

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended mixed on Tuesday with price action subdued despite a solid 20Y auction, as focus continues to turn to tonight's FOMC meeting. Overall benchmark yields closed mostly within 1bps from prior day's close. The UST 2Y yield edged 1bps up at 0.16% whilst the much-watched UST 10Y closed within 1bps lower at 1.49%. The \$24b 20Y auction were sold at 2.12% on a strong BTC of 2.40x; matching the average for the last six (6) auctions. Meanwhile mixed data caused little impact to bonds as May retail sales data missed estimates while PPI rose more-than-expected. Elsewhere, foreign holdings of USTs rose in April to \$7.07 trillion from \$7.028 trillion with Japan, as the largest holder leading the way. With inflation and growth as key catalysts; bonds are likely to be more sensitive to a hawkish outcome instead of a dovish one. Expect focus to turn to the FOMC announcement tonight.

MGS/GII

- On Tuesday, local govvnies were mostly pressured on heavy profit-taking, reversing prior days strong movements with bulk of volume in the short-ends. Secondary market volume increased to RM4.77b as benchmark yields climbed between 0-15bps higher save for the 15Y and 30Y GII. The 5Y MGS 9/25 yield rose 5bps at 2.53% on odd-lot amounts whilst the 10Y MGS 4/31 spiked 6bps at 3.29%. Interest was mainly seen in the off-the-run 21-23's, 29's and 33's and also 15Y MGS. GII bond trades rose to form 39% of overall trades. Elsewhere, Prime Minister Muhyiddin announced a recovery plan in four (4) stages with the economy expected to fully reopen come end-October. Meanwhile the economic calendar remains light for the week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to witness strong investor activity on Tuesday amid jump in secondary market volume of RM1.05b. Trades were seen across the GG-AA part of the curve with overall yields closing mixed, spanning across 38 names. Govt-guaranteed PRASA 12/22 spiked 20bps compared to -done levels at 2.12% whereas the 2025 tranches rallied 18-39 bps to close between 2.69-72%. The short-tenured AAA-rated CAGAMAS 12/22 declined 10bps on substantial volume of RM150m whilst TNB Northern dominated this sector with a slew of tranches closing mixed on yields. The 11/31 tranche edged 2bps lower at 3.91% whilst the 2029 and 2032 tranches fell 25-92bps between 3.66-4.02% levels. TNB Northern 33-36's however spiked 53-87bps between 4.13-39%. AA-rated WCT 5/22 moved 7bps higher at 3.87% whereas MMC Corp 3/28 ended unchanged at 4.30%. Meanwhile the banking space saw MAYBANK 2117NC26 perps close 2bps lower at 3.49%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.78	0
10-yr UST	1.49	0
30-yr UST	2.19	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	1	2.01	1
5-yr	2.53	5	2.70	5
7-yr	2.99	2	2.97	0
10-yr	3.29	6	3.34	4
15-yr	3.89	6	4.02	-2
20-yr	4.18	2	4.27	1
30-yr	4.29	15	4.45	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	1
3-yr	2.31	4
5-yr	2.61	3
7-yr	2.87	2
10-yr	3.08	2

Source: Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	07/21	1.785	896	1.754	14/06/2021	3
MGS	09/21	1.636	76	-	14/06/2021	-
MGS	11/21	1.709	112	1.721	14/06/2021	-1
MGS	03/22	1.777	39	1.750	14/06/2021	3
MGS	08/22	1.819	355	1.797	14/06/2021	2
MGS	09/22	1.804	170	1.789	11/06/2021	2
MGS	08/23	2.008	7	2.000	14/06/2021	1
MGS	06/24	2.251	43	2.249	14/06/2021	0
MGS	09/24	2.328	1	2.334	14/06/2021	-1
MGS	04/26	2.661	2	2.640	10/06/2021	2
MGS	07/26	2.730	72	2.709	14/06/2021	2
MGS	11/26	2.613	58	2.600	14/06/2021	1
MGS	03/27	2.867	2	2.832	11/06/2021	4
MGS	05/27	2.868	100	2.850	14/06/2021	2
MGS	11/27	2.921	3	2.901	14/06/2021	2
MGS	06/28	2.991	17	2.965	14/06/2021	3
MGS	08/29	3.184	160	3.180	14/06/2021	0
MGS	04/31	3.291	188	3.248	14/06/2021	4
MGS	06/31	3.420	10	3.425	14/06/2021	0
MGS	11/33	3.791	8	3.788	10/06/2021	0
MGS	07/34	3.838	104	3.818	14/06/2021	2
MGS	05/35	3.894	406	3.835	14/06/2021	6
MGS	06/38	4.197	6	4.209	09/06/2021	-1
MGS	05/40	4.178	9	4.162	14/06/2021	2
MGS	07/48	4.424	66	4.350	11/06/2021	7
MGS	06/50	4.292	16	4.145	11/06/2021	15
GII	08/21	1.792	20	1.780	11/06/2021	1
GII	03/22	1.769	10	1.760	14/06/2021	1
GII	07/22	1.950	130	1.946	10/06/2021	0
GII	05/23	2.014	40	2.006	11/06/2021	1
GII	11/23	2.116	320	2.108	11/06/2021	1
GII	08/24	2.297	40	2.299	14/06/2021	0
GII	10/24	2.320	10	2.300	14/06/2021	2
GII	03/26	2.699	210	2.652	11/06/2021	5
GII	10/28	3.107	40	3.050	08/06/2021	6
GII	07/29	3.215	327	3.195	14/06/2021	2
GII	10/30	3.339	30	3.295	11/06/2021	4
GII	06/33	3.813	6	3.815	14/06/2021	0
GII	11/34	3.993	2	3.988	14/06/2021	0
GII	07/36	4.019	41	4.037	10/06/2021	-2
GII	09/39	4.325	430	4.307	14/06/2021	2
GII	09/41	4.268	65	4.261	14/06/2021	1
GII	05/47	4.553	110	4.583	14/06/2021	-3
GII	11/49	4.445	13	4.445	14/06/2021	0
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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*
Prasarana Malaysia Berhad	12/22	GG	2.119	105	1.917	20/01/2021	20	32
Khazanah Nasional Berhad	08/23	GG	2.336	20	2.186	19/08/2020	15	35
DanaInfra Nasional Berhad	07/24	GG	2.553	20	2.627	20/05/2021	-7	31
Prasarana Malaysia Berhad	03/25	GG	2.717	40	2.901	01/04/2021	-18	28
Prasarana Malaysia Berhad	03/25	GG	2.691	10	3.077	22/03/2021	-39	25
DanaInfra Nasional Berhad	07/29	GG	3.369	20	3.417	03/05/2021	-5	22
Cagamas Berhad	12/22	AAA	2.233	150	2.331	25/05/2021	-10	24
Malaysia Airports Capital Berhad	12/22	AAA	2.893	40	2.901	11/06/2021	-1	90
Cagamas Berhad	05/23	AAA	2.384	20	2.171	10/02/2021	21	39
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.704	10	2.725	08/06/2021	-2	46
Suria KLCC Sdn Berhad	12/24	AAA	2.837	30	2.450	25/01/2021	39	40
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.013	5	3.016	14/06/2021	0	48
Sarawak Energy Berhad	07/29	AAA	3.850	270	3.711	11/06/2021	14	71
TNB Northern Energy Berhad	11/29	AAA	3.658	10	4.251	08/04/2019	-59	51
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.714	5	3.760	02/06/2021	-5	49
TNB Northern Energy Berhad	11/31	AAA	3.908	10	3.931	14/06/2021	-2	64
TNB Northern Energy Berhad	05/32	AAA	3.970	10	4.220	24/03/2021	-25	70
TNB Northern Energy Berhad	11/32	AAA	4.029	10	4.950	18/11/2013	-92	76
TNB Northern Energy Berhad	11/33	AAA	4.129	20	3.599	22/01/2021	53	86
TNB Northern Energy Berhad	11/35	AAA	4.329	10	3.569	01/10/2020	76	43
TNB Northern Energy Berhad	05/36	AAA	4.389	20	3.519	14/10/2020	87	49
Tenaga Nasional Berhad	08/40	AAA	4.339	7	4.290	14/06/2021	5	18
Sabah Development Bank Berhad	06/23	AA1	3.529	3	3.530	14/06/2021	0	154
GENM Capital Berhad	07/28	AA1	4.751	30	4.669	10/06/2021	8	177
Imtiaz Sukuk II Berhad	11/21	AA2	2.268	10	2.301	10/06/2021	-3	47
Imtiaz Sukuk II Berhad	04/28	AA2	3.707	8	3.758	07/05/2021	-5	72
Fortune Premiere Sdn Berhad	09/23	AA	3.124	20	3.213	20/04/2021	-9	113
CIMB Group Holdings Berhad	09/29	AA	3.163	50	3.179	19/03/2021	-2	2
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.184	1	5.191	10/06/2021	-1	319
Bumitama Agri Ltd	07/24	AA3	3.178	10	3.290	29/03/2021	-11	93
Press Metal Aluminium Holdings Berhad	10/26	AA3	4.237	10	3.995	04/02/2021	24	170
BGSM Management Sdn Berhad	12/27	AA3	3.600	20	3.601	10/06/2021	0	77
Malayan Banking Berhad	02/17	AA3	3.491	10	3.510	11/06/2021	-2	-67
WCT Holdings Berhad	05/22	AA-	3.869	20	3.797	02/06/2021	7	207
MMC Corporation Berhad	03/28	AA-	4.301	15	4.301	09/06/2021	0	132
Alliance Bank Malaysia Berhad	10/32	A2	3.524	1	3.524	09/06/2021	0	26
Bank Muamalat Malaysia Berhad	06/31	A3	4.300	1	4.200	11/06/2021	10	103
YNH Property Berhad	08/19	-	6.197	2	6.871	14/06/2021	-67	204
				<u>1052</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
7-Eleven Malaysia Holdings Bhd	RM600.0 million Medium-Term Notes (MTN) Programme.	AA-/Stable	Assigned
S P Setia Berhad	RM3.0 billion Islamic Medium-Term Notes Programme	AA-IS/Stable	Assigned

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