

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.78	4
10-yr UST	1.50	4
30-yr UST	2.18	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	0	2.01	0
5-yr	2.48	-2	2.65	0
7-yr	2.97	0	2.97	0
10-yr	3.23	-1	3.30	0
15-yr	3.84	0	4.04	0
20-yr	4.15	1	4.25	0
30-yr	4.15	0	4.46	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.28	0
5-yr	2.58	2
7-yr	2.85	2
10-yr	3.06	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries traded heavy on Monday from belly out to long-ends with several block sales adding pressure ahead of the FOMC decision on Thursday. Weakness could also be attributed to the active IG issuance slate and block sales especially in the 5Y sector. The curve shifted higher as overall benchmark yields rose between 1-4bps. The UST 2Y yield edged 1bps up at 0.16% whilst the much-watched UST 10Y rose 4bps up at 1.50% (It peaked at 1.77% on 30th March earlier this year). Meanwhile this week's FOMC meeting may not spring surprises with market moves likely to be tame. With inflation and growth likely to be key catalysts; we note that bonds are likely to be more sensitive to a hawkish outcome instead of a dovish one. Meanwhile expect investors to keep an eye on peripheral data covering producer prices, retail sales, industrial production, housing starts, 20Y bond auction tonight, followed by the FOMC rate decision on Thursday.

MGS/GIII

- On Monday, local govies saw little volatility with benchmark MGS closing mostly mixed-to-lower whilst benchmark GII's surprisingly untraded or settling unchanged from prior day's close. Secondary market volume dipped to RM3.06b as benchmark yields closed between 0-2bps lower save for the 20Y MGS. The 5Y MGS 9/25 yield edged 2bps lower at 2.48% whilst the 10Y MGS 4/31 yield edged 1bps down at 3.23%. Interest was mainly seen in the off-the-run 21-22's, 27's and 34's. GII bond trades fell to form 25% of overall trades. The recent extension of MCO 3.0 until 28th June due to the elevated virus infections, higher inflationary pressures, weaker fiscal outlook and slowdown in economic activities may continue to provide a boost for bonds.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw brisk transactions on Monday amid solid secondary market volume of RM865m. Trades were registered across the curve again with overall yields closing mixed, spanning across 29 names. Govt-guaranteed PTPTN dominated this space with the 7/23 and 8/24 tranches settling 2-6bps lower at 2.32% and 2.67% each whilst the 8/23 tranche rose 19bps at 2.33%. The long-end PLUS 38's closed 0-2bps lower between 4.39-41% levels. Both AAA-rated DANUM 5/23 which saw one of the largest transacted amounts i.e. RM160m exchange hands, along with BAKUN Hydro 8/27 closed unchanged at 2.53% and 3.33% each. AA-rated energy-related bonds YTL Power 3/23 edged 1bps up at 3.10% whereas TG BIN O&M rallied 68bps at 2.75%. Meanwhile the banking space saw AmBank Islamic 28NC23 closed unchanged as well at 3.76%.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 07/21	1.754	152	1.749	11/06/2021	0
MGS 09/21	0.000	272	1.707	11/06/2021	-171
MGS 11/21	1.721	37	1.690	11/06/2021	3
MGS 03/22	1.750	300	1.760	11/06/2021	-1
MGS 08/22	1.797	105	1.805	10/06/2021	-1
MGS 03/23	1.935	134	1.943	11/06/2021	-1
MGS 04/23	1.937	68	1.940	11/06/2021	0
MGS 08/23	2.000	60	1.979	11/06/2021	2
MGS 06/24	2.249	75	2.243	11/06/2021	1
MGS 09/24	2.334	65	2.315	10/06/2021	2
MGS 09/25	2.481	12	2.495	11/06/2021	-1
MGS 07/26	2.709	13	2.705	11/06/2021	0
MGS 09/26	2.752	3	2.695	10/06/2021	6
MGS 11/26	2.600	20	2.580	11/06/2021	2
MGS 05/27	2.850	209	2.886	11/06/2021	-4
MGS 11/27	2.901	202	2.890	11/06/2021	1
MGS 06/28	2.965	107	2.968	11/06/2021	0
MGS 08/29	3.180	150	3.151	11/06/2021	3
MGS 04/31	3.248	25	3.236	11/06/2021	1
MGS 06/31	3.425	1	3.395	11/06/2021	3
MGS 07/34	3.818	211	3.799	11/06/2021	2
MGS 05/35	3.835	50	3.839	11/06/2021	0
MGS 04/37	4.072	4	4.075	11/06/2021	0
MGS 05/40	4.162	17	4.148	11/06/2021	1
GII 03/22	1.760	100	1.760	11/06/2021	0
GII 07/22	1.789	10	1.788	08/06/2021	0
GII 11/22	1.840	40	1.875	03/06/2021	-3
GII 10/23	2.145	2	2.112	11/06/2021	3
GII 08/24	2.299	2	2.277	09/06/2021	2
GII 10/24	2.300	30	2.291	11/06/2021	1
GII 06/27	2.982	4	2.990	01/04/2021	-1
GII 07/27	2.969	70	2.945	10/06/2021	2
GII 09/27	2.965	61	2.965	11/06/2021	0
GII 12/28	3.151	3	3.129	08/06/2021	2
GII 07/29	3.195	71	3.202	10/06/2021	-1
GII 06/33	3.815	101	3.833	10/06/2021	-2
GII 11/34	3.988	170	3.988	11/06/2021	0
GII 10/35	4.011	1	3.841	11/05/2021	17
GII 09/39	4.307	72	4.338	11/06/2021	-3
GII 09/41	4.261	36	4.246	11/06/2021	1
		<u>3063</u>			

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*
Prasarana Malaysia Berhad	09/22	GG	2.100	130	2.219	20/05/2021	-12	30
MKD Kencana Sdn Berhad	04/23	GG	2.278	20	2.497	20/05/2020	-22	28
Perbadanan Tabung Pendidikan Tinggi Nasional	07/23	GG	2.321	10	2.344	10/06/2021	-2	33
Perbadanan Tabung Pendidikan Tinggi Nasional	08/23	GG	2.329	25	2.139	08/12/2020	19	34
Perbadanan Tabung Pendidikan Tinggi Nasional	12/24	GG	2.674	20	2.730	19/05/2021	-6	24
DanaInfra Nasional Berhad	11/25	GG	2.850	60	2.419	27/07/2020	43	41
GovCo Holdings Berhad	06/31	GG	3.603	10	3.600	11/06/2021	0	35
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.389	40	4.390	02/06/2021	0	52
Projek Lebuhraya Usahasama Berhad	12/38	GG	4.409	20	4.424	11/06/2021	-2	26
Danum Capital Berhad	05/23	AAA	2.524	160	2.524	03/06/2021	0	53
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.016	10	3.279	18/03/2021	-26	49
Danga Capital Berhad	02/26	AAA	2.993	20	2.997	20/05/2021	0	46
Bank Pembangunan Malaysia Berhad	06/26	AAA	3.246	10	3.250	04/06/2021	0	72
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.205	10	3.240	11/06/2021	-4	38
Sarawak Energy Berhad	01/27	AAA	3.431	6	3.431	11/06/2021	0	61
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/27	AAA	3.328	40	3.329	25/05/2021	0	50
TNB Northern Energy Berhad	11/31	AAA	3.931	10	3.180	16/11/2020	75	68
Tenaga Nasional Berhad	08/40	AAA	4.290	6	4.490	10/06/2021	-20	14
YTL Power International Berhad	03/23	AA1	3.095	20	3.082	10/05/2021	1	110
Sabah Development Bank Berhad	06/23	AA1	3.530	17	3.680	11/06/2021	-15	154
Genting RMTN Berhad	11/34	AA1	5.176	2	5.176	11/06/2021	0	131
TG Excellence Berhad	02/20	AA-	3.499	162	4.210	09/06/2021	-71	-65
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.078	10	3.948	14/04/2021	13	164
IJM Corporation Berhad	04/29	AA3	4.038	10	4.239	20/04/2021	-20	90
AmBank Islamic Berhad	10/28	A1	3.761	10	3.764	01/06/2021	0	79
Tanjung Bin O&M Berhad	07/22	A-	2.749	20	3.424	22/04/2020	-68	95
Mah Sing Group Berhad	04/17	-	4.209	2	4.846	09/06/2021	-64	6
YNH Property Berhad	08/19	-	6.871	4	6.451	11/06/2021	42	272
Cypark Renewable Energy Sdn Berhad	09/20	-	6.438	1	6.470	18/11/2020	-3	229
				<u>865</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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