

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries rallied across on Tuesday fuelled by Fed Chair Powell's comments to maintain the current accommodative policy stance. The curve flattened further with overall benchmark yields closed lower between 3-8bps. The UST 2Y yield settled 3bps lower at 0.22% whilst the much-watched UST 10Y yield shed 7bps at 1.35%. Prior day's losses were unwound as Powell in his Congressional testimony said that "achieving substantial progress" is still ways off and that the FOMC will continue to debate over the existing asset purchase programme in the coming weeks. He reiterated that the recent strength in inflation was said to arise from temporary supply issues as the economy recovers. Elsewhere the Beige Book reported that 3/4 of Fed districts saw slight or modest job gains whilst the remainder reported moderate or strong job increases. Meantime expect attention to shift to the weekly jobless claims along with the ongoing Congressional testimony by Fed Chair Powell.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	-3
5-yr UST	0.80	-5
10-yr UST	1.35	-7
30-yr UST	1.97	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	-2	2.28	-2
5-yr	2.52	-1	2.61	0
7-yr	2.97	-2	3.00	6
10-yr	3.25	1	3.30	-1
15-yr	3.83	-1	3.98	1
20-yr	4.07	-1	4.23	0
30-yr	4.22	0	4.42	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.31	-1
5-yr	2.58	0
7-yr	2.82	0
10-yr	3.05	1

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

##### MGS/GII

- On Wednesday, local govies generally continued to see MGS well-bid whilst GII closed mostly mixed-to-stronger. Overall benchmark yields settled mostly mixed between -3 to +6bps amid a jump in secondary market volume to RM4.03b. The 5Y MGS 9/25 yield was up 1bps at 2.52% whilst and 10Y MGS 4/31 yield ended 1bps higher at 3.25%. Interest was mainly seen in the off-the-run 21's, 23's, 24's and also benchmark 3Y MGS/GII, 15Y GII. GII transactions spiked to form 40% of overall trades partly due to the recording of the 15Y auction trades. The auction exercise involving the reopening of 15Y GII 7/36 saw solid bidding metrics with a cover of 3.056x; yielding 3.982%. Meanwhile, the economic calendar remains light for the week.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw a strong investor interest on Tuesday with trades seen across the GG to single-A part of the curve amid a sustained secondary market volume @ RM614m. Overall yields closed mostly mixed again, spanning across 26 names in total. Govt-guaranteed DANA 3/29 and 3/32 rallied 14bps compared to previous-done levels at 3.30% and 3.61% respectively whilst the long-end 9/50 tranche declined 8bps at 4.51%. AAA-rated PUTRAJAYA Bina 9/24 edged 1bps lower at 2.71% whereas INFRACAP 4/36 moved 10bps lower at 4.42%. AA-rated energy-related bonds JEP saw the 6/29 tranche trade back-to-back again but settling unchanged at 4.14% whilst the 12/27 tranche closed 8bps lower at 3.90%. Meanwhile the banking space saw Amlslamic 28NC23 edge 1bps at 3.72%.

## Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 09/21	1.739	298	1.744	13/07/2021	0
MGS 11/21	1.760	238	1.739	13/07/2021	2
MGS 08/22	1.723	23	1.690	13/07/2021	3
MGS 09/22	1.734	29	1.756	13/07/2021	-2
MGS 03/23	1.899	45	1.913	13/07/2021	-1
MGS 04/23	1.906	30	1.926	13/07/2021	-2
MGS 08/23	1.944	1	1.936	13/07/2021	1
MGS 06/24	2.244	526	2.262	13/07/2021	-2
MGS 07/24	2.323	168	2.341	13/07/2021	-2
MGS 09/24	2.336	56	2.335	13/07/2021	0
MGS 03/25	2.446	59	2.406	12/07/2021	4
MGS 09/25	2.521	75	2.533	13/07/2021	-1
MGS 07/26	2.659	40	2.655	13/07/2021	0
MGS 09/26	2.705	20	2.716	02/07/2021	-1
MGS 11/26	2.534	72	2.523	13/07/2021	1
MGS 05/27	2.877	30	2.878	13/07/2021	0
MGS 11/27	2.914	5	2.914	13/07/2021	0
MGS 06/28	2.968	363	2.983	13/07/2021	-2
MGS 04/30	3.270	1	3.191	13/07/2021	8
MGS 04/31	3.252	118	3.240	13/07/2021	1
MGS 04/32	3.497	37	3.421	13/07/2021	8
MGS 04/33	3.720	46	3.725	13/07/2021	0
MGS 05/35	3.828	44	3.833	12/07/2021	-1
MGS 05/40	4.070	94	4.082	13/07/2021	-1
MGS 07/48	4.394	3	4.375	13/07/2021	2
MGS 06/50	4.215	7	4.215	13/07/2021	0
GII 05/23	1.933	192	1.951	13/07/2021	-2
GII 10/24	2.280	189	2.297	13/07/2021	-2
GII 08/25	2.570	40	2.500	13/07/2021	7
GII 10/25	2.589	80	2.536	07/07/2021	5
GII 03/26	2.608	301	2.613	13/07/2021	0
GII 06/27	2.862	2	2.982	14/06/2021	-12
GII 07/27	2.923	18	2.955	12/07/2021	-3
GII 09/27	2.995	111	2.937	13/07/2021	6
GII 10/28	3.059	63	3.074	13/07/2021	-1
GII 07/29	3.208	20	3.194	13/07/2021	1
GII 10/30	3.300	140	3.307	13/07/2021	-1
GII 07/36	3.975	384	3.970	13/07/2021	0
GII 05/47	4.455	10	4.440	12/07/2021	1
GII 11/49	4.417	60	4.450	12/07/2021	-3
		<u>4034</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*
MKD Kencana Sdn Berhad	02/25	GG	2.570	70	2.559	05/07/2021	1	15
MKD Kencana Sdn Berhad	04/25	GG	2.608	25	2.361	06/08/2020	25	18
Prasarana Malaysia Berhad	08/26	GG	2.877	5	2.990	16/06/2021	-11	35
Danainfra Nasional Berhad	02/28	GG	3.176	10	3.260	01/07/2021	-8	20
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.340	10	3.340	08/07/2021	0	22
Danainfra Nasional Berhad	03/29	GG	3.300	50	3.443	05/04/2021	-14	18
Danainfra Nasional Berhad	03/32	GG	3.609	10	3.749	16/04/2021	-14	36
Danainfra Nasional Berhad	05/32	GG	3.609	10	3.624	08/07/2021	-2	36
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.730	100	3.801	08/06/2021	-7	48
Danainfra Nasional Berhad	09/50	GG	4.511	20	4.590	02/07/2021	-8	43
Putrajaya Bina Sdn Berhad	09/24	AAA	2.705	50	2.711	07/07/2021	-1	46
Pengurusan Air SPV Berhad	06/25	AAA	2.911	10	2.936	02/07/2021	-2	49
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.690	20	3.759	23/06/2021	-7	72
Infracap Resources Sdn Berhad	04/36	AAA	4.420	30	4.519	11/06/2021	-10	59
Kuala Lumpur Kepong Berhad	08/25	AA1	2.998	40	3.019	06/07/2021	-2	57
GENM Capital Berhad	03/27	AA1	4.581	10	4.953	26/08/2020	-37	176
GENM Capital Berhad	03/32	AA1	4.943	10	4.220	07/11/2019	72	169
Fortune Premiere Sdn Berhad	11/23	AA	3.115	10	3.237	20/04/2021	-12	118
WCT Holdings Berhad	05/22	AA-	3.833	10	3.844	13/07/2021	-1	205
Cerah Sama Sdn Berhad	01/24	AA-	3.288	10	3.094	07/01/2021	19	104
UEM Sunrise Berhad	03/24	AA-	3.931	10	3.970	24/06/2021	-4	168
7-Eleven Malaysia Holdings Berhad	06/24	AA-	3.851	1	3.950	25/06/2021	-10	160
UEM Sunrise Berhad	10/25	AA-	4.338	20	4.377	02/06/2021	-4	191
Jimah East Power Sdn Berhad	12/27	AA-	3.895	10	3.978	06/04/2021	-8	108
MMC Corporation Berhad	03/28	AA-	4.125	15	4.121	07/07/2021	0	115
Jimah East Power Sdn Berhad	06/29	AA-	4.144	10	4.148	13/07/2021	0	102
TG Excellence Berhad	02/20	AA-	4.211	1	4.159	13/07/2021	5	13
Jati Cakerawala Sdn Berhad	01/23	A1	4.291	15	3.959	24/12/2020	33	235
AmBank Islamic Berhad	10/28	A1	3.717	20	3.727	16/06/2021	-1	74
Alliance Bank Malaysia Berhad	10/30	A2	3.701	1	3.345	23/06/2021	36	50
YNH Property Berhad	08/19	-	6.723	1	6.723	09/07/2021	0	264
Alliance Islamic Bank Berhad	03/19	BBB1	3.900	1	3.867	22/06/2021	3	-18
				<u>614</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
HSBC Bank Malaysia Berhad	Financial Institution (FI) ratings	AAA/Stable/P1	Reaffirmed

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