071	20	3.310	31/03/2021	-24	128
				<u>909</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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