

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended last Friday mildly richer, assisted partly by the weaker-than-expected July preliminary University of Michigan consumer sentiment whilst US stocks headed south. The curve edged downwards slightly with overall benchmark yields closing between a mere 0-1bps lower. The UST 2Y yield settled almost unchanged at 0.22% whilst the much-watched UST 10Y shed 1bps at 1.29%. Fed chair Powell insisted the Fed will not make any abrupt policy decision or change course in response to queries over inflation. He however did acknowledge that inflation is rising faster than anticipated but reiterated his stance that it will prove transitory. Elsewhere, China's holdings of USTs fell for the 3<sup>rd</sup> straight month in May, decreasing by \$17.7b to ~\$1.08 trillion. Japan too saw its holdings decrease by \$10.6b to ~\$1.27 trillion. Nevertheless, total foreign holdings of US government debt rose by ~\$65b in May to \$7.14 trillion.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.78	0
10-yr UST	1.29	-1
30-yr UST	1.92	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.22	-1	2.27	1
5-yr	2.50	1	2.58	-1
7-yr	2.95	0	2.96	1
10-yr	3.20	-2	3.26	0
15-yr	3.75	-4	3.93	0
20-yr	4.01	7	4.23	0
30-yr	4.16	-2	4.47	5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.32	2
5-yr	2.58	3
7-yr	2.81	0
10-yr	3.05	0

Source: Bloomberg

##### MGS/GIII

- Last Friday, local govies ended mixed with MGS generally better-bid whilst GII saw the long-end pressured. Overall benchmark yields closed largely mixed between -4 to +7bps amid a spike in secondary market volume @ RM4.59b. The 5Y MGS 9/25 yield edged 1bps up at 2.50% whilst the 10Y MGS 4/31 closed 2bps lower at 3.20%. Interest was mainly seen in the off-the-run 21-23's, benchmark 3Y, 10Y, 15Y MGS and also 5Y GII. GII transactions eased slightly to form 25% of overall trades. Elsewhere, movement restrictions are expected to continue being lifted in stages for more states as vaccination rollouts gather momentum. We also note that the Parliament is set to convene for five (5) days as planned beginning 26<sup>th</sup> of July. Expect some attention to shift to July inflation data this coming Friday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw activity ramp-up last Friday with trades seen across the GG to single-A part of the curve amid solid secondary market volume of RM933m. Overall yields closed mostly mixed again, spanning across 32 names in total. Govt-guaranteed DANA 2/25 notched RM105m in transacted amounts, rallying 16bps compared to previous-done levels at 2.52% whilst the 2032 tranches edged 1bps up instead at 3.62%. AAA-rated TELEKOM 10/28 inched 1bps lower at 3.37% whilst SEB 11/28 moved 7bps lower at 3.55%. AA-rated energy-related bonds EDRA saw a slew of tranches cross hands. The 7/26 tranche settled 10bps lower at 3.69% whereas the 35-36's closed 7-8bps lower between 4.71-75%. JEP 6/29 closed unchanged at 4.14%. Meanwhile, the banking space saw MAYBANK 2117NC26 perps end unchanged at 3.40% on substantial volume of RM200m.

#### 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	1.733	218	1.750	15/07/2021	-2
MGS 11/21	1.740	100	1.749	15/07/2021	-1
MGS 03/22	1.791	152	1.666	15/07/2021	13
MGS 08/22	1.730	30	1.723	14/07/2021	1
MGS 09/22	1.787	109	1.713	15/07/2021	7
MGS 03/23	1.873	323	1.879	15/07/2021	-1
MGS 04/23	1.881	103	1.904	15/07/2021	-2
MGS 08/23	1.942	2	1.944	15/07/2021	0
MGS 06/24	2.221	317	2.228	15/07/2021	-1
MGS 07/24	2.297	180	2.330	15/07/2021	-3
MGS 09/24	2.327	72	2.362	15/07/2021	-4
MGS 03/25	2.427	10	2.443	15/07/2021	-2
MGS 09/25	2.501	83	2.490	15/07/2021	1
MGS 07/26	2.643	31	2.659	14/07/2021	-2
MGS 11/26	2.544	7	2.534	14/07/2021	1
MGS 05/27	2.867	45	2.849	15/07/2021	2
MGS 11/27	2.876	12	2.898	15/07/2021	-2
MGS 06/28	2.951	180	2.951	15/07/2021	0
MGS 08/29	3.126	45	3.137	15/07/2021	-1
MGS 04/30	3.208	20	3.270	14/07/2021	-6
MGS 04/31	3.197	884	3.216	15/07/2021	-2
MGS 06/31	3.283	2	3.305	15/07/2021	-2
MGS 04/33	3.690	19	3.724	15/07/2021	-3
MGS 07/34	3.816	22	3.816	15/07/2021	0
MGS 05/35	3.751	370	3.787	15/07/2021	-4
MGS 04/37	3.862	1	3.928	15/07/2021	-7
MGS 05/40	4.014	71	3.946	15/07/2021	7
MGS 09/43	4.283	10	4.272	13/07/2021	1
MGS 06/50	4.161	3	4.179	15/07/2021	-2
GII 05/23	1.913	111	1.933	15/07/2021	-2
GII 07/23	1.952	170	1.963	15/07/2021	-1
GII 10/23	2.002	20	2.099	16/06/2021	-10
GII 11/23	1.978	22	1.987	15/07/2021	-1
GII 08/24	2.330	20	2.259	05/07/2021	7
GII 10/24	2.268	127	2.258	15/07/2021	1
GII 08/25	2.452	53	2.570	14/07/2021	-12
GII 03/26	2.583	332	2.589	15/07/2021	-1
GII 07/27	2.960	20	2.930	15/07/2021	3
GII 09/27	2.959	30	2.951	15/07/2021	1
GII 08/28	3.014	70	3.024	07/07/2021	-1
GII 09/30	3.305	20	3.306	15/06/2021	0
GII 11/34	3.925	60	3.916	13/07/2021	1
GII 07/36	3.927	110	3.927	15/07/2021	0
		<u>4585</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*	
DanalInfra Nasional Berhad	02/25	GG	2.520	105	2.683	16/06/2021	-16	11
Prasarana Malaysia Berhad	03/25	GG	2.543	15	2.535	15/07/2021	1	13
Prasarana Malaysia Berhad	09/25	GG	2.656	15	2.660	15/07/2021	0	24
DanalInfra Nasional Berhad	03/32	GG	3.619	20	3.609	14/07/2021	1	41
DanalInfra Nasional Berhad	05/32	GG	3.619	40	3.609	14/07/2021	1	41
MKD Kencana Sdn Berhad	10/32	GG	3.699	50	3.750	16/06/2021	-5	49
Infracap Resources Sdn Berhad	04/24	AAA	2.860	30	2.975	21/06/2021	-12	63
Pengurusan Air SPV Berhad	06/28	AAA	3.407	20	3.472	30/06/2021	-6	45
Telekom Malaysia Berhad	10/28	AAA	3.369	20	3.379	08/07/2021	-1	41
Sarawak Energy Berhad	11/28	AAA	3.549	40	3.618	29/06/2021	-7	59
GENM Capital Berhad	07/23	AA1	4.090	60	3.903	21/05/2021	19	217
Public Islamic Bank Berhad	10/29	AA1	3.016	10	2.824	16/02/2021	19	-7
GENM Capital Berhad	03/32	AA1	4.893	5	4.934	15/07/2021	-4	168
Kuala Lumpur Kepong Berhad	09/34	AA1	4.300	5	4.371	02/07/2021	-7	54
Malaysia Airport Holdings Berhad	12/14	AA2	4.339	30	4.293	30/06/2021	5	30
Country Garden Real Estate Sdn Berhad	03/25	AA3	4.622	10	4.117	12/04/2021	51	221
Exsim Capital Resources Berhad	07/25	AA3	4.397	82	-	-	-	198
Edra Energy Sdn Berhad	07/26	AA3	3.689	20	3.787	22/06/2021	-10	119
Bumitama Agri Ltd	07/26	AA3	3.469	1	3.507	25/06/2021	-4	97
RHB Bank Berhad	09/27	AA3	2.791	20	2.845	30/06/2021	-5	-3
Edra Energy Sdn Berhad	07/35	AA3	4.709	20	4.787	25/05/2021	-8	94
Edra Energy Sdn Berhad	01/36	AA3	4.749	20	4.819	05/05/2021	-7	98
Cypark Ref Sdn Berhad	06/36	AA3	5.091	5	4.580	09/12/2020	51	133
Cypark Ref Sdn Berhad	06/39	AA3	5.331	10	5.361	23/06/2021	-3	129
Malayan Banking Berhad	02/17	AA3	3.398	200	3.394	02/07/2021	0	-65
UEM Edgenta Berhad	04/22	AA-	2.742	12	2.823	05/05/2021	-8	97
Jimah East Power Sdn Berhad	06/29	AA-	4.139	15	4.138	15/07/2021	0	105
Quantum Solar Park (Semenanjung) Sdn Berhad	10/31	AA-	4.628	30	5.020	18/03/2021	-39	142
TG Excellence Berhad	02/20	AA-	3.478	5	4.260	15/07/2021	-78	-57
Bank Islam Malaysia Berhad	11/28	A1	3.238	10	3.290	17/06/2021	-5	28
IJM Land Berhad	03/19	A2	4.839	3	4.840	08/07/2021	0	80
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.632	5	3.646	28/06/2021	-1	54
				<u>933</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Small Medium Enterprise Development Bank Malaysia Berhad's (SME Bank)	Islamic Medium-Term Notes (IMTNs) Programme of up to RM3.0 billion (which include Sustainability IMTNs) and Islamic Commercial Papers (ICPs) Programme of up to RM1.0 billion with a combined limit in nominal value of up to RM3.0 billion	AAAIS/MARC-1 IS	Assigned

**Hong Leong Bank Berhad**

Fixed Income &amp; 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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