

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries continued to confound investors by extending gains on Thursday whilst offering muted reaction by Fed Chair Powell's comments to the Senate Banking Committee. The curve bull-flattened as the long-ends ended richer with overall benchmark yields closing lower between 0-5bps. The UST 2Y yield settled almost unchanged at 0.23% whilst the much-watched UST 10Y shed 5bps at 1.30%. The weaker-than-expected industrial production for June also lent bonds a bid. Powell reiterated that the Fed intends to keep providing support to the US economy even as inflation remains elevated. Elsewhere the looming expiry of the 2-year suspension of the federal debt ceiling at the end of this month remains unresolved for now. Meantime expect attention on Friday to shift to another batch of economic data, including retail sales and consumer sentiment.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	0
5-yr UST	0.78	-2
10-yr UST	1.30	-5
30-yr UST	1.92	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	-1	2.26	-2
5-yr	2.49	-3	2.59	-2
7-yr	2.95	-2	2.95	-4
10-yr	3.22	-4	3.26	-4
15-yr	3.79	-4	3.93	-5
20-yr	3.95	-12	4.23	0
30-yr	4.18	-4	4.42	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.30	-1
5-yr	2.55	-3
7-yr	2.81	-1
10-yr	3.05	0

Source: Bloomberg

MGS/GII

- On Thursday, local govies continued its fine run as both MGS and GII closed the session on strength. Overall benchmark yields moved lower between 0-12bps amid lower secondary market volume to RM2.97b. The 5Y MGS 9/25 yield eased 3bps at 2.49% whilst the 10Y MGS 4/31 rallied 4bps at 3.22%. Interest was mainly seen in the off-the-run 23's, 28's and also benchmark 3Y MGS/GII, 10Y MGS, 15Y GII. GII transactions decreased to form 29% of overall trades. Elsewhere, movement restrictions may be expected to be lifted in more states as vaccination rollouts gather speed.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk maintained strong investor presence on Thursday with trades seen across the curve amid strong secondary market volume of RM666m. Overall yields closed mostly mixed again, spanning across 26 names in total. PRASA dominated the govt-guaranteed space with the 2025 tranches rallying 16-17bps compared to previous-done levels at 2.54% whilst the 2/23 edged 2bps up at 2.04%. The 25-26's however closed mixed on yields at 2.66% and 2.79% each. AAA-rated INFRACAP 4/31 ended 8bps lower at 3.98% whilst highway operator, which last traded 5 years back traded at 3.50%. AA-rated energy-related bonds EDRA saw a slew of tranches cross hands between -5 to +48bps, with the more prominent 1/24 and 1/29 tranches closing at 3.37% and 4.13% each. Meanwhile, the banking space saw AFFIN Islamic 28NC23 spike 16bps at 3.70%.

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 09/21	1.750	93	1.739	14/07/2021	1
MGS 11/21	1.749	21	1.760	14/07/2021	-1
MGS 03/22	1.666	23	1.758	13/07/2021	-9
MGS 09/22	1.713	1	1.734	14/07/2021	-2
MGS 03/23	1.879	33	1.899	14/07/2021	-2
MGS 04/23	1.904	121	1.906	14/07/2021	0
MGS 08/23	1.944	5	1.944	14/07/2021	0
MGS 06/24	2.228	143	2.244	14/07/2021	-2
MGS 07/24	2.330	17	2.323	14/07/2021	1
MGS 09/24	2.362	5	2.336	14/07/2021	3
MGS 03/25	2.443	2	2.446	14/07/2021	0
MGS 09/25	2.490	151	2.527	14/07/2021	-4
MGS 04/26	2.629	55	2.657	14/07/2021	-3
MGS 05/27	2.849	49	2.877	14/07/2021	-3
MGS 11/27	2.898	18	2.914	14/07/2021	-2
MGS 06/28	2.951	550	2.968	14/07/2021	-2
MGS 08/29	3.137	6	3.137	13/07/2021	0
MGS 04/31	3.216	663	3.252	14/07/2021	-4
MGS 04/32	3.430	3	3.497	14/07/2021	-7
MGS 07/34	3.816	84	3.828	14/07/2021	-1
MGS 05/35	3.787	70	3.828	14/07/2021	-4
MGS 04/37	3.928	2	3.976	09/07/2021	-5
MGS 05/40	3.946	1	4.070	14/07/2021	-12
GII 03/22	1.729	2	1.770	13/07/2021	-4
GII 05/23	1.933	200	1.933	14/07/2021	0
GII 07/23	1.963	80	1.978	06/07/2021	-1
GII 11/23	1.987	50	1.996	13/07/2021	-1
GII 10/24	2.258	215	2.280	14/07/2021	-2
GII 03/26	2.589	70	2.608	14/07/2021	-2
GII 07/27	2.930	2	2.923	14/07/2021	1
GII 09/27	2.951	34	2.995	14/07/2021	-4
GII 07/29	3.200	6	3.208	14/07/2021	-1
GII 10/30	3.256	45	3.300	14/07/2021	-4
GII 07/36	3.927	147	3.975	14/07/2021	-5
GII 09/39	4.237	4	4.197	06/07/2021	4
		2966			

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	02/23	GG	2.06	50	2.04	15/10/2020	2	13
Prasarana Malaysia Berhad	03/25	GG	2.54	40	2.72	15/06/2021	-17	13
Prasarana Malaysia Berhad	03/25	GG	2.54	15	2.69	15/06/2021	-16	13
Prasarana Malaysia Berhad	09/25	GG	2.66	15	2.39	25/01/2021	27	25
Prasarana Malaysia Berhad	02/26	GG	2.79	50	2.89	23/06/2021	-10	28
DanalInfra Nasional Berhad	05/41	GG	4.38	20	4.36	07/07/2021	2	31
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.29	10	2.37	02/06/2021	-8	51
Danum Capital Berhad	05/25	AAA	2.84	10	2.92	01/06/2021	-8	43
Manjung Island Energy Berhad	11/25	AAA	2.92	10	2.62	02/02/2021	30	51
Putrajaya Bina Sdn Berhad	09/26	AAA	3.06	5	3.10	01/07/2021	-4	56
West Coast Expressway Sdn Berhad	08/27	AAA	3.50	30	4.78	13/07/2016	-128	68
Danum Capital Berhad	05/30	AAA	3.61	10	3.75	10/05/2021	-14	42
West Coast Expressway Sdn Berhad	08/30	AAA	3.89	10	4.71	01/09/2016	-83	69
Infracap Resources Sdn Berhad	04/31	AAA	3.98	60	4.06	17/06/2021	-8	75
Manjung Island Energy Berhad	11/31	AAA	3.80	5	3.85	23/06/2021	-5	57
Infracap Resources Sdn Berhad	04/32	AAA	4.06	10	4.25	16/04/2021	-19	83
Sepangar Bay Power Corporation Sdn Berhad	07/22	AA1	2.42	10	2.94	01/07/2020	-52	64
GENM Capital Berhad	03/32	AA1	4.93	10	4.94	14/07/2021	-1	170
Kesas Sdn Berhad	08/23	AA2	2.95	20	4.67	22/06/2018	-173	101
Anih Berhad	11/25	AA	3.31	10	3.40	28/04/2021	-10	90
Anih Berhad	11/26	AA	3.48	10	3.51	28/05/2021	-3	97
Edra Energy Sdn Berhad	01/24	AA3	3.37	10	3.42	03/06/2021	-5	143
Edra Energy Sdn Berhad	01/29	AA3	4.13	10	4.16	29/06/2021	-3	116
Edra Energy Sdn Berhad	01/32	AA3	4.91	1	4.64	16/04/2021	27	168
Edra Energy Sdn Berhad	07/36	AA3	4.83	10	4.82	10/06/2021	0	101
Edra Energy Sdn Berhad	01/38	AA3	5.38	1	4.90	13/04/2021	48	157
7-Eleven Malaysia Holdings Berhad	06/24	AA-	3.85	1	3.85	14/07/2021	0	162
MMC Corporation Berhad	03/28	AA-	4.16	9	4.13	14/07/2021	3	119
Jimah East Power Sdn Berhad	06/28	AA-	3.99	40	3.45	27/01/2021	54	102
Jimah East Power Sdn Berhad	12/28	AA-	4.06	60	4.05	09/06/2021	1	109
Jimah East Power Sdn Berhad	06/29	AA-	4.14	60	4.14	14/07/2021	-1	102
TG Excellence Berhad	02/20	AA-	4.26	1	4.21	14/07/2021	5	19
Affin Bank Berhad	02/27	A1	4.32	1	4.26	28/06/2021	6	150
Affin Islamic Bank Berhad	10/28	A1	3.70	10	3.54	19/04/2021	16	73
CIMB Group Holdings Berhad	05/16	A1	2.83	1	2.92	13/07/2021	-9	-124
DRB-Hicom Berhad	12/29	A+	4.73	40	4.81	30/06/2021	-8	161
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.24	1	4.24	08/07/2021	0	101
Eco World International Berhad	05/23	-	5.42	1	4.84	12/07/2021	58	348
YNH Property Berhad	08/19	-	6.04	2	6.72	14/07/2021	-69	197
				<u>666</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tropicana Corporation Berhad	RM2.0 billion existing Perpetual Sukuk programme	A-IS/Stable	Assigned
Grand Sepadu (NK) Sdn Bhd (Grand Sepadu)	RM210 million Sukuk Murabahah Issuance	AA-IS/Stable	Affirmed
Cagamas Berhad	Conventional and Islamic Commercial Papers (CP/ICP) programmes with a combined aggregate limit of RM20.0 billion	MARC-1/MARC-1IS/Stable	Affirmed
	Conventional and Islamic Medium-Term Notes (MTN/IMTN) programmes of up to RM60.0 billion	AAA/AAAIS/Stable	Affirmed

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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