# Global Markets Research

# Fixed Income

| UST | | |
|---|---|---|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.21 | 4 |
| 5-yr UST | 0.90 | 11 |
| 10-yr UST | 1.58 | 8 |
| 30-yr UST | 2.21 | 2 |

| | MGS | | GII* | |
|---|---|---|---|---|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.24 | -1 | 2.03 | 2 |
| 5-yr | 2.50 | -3 | 2.68 | -2 |
| 7-yr | 2.99 | 0 | 3.00 | 4 |
| 10-yr | 3.27 | -2 | 3.34 | 0 |
| 15-yr | 3.90 | 1 | 4.02 | 0 |
| 20-yr | 4.18 | 0 | 4.27 | 0 |
| 30-yr | 4.21 | -8 | 4.45 | 0 |

** Market indicative levels*

| MYR IRS Levels | | |
|---|---|---|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 1.95 | 0 |
| 3-yr | 2.33 | 2 |
| 5-yr | 2.62 | 1 |
| 7-yr | 2.87 | 0 |
| 10-yr | 3.08 | 0 |

*Source: Bloomberg*

## Upcoming Government Bond Tender

*Nil*

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries sold-off quite aggressively especially in the belly of the curve on Wednesday following the hawkish titt at yesterday's FOMC meeting. The curve shifted higher as overall benchmark yields rose between 2-11bps from prior day's close. The UST 2Y yield moved 4bps up at 0.21% whilst the much-watched UST 10Y spiked 8bps at 1.58%. Meanwhile the revised Fed dot projections showed a median of two (2) rate increases by end-2023 with 13 Fed officials expecting a hike by end-2023 while 7 officials expecting one by end-2022; vs 4 in the March. Fed Chair Powell reiterated that the Fed expects to maintain its $120b monthly pace of bond purchases until substantial further progress has been achieved in the economic recovery. Expect some attention to turn to the upcoming jobless and continuing claims as at 12th June tonight.

### MGS/GIII

- On Wednesday, local govvies saw feet-off-the pedal on aggressive profit-taking as MGS closed mostly mixed whilst the longer-end of the GII curve remained flat. Secondary market volume maintained at RM4.43b as benchmark yields ended mixed between -8 to +4bps. The 5Y MGS 9/25 yield moved 3bps lower at 2.50% whilst the 10Y MGS 4/31 edged 2bps down at 3.27%. Almost 30% of overall trades were seen in the short off-the-run 21's followed by the 24's, 29's, 39's and also 5Y GII, 10Y MGS. GII bond trades declined to form 25% of overall trades. Emerging market local bonds which remain linked to UST performance are expected to be pressured following the hawkish policy shift by the Fed. Meanwhile the economic calendar remains empty for the week.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space maintained decent investor activity on Wednesday amid a pullback in secondary market volume to RM644m. Trades were seen across the GG to single-A part of the curve with overall yields closing mixed-to-lower, spanning across 51 names. The short-end Govt-guaranteed PRASA 12/21 closed 11bps lower compared to previous-done levels at 1.90% whereas the MKD Kenchana 10/32 edged 2bps at 3.75%. DANGA and TELEKOM 24's settled 2-3bps lower between 2.63-64% whereas SEB 32-33's spiked 10-29bps between 4.23-55% area. The long-end TNB 8/40 however declined 5bps at 4.29%. AA-rated energy-related bonds KEV 7/23 which last traded in Nov 2018, saw yields fall sharply lower to 2.88% whilst PROHAWK 12/26 declined 66bps at 3.48%. Meanwhile the banking space was quite active with several transactions including MAYBANK 32NC26 which declined 9bps at 3.49% whilst AmBank Islamic 28NC23 moved 3bps lower at 3.73%.

### Daily Trades : Government Bond

| Securities | | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yyyy) | Chg (bp) |
|---|---|---|---|---|---|---|
| MGS | 07/21 | 1.779 | 1210 | 1.785 | 15/06/2021 | -1 |
| MGS | 09/21 | 2.923 | 157 | 1.636 | 15/06/2021 | 129 |
| MGS | 11/21 | 1.740 | 135 | 1.709 | 15/06/2021 | 3 |
| MGS | 03/22 | 1.691 | 55 | 1.777 | 15/06/2021 | -9 |
| MGS | 08/22 | 1.791 | 5 | 1.819 | 15/06/2021 | -3 |
| MGS | 09/22 | 1.771 | 172 | 1.804 | 15/06/2021 | -3 |
| MGS | 03/23 | 1.950 | 18 | 1.935 | 14/06/2021 | 1 |
| MGS | 04/23 | 1.935 | 49 | 1.937 | 14/06/2021 | 0 |
| MGS | 08/23 | 2.000 | 2 | 2.008 | 15/06/2021 | -1 |
| MGS | 06/24 | 2.237 | 271 | 2.251 | 15/06/2021 | -1 |
| MGS | 09/24 | 2.325 | 6 | 2.328 | 15/06/2021 | 0 |
| MGS | 03/25 | 2.429 | 5 | 2.422 | 10/06/2021 | 1 |
| MGS | 09/25 | 2.502 | 128 | 2.530 | 15/06/2021 | -3 |
| MGS | 07/26 | 2.737 | 91 | 2.730 | 15/06/2021 | 1 |
| MGS | 05/27 | 2.858 | 7 | 2.868 | 15/06/2021 | -1 |
| MGS | 06/28 | 2.994 | 173 | 2.991 | 15/06/2021 | 0 |
| MGS | 08/29 | 3.184 | 182 | 3.184 | 15/06/2021 | 0 |
| MGS | 04/31 | 3.273 | 415 | 3.291 | 15/06/2021 | -2 |
| MGS | 06/31 | 3.420 | 31 | 3.420 | 15/06/2021 | 0 |
| MGS | 07/34 | 3.828 | 23 | 3.838 | 15/06/2021 | -1 |
| MGS | 05/35 | 3.903 | 162 | 3.894 | 15/06/2021 | 1 |
| MGS | 04/37 | 4.070 | 2 | 4.095 | 15/06/2021 | -2 |
| MGS | 05/40 | 4.180 | 11 | 4.178 | 15/06/2021 | 0 |
| MGS | 03/46 | 4.380 | 10 | 4.351 | 15/06/2021 | 3 |
| MGS | 07/48 | 4.428 | 5 | 4.424 | 15/06/2021 | 0 |
| MGS | 06/50 | 4.209 | 2 | 4.292 | 15/06/2021 | -8 |
| GII | 07/22 | 1.745 | 3 | 1.750 | 15/06/2021 | 0 |
| GII | 05/23 | 2.033 | 1 | 2.014 | 15/06/2021 | 2 |
| GII | 10/23 | 2.099 | 30 | 2.145 | 14/06/2021 | -5 |
| GII | 11/23 | 2.073 | 200 | 2.116 | 15/06/2021 | -4 |
| GII | 05/24 | 2.250 | 126 | 2.255 | 11/06/2021 | 0 |
| GII | 10/24 | 2.297 | 80 | 2.320 | 15/06/2021 | -2 |
| GII | 03/26 | 2.683 | 226 | 2.699 | 15/06/2021 | -2 |
| GII | 09/27 | 3.000 | 21 | 2.965 | 14/06/2021 | 4 |
| GII | 10/28 | 3.136 | 1 | 3.107 | 15/06/2021 | 3 |
| GII | 07/29 | 3.235 | 61 | 3.215 | 15/06/2021 | 2 |
| GII | 10/30 | 3.339 | 120 | 3.339 | 15/06/2021 | 0 |
| GII | 11/34 | 3.976 | 4 | 3.993 | 15/06/2021 | -2 |
| GII | 10/35 | 3.958 | 1 | 4.002 | 14/06/2021 | -4 |
| GII | 07/36 | 4.019 | 17 | 4.019 | 15/06/2021 | 0 |
| GII | 09/39 | 4.320 | 220 | 4.325 | 15/06/2021 | 0 |
| | | | 4433 | | | |

## 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 | 12/21 | GG | 1.901 | 50 | 2.007 | 21/05/2021 | -11 | 11 |
| Small Medium Enterprise Development Bank Malaysia B | 03/22 | GG | 2.025 | 2 | 2.341 | 06/07/2020 | -32 | 23 |
| DanaInfra Nasional Berhad | 11/22 | GG | 2.139 | 2 | 2.019 | 17/02/2021 | 12 | 34 |
| Turus Pesawat Sdn Berhad | 11/22 | GG | 2.131 | 2 | 2.913 | 21/02/2020 | -78 | 34 |
| DanaInfra Nasional Berhad | 02/25 | GG | 2.683 | 40 | 2.996 | 24/03/2021 | -31 | 24 |
| Prasarana Malaysia Berhad | 02/26 | GG | 2.926 | 10 | 3.179 | 30/03/2021 | -25 | 39 |
| Prasarana Malaysia Berhad | 08/26 | GG | 2.990 | 10 | 3.022 | 26/04/2021 | -3 | 46 |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 02/28 | GG | 3.229 | 10 | 3.271 | 23/04/2021 | -4 | 24 |
| MKD Kencana Sdn Berhad | 10/32 | GG | 3.750 | 25 | 3.770 | 10/06/2021 | -2 | 47 |
| Infracap Resources Sdn Berhad | 04/22 | AAA | 2.544 | 10 | - | - | - | 75 |
| Danga Capital Berhad | 01/24 | AAA | 2.635 | 20 | 2.653 | 09/06/2021 | -2 | 39 |
| Telekom Malaysia Berhad | 03/24 | AAA | 2.627 | 10 | 2.660 | 04/06/2021 | -3 | 38 |
| Pengerang LNG (Two) Sdn Berhad | 10/24 | AAA | 2.789 | 10 | - | - | - | 54 |
| Telekom Malaysia Berhad | 12/24 | AAA | 2.846 | 10 | 2.449 | 30/11/2020 | 40 | 41 |
| Bakun Hydro Power Generation Sdn Berhad (fka Sarawa | 08/27 | AAA | 3.321 | 110 | 3.328 | 14/06/2021 | -1 | 49 |
| Pengerang LNG (Two) Sdn Berhad | 10/27 | AAA | 3.259 | 5 | 2.929 | 15/12/2020 | 33 | 43 |
| Telekom Malaysia Berhad | 10/28 | AAA | 3.498 | 10 | 3.518 | 31/05/2021 | -2 | 50 |
| Projek Lebuhraya Usahasama Berhad | 01/29 | AAA | 3.609 | 20 | 3.620 | 11/06/2021 | -1 | 45 |
| Bakun Hydro Power Generation Sdn Berhad (fka Sarawa | 08/30 | AAA | 3.769 | 15 | 3.769 | 31/05/2021 | 0 | 53 |
| TNB Northern Energy Berhad | 11/30 | AAA | 3.740 | 5 | 4.100 | 24/03/2021 | -36 | 50 |
| Bank Pembangunan Malaysia Berhad | 03/32 | AAA | 4.109 | 10 | 3.524 | 16/12/2020 | 59 | 83 |
| Sarawak Energy Berhad | 12/32 | AAA | 4.229 | 10 | 4.128 | 24/05/2021 | 10 | 95 |
| Sarawak Energy Berhad | 11/33 | AAA | 4.551 | 10 | 4.263 | 17/05/2021 | 29 | 127 |
| TNB Northern Energy Berhad | 05/34 | AAA | 4.149 | 10 | 3.919 | 15/10/2019 | 23 | 25 |
| TNB Northern Energy Berhad | 05/36 | AAA | 4.359 | 10 | 4.389 | 15/06/2021 | -3 | 46 |
| Pengerang LNG (Two) Sdn Berhad | 10/38 | AAA | 4.519 | 5 | - | - | - | 62 |
| Tenaga Nasional Berhad | 08/40 | AAA | 4.290 | 1 | 4.339 | 15/06/2021 | -5 | 11 |
| Sabah Development Bank Berhad | 05/23 | AA1 | 3.515 | 4 | 3.940 | 27/05/2021 | -43 | 154 |
| Sabah Development Bank Berhad | 06/23 | AA1 | 3.528 | 5 | 3.529 | 15/06/2021 | 0 | 155 |
| GENM Capital Berhad | 07/28 | AA1 | 4.600 | 2 | 4.751 | 15/06/2021 | -15 | 161 |
| Malayan Banking Berhad | 10/32 | AA1 | 3.489 | 20 | 3.578 | 06/05/2021 | -9 | 21 |
| Kuala Lumpur Kepong Berhad | 09/34 | AA1 | 4.390 | 5 | 4.410 | 10/06/2021 | -2 | 49 |
| Genting RMTN Berhad | 11/34 | AA1 | 5.177 | 4 | 5.176 | 14/06/2021 | 0 | 128 |
| Kapar Energy Ventures Sdn Berhad | 07/23 | AA+ | 2.880 | 20 | 4.481 | 23/11/2018 | -160 | 91 |
| Imtiaz Sukuk II Berhad | 05/22 | AA2 | 2.637 | 10 | 2.692 | 20/04/2021 | -6 | 84 |
| UMW Holdings Berhad | 11/25 | AA2 | 3.357 | 8 | 3.349 | 02/06/2021 | 1 | 92 |
| Imtiaz Sukuk II Berhad | 04/26 | AA2 | 3.418 | 4 | 3.507 | 20/04/2021 | -9 | 89 |
| Konsortium ProHAWK Sdn Berhad | 12/26 | AA2 | 3.478 | 10 | 4.137 | 09/07/2019 | -66 | 65 |
| Imtiaz Sukuk II Berhad | 04/28 | AA2 | 3.709 | 7 | 3.707 | 15/06/2021 | 0 | 72 |
| Hong Leong Financial Group Berhad | 06/29 | AA2 | 3.169 | 20 | 3.177 | 01/06/2021 | -1 | 0 |
| Bumitama Agri Ltd | 07/24 | AA3 | 3.207 | 20 | 3.178 | 15/06/2021 | 3 | 96 |
| Quantum Solar Park (Semenanjung) Sdn Berhad | 04/23 | AA- | 3.407 | 10 | - | - | - | 143 |
| The Holstein Milk Company Sdn Berhad | 05/26 | AA- | 3.700 | 4 | - | - | - | 117 |
| Malayan Banking Berhad | 02/17 | AA3 | 3.470 | 5 | 3.491 | 15/06/2021 | -2 | -71 |
| Malayan Banking Berhad | 02/17 | AA3 | 3.599 | 1 | 3.200 | 02/06/2021 | 40 | -58 |
| Affin Bank Berhad | 09/27 | A1 | 3.149 | 1 | 3.761 | 03/06/2021 | -61 | 32 |
| AmBank Islamic Berhad | 10/28 | A1 | 3.727 | 30 | 3.761 | 14/06/2021 | -3 | 73 |
| CIMB Group Holdings Berhad | 05/16 | A1 | 3.484 | 20 | 3.940 | 11/06/2021 | -46 | -70 |
| Eco World Capital Assets Berhad | 08/24 | - | 4.810 | 1 | 5.518 | 14/06/2021 | -71 | 256 |
| Mah Sing Group Berhad | 04/17 | - | 3.192 | 1 | 4.209 | 14/06/2021 | -102 | -99 |
| YNH Property Berhad | 08/19 | - | 6.196 | 1 | 6.197 | 15/06/2021 | 0 | 202 |
| | | | | 644 | | | | |

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

## Rating Action

| Issuer | PDS Description | Rating/Outlook | Action |
|---|---|---|---|
| SPR Energy (M) Sdn Bhd | Senior Sukuk Ijarah of RM580 mil | AA3 rating | Reaffirmed |

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