

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries languished on Monday within prior day's levels, unperturbed by both the decent 3Y and 10Y auctions results and also some ongoing Fed speak. The curve shifted lower as overall benchmark yields closed slightly higher between 0-1bps. The UST 2Y yield edged 1bps up at 0.23% whilst the much-watched UST 10Y closed within 1bps higher at 1.37%. The reopening auction of \$38b 10Y bonds registered a BTC of 2.39x (average previous 6 auctions: 2.43x) whilst being awarded at 1.371%. Similarly, the \$58b 3Y auction was awarded at 0.426% on a 2.41x cover (average previous 6 auctions: 2.47x). The recent bond rally is believed to be due to supply drought along with WHO's warning regarding the spread of dominant Delta variant of the virus amid the slow vaccination for front-liner workers throughout many countries worldwide. Meantime expect attention to shift to the upcoming consumer price inflation data tonight along with the 30Y bond auction.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	1
5-yr UST	0.80	1
10-yr UST	1.37	0
30-yr UST	2.00	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.27	0	2.30	1
5-yr	2.51	0	2.64	3
7-yr	3.02	5	2.94	0
10-yr	3.27	9	3.32	6
15-yr	3.83	10	3.95	0
20-yr	4.11	6	4.23	4
30-yr	4.20	8	4.45	2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.33	2
5-yr	2.60	2
7-yr	2.83	3
10-yr	3.07	6

Source: Bloomberg

#### Upcoming Government Bond Tender

Reopening of RM2.5b + RM2.0b (Private Placement)  
15Y GII 7/37 on Wednesday, 14<sup>th</sup> July 2021

##### MGS/GII

- On Monday, local govies were pressured and ended weaker across the curve with the MGS curve slightly steeper whilst taking cue from the Finance Minister's announcement that the nation's debt ceiling may rise further to 65%, resulting in supply concerns. Overall benchmark yields rose between 0-10bps amid a dip in secondary market volume @ RM2.19b. The 5Y MGS 9/25 yield closed almost unchanged at 2.51%, whilst the 10Y MGS 4/31 yield spiked 9bps at 3.27%. Interest was mainly seen in the off-the-run 21-22's and also benchmark 3Y GII and 10Y MGS. GII transactions dropped to form a mere 19% of overall trades. Investors are expected to monitor updates on the political front, along with changes (if any) on the current lockdown restrictions in important states eg Selangor and Kuala Lumpur.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw better investor interest on Monday amid sustained secondary market volume of RM322m, with trades seen across the AAA-AA part of the curve. Overall yields closed mixed spanning across 25 names in total. The sole govt-guaranteed trade consisted of JOHOR Corp 6/22 which rallied 49bps compared to previous-done levels at 1.90%. AAA-rated TELEKOM 8/23 and WESTPORT 5/25 rose 14-19bps at 2.47% and 2.91% respectively. Another port operator i.e. AA-rated NORTHPORT 12/22 declined 17bps at 3.28%. Energy-related bonds BGSM 12/22 climbed 16bps at 2.73% whilst JEP 6/30 eased 2bps at 4.31%. Meanwhile the banking space was relatively quiet with a mere odd-lot transaction seen for BPMB 6/31.

## Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 07/21	1.948	235	1.711	08/07/2021	24
MGS 08/22	1.786	4	1.772	09/07/2021	1
MGS 09/25	2.507	25	2.505	09/07/2021	0
MGS 03/22	1.759	235	1.805	09/07/2021	-5
MGS 03/25	2.406	2	2.397	08/07/2021	1
MGS 07/26	2.650	1	2.650	09/07/2021	0
MGS 06/50	4.197	1	4.118	09/07/2021	8
MGS 03/27	2.816	3	2.792	05/07/2021	2
MGS 09/22	1.776	30	1.768	09/07/2021	1
MGS 08/29	3.135	56	3.099	09/07/2021	4
MGS 04/31	3.267	422	3.174	09/07/2021	9
MGS 05/27	2.900	7	2.888	09/07/2021	1
MGS 04/26	2.628	2	2.648	09/07/2021	-2
MGS 03/23	1.915	31	1.310	09/07/2021	61
MGS 09/21	1.755	2	1.737	09/07/2021	2
MGS 11/33	3.777	30	3.780	06/07/2021	0
MGS 06/24	2.270	283	2.267	09/07/2021	0
MGS 06/31	3.344	17	3.330	09/07/2021	1
MGS 04/32	3.519	40	3.438	09/07/2021	8
MGS 04/33	3.759	2	3.714	08/07/2021	4
MGS 05/35	3.833	179	3.738	09/07/2021	10
MGS 11/21	1.721	5	1.768	09/07/2021	-5
MGS 11/27	2.938	35	2.883	09/07/2021	6
MGS 06/38	4.145	16	4.130	07/07/2021	1
MGS 07/34	3.833	12	3.808	09/07/2021	3
MGS 05/40	4.106	93	4.041	09/07/2021	6
GII 10/28	3.089	27	3.046	08/07/2021	4
GII 10/30	3.319	10	3.257	09/07/2021	6
GII 09/41	4.231	34	4.195	08/07/2021	4
GII 03/26	2.640	90	2.614	09/07/2021	3
GII 05/47	4.440	13	4.490	05/07/2021	-5
GII 10/24	2.301	60	2.291	09/07/2021	1
GII 08/33	3.755	90	3.774	08/07/2021	-2
GII 11/49	4.450	66	4.432	08/07/2021	2
GII 06/33	3.749	31	3.739	09/07/2021	1
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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*
Johor Corporation	06/22	GG	1.895	25	2.381	28/05/2020	-49	11
Westports Malaysia Sdn Berhad	05/23	AAA	2.477	10	2.677	06/05/2021	-20	54
Telekom Malaysia Berhad	08/23	AAA	2.470	20	2.331	23/12/2020	14	53
Westports Malaysia Sdn Berhad	05/25	AAA	2.909	10	2.719	27/01/2021	19	46
Pengurusan Air SPV Berhad	02/26	AAA	3.058	10	2.660	11/11/2020	40	51
Pengurusan Air SPV Berhad	06/27	AAA	3.274	50	3.380	15/04/2021	-11	47
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.697	20	3.752	18/06/2021	-5	49
Tenaga Nasional Berhad	08/38	AAA	4.259	6	4.279	07/07/2021	-2	44
YTL Corporation Berhad	11/26	AA1	3.788	5	4.108	22/03/2021	-32	124
YTL Power International Berhad	05/27	AA1	3.848	7	3.859	07/07/2021	-1	104
YTL Corporation Berhad	06/34	AA1	4.700	4	4.500	08/03/2021	20	88
Genting RMTN Berhad	11/34	AA1	5.002	1	5.002	09/07/2021	0	118
UMW Holdings Berhad	10/26	AA2	3.466	10	3.538	03/05/2021	-7	92
Hong Leong Financial Group Berhad	06/29	AA2	3.143	10	3.169	16/06/2021	-3	2
BGSM Management Sdn Berhad	12/22	AA3	2.727	30	2.564	22/01/2021	16	94
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bt)	12/23	AA3	3.437	31	3.460	21/06/2021	-2	150
WCT Holdings Berhad	10/21	AA-	3.649	2	3.682	22/06/2021	-3	186
Northport (Malaysia) Berhad	12/22	AA-	3.278	20	3.444	02/04/2021	-17	149
WCT Holdings Berhad	04/26	AA-	4.549	10	3.829	28/09/2020	72	200
MMC Corporation Berhad	11/27	AA-	3.997	10	3.996	09/07/2021	0	119
Segi Astana Sdn Berhad	01/28	AA-	4.698	10	5.148	20/11/2019	-45	189
Jimah East Power Sdn Berhad	06/30	AA-	4.309	10	4.328	05/07/2021	-2	111
Southern Power Generation Sdn Berhad	10/31	AA-	4.119	10	3.510	27/01/2021	61	86
Dialog Group Berhad	11/20	A1	3.772	1	3.823	29/06/2021	-5	-34
Eco World International Berhad	05/23	-	4.838	1	5.299	09/07/2021	-46	290
				322				

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

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

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