

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries struggled last Friday to maintain prior days' bull-flattening moves as there were no meaningful catalyst to sustain lower yields. The curve shifted higher as overall benchmark yields rose between 0-3bps with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched UST 10Y edged 2bps up at 1.45%. Meanwhile this week's FOMC meeting may not spring surprises with market moves likely to be tame. However inflation and growth will continue to be key catalysts in possibly pushing yields higher. Elsewhere, preliminary data released by the University of Michigan showed a bigger-than-expected rebound in consumer sentiment for the month of June. Meanwhile expect investors to keep an eye on reports on producer prices, retail sales, industrial production, and housing starts this week followed by the FOMC rate decision on Thursday.

##### MGS/GIII

- Last Friday, local govies closed stronger arising from follow-through buying stemming from confidence due to the continued increase especially in MGS and T-Bills (to re-cap, overall MYR bonds rose to a new high of RM247.9b). Secondary market volume sustained at the present high RM4.36b levels as benchmark yields closed between 0-7bps lower save for the 3Y MGS. The 5Y MGS 9/25 yield edged 1bps down at 2.50% whilst the 10Y MGS 4/31 closed 4bps lower at 3.24%. Interest was mainly seen in the off-the-run 21-22's, 24's and 29's. GII bond trades rose to form 35% of overall trades. The somewhat mixed and slower recovery among emerging economies given the resurgence in infections, slow pace of vaccinations, higher inflation pressures and weaker fiscal outlook may continue to give a shot in the arm for bonds.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest and activity ramp-up last Friday amid one of the highest YTD sessions in terms of secondary market volume @ RM1.81b. Trades were registered across the curve with overall yields closing mixed, spanning across 49 names. Govt-guaranteed Turus Pesawat 11/32 traded again with the highest volume transacted, edging 2bps up compared to previous-done levels at 3.86% whilst DANA 33-34's settled 2-8bps lower between 3.87-4.06%. AAA-rated SEB 1/27 and 8/35 which contributed to almost 40% of overall trades rose 8-9bps at 3.43% and 4.52%. AA-rated energy-related EDRA 24-25's moved 2-6bps lower between 3.48-62%. Meanwhile the banking space saw SABAH Dev 6/23 decline 10bps at 3.68% whilst Bank Muamalat 6/31 made its debut trade at 6.45%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.74	3
10-yr UST	1.45	2
30-yr UST	2.14	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	1	2.01	-3
5-yr	2.50	-1	2.65	-1
7-yr	2.97	-1	2.97	0
10-yr	3.24	-4	3.30	-2
15-yr	3.84	-5	4.04	0
20-yr	4.15	-2	4.25	-2
30-yr	4.15	-6	4.46	-7

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.28	-1
5-yr	2.57	-2
7-yr	2.83	-2
10-yr	3.06	0

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	1.749	236	1.733	10/06/2021	2
MGS 09/21	1.707	50	1.698	10/06/2021	1
MGS 11/21	1.690	300	1.741	10/06/2021	-5
MGS 03/22	1.760	130	1.781	10/06/2021	-2
MGS 09/22	1.789	210	1.808	10/06/2021	-2
MGS 03/23	1.943	62	1.926	10/06/2021	2
MGS 04/23	1.940	17	1.952	03/06/2021	-1
MGS 08/23	1.979	12	1.988	10/06/2021	-1
MGS 06/24	2.243	600	2.232	10/06/2021	1
MGS 07/24	2.279	50	2.295	09/06/2021	-2
MGS 09/25	2.495	168	2.508	10/06/2021	-1
MGS 07/26	2.705	5	2.719	10/06/2021	-1
MGS 11/26	2.580	44	2.595	10/06/2021	-2
MGS 03/27	2.832	1	2.798	10/06/2021	3
MGS 05/27	2.886	19	2.878	10/06/2021	1
MGS 11/27	2.890	79	2.923	10/06/2021	-3
MGS 06/28	2.968	164	2.983	10/06/2021	-2
MGS 08/29	3.151	273	3.176	10/06/2021	-3
MGS 04/30	3.299	14	3.275	10/06/2021	2
MGS 04/31	3.236	147	3.278	10/06/2021	-4
MGS 06/31	3.395	1	3.438	09/06/2021	-4
MGS 04/33	3.778	2	3.786	09/06/2021	-1
MGS 07/34	3.799	30	3.808	10/06/2021	-1
MGS 05/35	3.839	201	3.889	10/06/2021	-5
MGS 04/37	4.075	2	4.117	10/06/2021	-4
MGS 05/40	4.148	21	4.168	10/06/2021	-2
MGS 07/48	4.350	0	4.410	03/06/2021	-6
MGS 06/50	4.145	16	4.209	10/06/2021	-6
GII 08/21	2.965	80	2.966	10/06/2021	0
GII 03/22	1.780	10	1.782	10/06/2021	0
GII 04/22	4.338	450	4.276	03/06/2021	6
GII 05/23	3.295	68	3.320	10/06/2021	-2
GII 10/23	4.254	20	4.276	09/06/2021	-2
GII 11/23	1.753	10	1.748	10/06/2021	0
GII 05/24	2.108	200	2.122	10/06/2021	-1
GII 10/24	2.652	158	2.666	10/06/2021	-1
GII 03/26	4.560	40	4.567	03/06/2021	-1
GII 09/27	1.760	143	1.725	10/06/2021	3
GII 10/30	2.291	80	2.277	10/06/2021	1
GII 11/34	4.463	1	4.535	10/06/2021	-7
GII 09/39	3.988	110	3.991	09/06/2021	0
GII 09/41	2.006	11	2.034	09/06/2021	-3
GII 05/47	2.112	100	2.127	03/06/2021	-1
GII 11/49	2.255	30	2.282	03/06/2021	-3
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## 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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.502	30	2.503	10/06/2021	0	26
Prasarana Malaysia Berhad	11/28	GG	3.279	10	3.328	12/04/2021	-5	31
Prasarana Malaysia Berhad	03/30	GG	3.491	5	3.500	03/05/2021	-1	27
Prasarana Malaysia Berhad	03/31	GG	3.558	5	3.560	25/05/2021	0	32
Lembaga Pembiayaan Perumahan Sektor Awam	03/31	GG	3.578	15	3.550	21/05/2021	3	34
GovCo Holdings Berhad	06/31	GG	3.600	20	3.571	01/06/2021	3	36
Turus Pesawat Sdn Berhad	11/32	GG	3.861	60	3.840	10/06/2021	2	62
DanaInfra Nasional Berhad	02/33	GG	3.840	30	3.220	09/07/2020	62	60
DanaInfra Nasional Berhad	04/33	GG	3.870	10	3.889	28/04/2021	-2	63
DanaInfra Nasional Berhad	11/34	GG	4.060	20	4.140	07/04/2021	-8	19
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.424	30	3.599	23/07/2020	83	27
PNBMV	12/26	GG	3.939	40	-	-	-	-
PNBMV	12/27	GG	4.129	40	-	-	-	-
Malaysia Airports Capital Berhad	12/22	AAA	2.901	40	2.840	09/06/2021	6	91
Infracap Resources Sdn Berhad	04/24	AAA	2.994	25	2.995	03/06/2021	0	75
Infracap Resources Sdn Berhad	04/26	AAA	3.467	40	3.518	06/05/2021	-5	94
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.240	10	3.358	14/04/2021	-12	41
Sarawak Energy Berhad	01/27	AAA	3.431	334	3.348	09/06/2021	8	60
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.430	20	3.528	03/05/2021	-10	46
Infracap Resources Sdn Berhad	04/28	AAA	3.758	60	3.848	07/05/2021	-9	79
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.620	10	3.620	10/06/2021	0	48
Sarawak Energy Berhad	07/29	AAA	3.711	75	3.699	10/06/2021	1	57
Danga Capital Berhad	01/30	AAA	3.659	10	3.730	04/05/2021	-7	44
Infracap Resources Sdn Berhad	04/31	AAA	4.069	10	4.085	09/06/2021	-2	83
Danum Capital Berhad	02/34	AAA	4.230	20	4.254	28/05/2021	-2	36
Sarawak Energy Berhad	08/35	AAA	4.521	440	4.429	08/06/2021	9	65
Infracap Resources Sdn Berhad	04/36	AAA	4.519	10	4.600	11/05/2021	-8	65
Tenaga Nasional Berhad	08/38	AAA	4.470	10	4.469	04/06/2021	0	60
Tenaga Nasional Berhad	08/40	AAA	4.473	1	4.490	10/06/2021	-2	32
GENM Capital Berhad	08/25	AA1	4.496	60	4.397	17/05/2021	10	205
Genting RMTN Berhad	11/34	AA1	5.176	0	5.180	10/06/2021	0	130
Sabah Development Berhad	06/23	AA1	3.680	195	3.780	09/06/2021	-10	-
DanaInfra Nasional Berhad	10/23	AA	2.349	40	2.150	19/08/2020	20	36
IJM Corporation Berhad	06/23	AA3	3.057	10	3.108	17/03/2021	-5	107
Edra Energy Sdn Berhad	07/24	AA3	3.477	10	3.499	03/06/2021	-2	123
Edra Energy Sdn Berhad	07/25	AA3	3.617	10	3.679	06/05/2021	-6	117
Tadau Energy Sdn Berhad	07/26	AA3	3.899	10	3.997	23/04/2021	-10	137
Malayan Banking Berhad	02/17	AA3	3.510	5	3.778	01/04/2021	-27	-65
Jati Cakerawala Sdn Berhad	07/23	A1	3.952	0	3.951	31/05/2021	0	196
Tropicana Corporation Berhad	10/23	A+	5.181	1	5.181	10/06/2021	0	319
CIMB Group Holdings Berhad	05/16	A1	3.940	0	3.939	08/06/2021	0	-22
DRB-Hicom Berhad	12/22	A+	3.757	1	3.818	19/04/2021	-6	177
Tropicana Corporation Berhad	10/25	A+	4.994	1	4.895	10/06/2021	10	255
DRB-Hicom Berhad	12/29	A+	4.739	1	4.823	31/05/2021	-8	152
Alliance Bank Malaysia Berhad	10/30	A2	3.253	0	3.254	04/06/2021	0	4
IJM Land Berhad	03/19	A2	4.272	0	4.391	10/06/2021	-12	12
Bank Muamalat berhad	06/31	A3	4.200	30	-	-	-	-
YNH Properties Berhad	08/19	-	6.451	2	5.952	10/06/2021	50	230
YNH Properties Berhad	08/19	-	6.422	1	6.422	10/06/2021	0	227
				<u>1807</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Sepangar Bay Power Corporation Sdn Bhd	RM575 mil Nominal Value Sukuk MurabahaH	AA1/Stable	Reaffirmed

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