

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied on Thursday as rates cheapened sharply, unwinding the post-FOMC sell-off. The curve bull-flattened as overall benchmark yields declined between 0-11bps from prior day's close. The UST 2Y yield settled almost unchanged at 0.21% whilst the much-watched UST 10Y recovered from prior day's losses, pushing yields down 7bps at 1.51%. The long-ends continue to perform versus the belly with the two-day move in the 5s30s spread at 118bps, eclipsing February 2021's flattening. This is possibly due to reversal of earlier reflation theme plays. Elsewhere the \$16b 5Y TIPS auction received strong support whilst the Fed's Reverse Repo facility continues to see high usage as massive amount of liquidity is pumped into the system; with the catalyst being the rise in RRP rate by 5bps to 0.05%. Meanwhile trading tonight may be subdued amid a relatively quiet economic front.

MGS/GII

- On Thursday, MGS settled mostly unchanged save for the 7Y and 10Y MGS whilst GII closed mostly mixed as bonds tried to digest the implication of the hawkish tone of the US Fed yesterday. Secondary market volume rose to RM5.37b as benchmark yields ended mixed between -4 to +8bps. The 5Y MGS 9/25 settled unchanged at 2.50% whilst the 10Y MGS 4/31 yield spiked 8bps at 3.35%. Bulk of overall trades were seen in the short off-the-run 21's and also 3Y, 5Y, 10Y MGS. GII bond trades declined to form a mere 12% of overall trades. Meanwhile, expect emerging market local bonds to take cue from UST performance.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw steady investor interest on Thursday amid a decline in secondary market volume to RM527m. Trades were seen across the GG to single-A part of the curve with overall yields closing mixed, spanning across 34 names. The longer-end govt-guaranteed GOVCO 9/32 and PRASA 2/41 spiked 50-59bps compared to previous-done levels at 3.82% and 4.44%. AAA-rated PLUS 29 and 31 edged 1-2bps lower at 3.60% and 3.83% whilst PUTRAJAYA 5/31 rallied 27bps at 3.83%. AA-rated energy-related bonds KEV 7/25 which last traded in May 2018, saw yields fall sharply lower to 3.34% whilst Southern Power 4/22 rose 9bps at 2.64%. Meanwhile the banking space saw Bank ISLAM notch a total of RM190m in total trades with the 2028NC23 bonds closing 4bps lower whereas the 2030NC25 bonds edged 1bps up at 3.59%. RHB Islamic 2029NC24 however inched 1bps lower at 3.20%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.21	0
5-yr UST	0.88	-1
10-yr UST	1.51	-7
30-yr UST	2.09	-11

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.24	0	2.00	-4
5-yr	2.50	0	2.71	3
7-yr	3.04	5	2.95	-5
10-yr	3.35	8	3.34	0
15-yr	3.90	0	4.00	-2
20-yr	4.18	0	4.31	4
30-yr	4.21	0	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	1
3-yr	2.36	3
5-yr	2.68	5
7-yr	2.90	3
10-yr	3.13	4

Source: Bloomberg

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	07/21	1.787	562	1.779	16/06/2021	1
MGS	09/21	1.748	138	2.923	16/06/2021	-118
MGS	11/21	1.728	347	1.740	16/06/2021	-1
MGS	03/22	1.780	110	1.691	16/06/2021	9
MGS	09/22	1.779	51	1.771	16/06/2021	1
MGS	03/23	1.906	181	1.950	16/06/2021	-4
MGS	04/23	1.951	42	1.935	16/06/2021	2
MGS	06/24	2.239	386	2.237	16/06/2021	0
MGS	07/24	2.296	10	2.279	11/06/2021	2
MGS	09/25	2.502	896	2.502	16/06/2021	0
MGS	04/26	2.658	9	2.661	15/06/2021	0
MGS	07/26	2.725	4	2.737	16/06/2021	-1
MGS	11/26	2.618	12	2.613	15/06/2021	0
MGS	03/27	2.881	1	2.867	15/06/2021	1
MGS	05/27	2.902	17	2.858	16/06/2021	4
MGS	11/27	2.930	13	2.921	15/06/2021	1
MGS	06/28	3.040	272	2.994	16/06/2021	5
MGS	08/29	3.228	52	3.184	16/06/2021	4
MGS	04/31	3.354	1223	3.273	16/06/2021	8
MGS	06/31	3.413	20	3.420	16/06/2021	-1
MGS	11/33	3.844	27	3.791	15/06/2021	5
MGS	07/34	3.848	95	3.828	16/06/2021	2
MGS	05/35	3.904	240	3.903	16/06/2021	0
MGS	05/40	4.179	8	4.180	16/06/2021	0
MGS	03/46	4.376	20	4.380	16/06/2021	0
MGS	07/48	4.424	3	4.428	16/06/2021	0
GII	08/21	1.752	10	1.792	15/06/2021	-4
GII	04/22	1.740	1	1.753	11/06/2021	-1
GII	07/22	1.834	10	1.745	16/06/2021	9
GII	05/23	1.997	65	2.033	16/06/2021	-4
GII	11/23	2.087	7	2.073	16/06/2021	1
GII	05/24	2.205	127	2.250	16/06/2021	-4
GII	10/24	2.331	40	2.297	16/06/2021	3
GII	10/25	2.614	2	2.525	04/05/2021	9
GII	03/26	2.710	110	2.683	16/06/2021	3
GII	09/27	2.950	40	3.000	16/06/2021	-5
GII	10/28	3.128	8	3.136	16/06/2021	-1
GII	06/33	3.849	40	3.813	15/06/2021	4
GII	11/34	4.027	40	3.976	16/06/2021	5
GII	07/36	3.999	32	4.019	16/06/2021	-2
GII	09/41	4.305	10	4.268	15/06/2021	4
GII	05/47	4.570	90	4.553	15/06/2021	2
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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*
Malaysia Debt Ventures Berhad	01/22	GG	2.033	10	2.029	23/11/2020	0	23
GovCo Holdings Berhad	09/32	GG	3.820	30	3.316	29/01/2021	50	51
Prasarana Malaysia Berhad	02/41	GG	4.435	20	3.850	18/12/2020	59	25
Manjung Island Energy Berhad	11/21	AAA	2.095	10	2.299	21/04/2021	-20	29
Manjung Island Energy Berhad	11/27	AAA	3.348	10	2.869	04/02/2021	48	51
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.597	10	3.609	16/06/2021	-1	43
Sarawak Energy Berhad	07/29	AAA	3.868	20	3.850	15/06/2021	2	70
Manjung Island Energy Berhad	11/30	AAA	3.739	20	3.748	10/06/2021	-1	49
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.829	20	3.850	02/06/2021	-2	52
Infracap Resources Sdn Berhad	04/31	AAA	4.060	1	4.069	11/06/2021	-1	75
Putrajaya Bina Sdn Berhad	05/31	AAA	3.829	10	4.098	19/03/2021	-27	52
Tenaga Nasional Berhad	08/40	AAA	4.340	2	4.290	16/06/2021	5	16
Encorp Systembilt Sdn Berhad	05/23	AA1	2.623	20	4.431	30/05/2017	-181	66
Sabah Development Bank Berhad	06/23	AA1	3.525	6	3.528	16/06/2021	0	156
Sabah Development Bank Berhad	04/26	AA1	4.197	10	3.534	26/04/2021	66	169
YTL Power International Berhad	05/27	AA1	3.894	1	3.921	11/05/2021	-3	105
GENM Capital Berhad	07/28	AA1	4.699	1	4.600	16/06/2021	10	167
Genting RMTN Berhad	11/34	AA1	5.271	11	5.177	16/06/2021	9	136
Kapar Energy Ventures Sdn Berhad	07/25	AA+	3.339	20	4.769	04/05/2018	-143	92
Southern Power Generation Sdn Berhad	04/22	AA-	2.642	10	2.552	10/12/2020	9	84
UMW Holdings Berhad	06/22	AA2	2.646	10	2.657	20/04/2021	-1	85
UMW Holdings Berhad	09/23	AA2	2.951	10	2.952	31/05/2021	0	98
CIMB Group Holdings Berhad	09/29	AA	3.192	20	3.163	15/06/2021	3	2
IJM Corporation Berhad	08/28	AA3	3.969	20	3.999	02/06/2021	-3	94
RHB Islamic Bank Berhad	05/29	AA3	3.197	20	3.210	03/06/2021	-1	3
Edra Energy Sdn Berhad	07/34	AA3	4.711	1	4.728	25/05/2021	-2	80
UEM Sunrise Berhad	06/23	AA-	3.813	10	3.843	26/11/2020	-3	185
Penang Port Sdn Berhad	12/26	AA-	3.552	1	3.598	20/04/2021	-5	71
Bank Islam Malaysia Berhad	11/28	A1	3.290	160	3.334	18/05/2021	-4	26
Bank Islam Malaysia Berhad	10/30	A1	3.589	30	3.580	24/05/2021	1	34
CIMB Group Holdings Berhad	05/16	A1	3.216	1	3.484	16/06/2021	-27	-97
CIMB Group Holdings Berhad	05/16	A1	3.579	1	3.532	08/06/2021	5	-60
IJM Land Berhad	03/19	A2	4.268	1	4.272	11/06/2021	0	9
Tropicana Corporation Berhad	09/19	-	5.145	1	5.096	08/06/2021	5	96
				527				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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