Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.26	4
5-yr UST	0.88	-1
10-yr UST	1.44	-7
30-yr UST	2.01	-8

	MGS		GII*	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	1	2.00	0
5-yr	2.53	2	2.69	-2
7-yr	3.01	-3	2.95	0
10-yr	3.28	-7	3.31	-2
15-yr	3.91	1	4.01	2
20-yr	4.22	4	4.31	0
30-yr	4.32	11	4.45	0

** Market indicative levels*

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	0
3-yr	2.37	1
5-yr	2.66	-2
7-yr	2.87	-3
10-yr	3.13	0

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.5b 3Y GII 10/24 on Tuesday 22nd June 2021

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw the long-ends perform last Friday, spurred by hawkish comments from Fed member Bullard. The curve bull-flattened, catching strong bids pivoted around the belly as overall benchmark yields declined between 1-8bps save for the short-end. The UST 2Y yield spiked 4bps at 0.26% whilst the much-watched UST 10Y rallied instead, pushing yields down 7bps at 1.44%. The UST movements extended prior day's price action as traders continued to bring forward pricing for when the Fed is expected to begin raising rates. The increased belief that such a tightening by the Fed may help check inflation is weighing on rates at the longer-end of the curve. Meanwhile, expect some attention to shift to economic data covering new and existing home sales on Tuesday, followed by Markit Manufacturing and Services on Wednesday.

MGS/GIII

- Last Friday saw local govvies end mostly mixed with the belly mainly outperforming the longer-ends following prior day's negative impact from FOMC-led hawkish tone. Secondary market volume fell to RM3.62b as benchmark yields ended mixed again between -7 to +11bps. The 5Y MGS 9/25 edged 2bps up at 2.53% whilst the 10Y MGS 4/31 yield fell 7bps at 3.28%. Bulk of overall trades were seen in the short off-the-run 21's 28's and also 7Y MGS. GII bond trades inched up slightly to form a 17% of overall trades. Meanwhile, most emerging Asian bonds saw mild gains, paring earlier losses led by the hawkish-tilt FOMC. Expect attention to shift to the upcoming GII auction tomorrow followed by the release of May CPI data on Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space too saw investor interest wane ahead of the weekend last Friday amid a decline in secondary market volume to RM380m. Nevertheless, trades were seen across the GG to single-A part of the curve with overall yields closing mixed, spanning across 33 names. The longer-end govt-guaranteed DANA 4/22 edged 1bps lower compared to previous-done levels at 1.99% whilst PLUS 1/38 closed unchanged at 4.38%%. AAA-rated PLUS 25 and 28 edged 2bps lower at 2.83% and 3.41% each whilst the 30-31's settled 0-4bps higher between 3.75-83%. TNB 8/33 and 8/38 which saw a total of RM60m traded, closed2-4bps lower at 4.01% and 4.43% respectively. Energy-related bonds JEV 29-32's dominated the AA-space with yields closing mixed between 4.13-50% levels. The banking space saw MAYBANK 2117NC26 perps inch 1bps up at 3.48% whereas AmBank 28NC23 declined 4bps at 3.71%.

Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	07/21	1.749	545	1.787	17/06/2021	-4
MGS	09/21	1.736	223	1.748	17/06/2021	-1
MGS	11/21	1.760	524	1.728	17/06/2021	3
MGS	03/22	1.793	123	1.780	17/06/2021	1
MGS	03/23	1.909	94	1.906	17/06/2021	0
MGS	06/24	2.246	393	2.239	17/06/2021	1
MGS	07/24	2.332	20	2.296	17/06/2021	4
MGS	09/25	2.525	141	2.502	17/06/2021	2
MGS	07/26	2.709	14	2.725	17/06/2021	-2
MGS	05/27	2.868	69	2.902	17/06/2021	-3
MGS	11/27	2.928	21	2.930	17/06/2021	0
MGS	06/28	3.006	222	3.040	17/06/2021	-3
MGS	08/29	3.201	196	3.228	17/06/2021	-3
MGS	04/30	3.374	50	3.350	17/06/2021	2
MGS	04/31	3.280	174	3.354	17/06/2021	-7
MGS	06/31	3.419	1	3.413	17/06/2021	1
MGS	11/33	3.790	60	3.844	17/06/2021	-5
MGS	07/34	3.818	53	3.848	17/06/2021	-3
MGS	05/35	3.912	70	3.904	17/06/2021	1
MGS	09/43	4.356	3	4.288	10/06/2021	7
MGS	06/50	4.322	21	4.209	16/06/2021	11
GII	08/21	1.750	150	1.752	17/06/2021	0
GII	07/23	2.062	30	2.060	01/06/2021	0
GII	08/25	2.593	40	2.554	09/06/2021	4
GII	10/25	2.632	10	2.614	17/06/2021	2
GII	03/26	2.692	160	2.710	17/06/2021	-2
GII	10/28	3.127	24	3.128	17/06/2021	0
GII	07/29	3.248	50	3.235	16/06/2021	1
GII	10/30	3.314	60	3.339	16/06/2021	-2
GII	07/36	4.015	73	3.999	17/06/2021	2
GII	09/39	4.319	10	4.320	16/06/2021	0
			3620			

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*
DanaInfra Nasional Berhad	04/22	GG	1.990	10	1.998	10/06/2021	-1	19
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.384	10	4.389	14/06/2021	0	47
Cagamas Berhad	05/23	AAA	2.370	10	2.384	15/06/2021	-1	40
Pengurusan Air SPV Berhad	02/24	AAA	2.798	10	2.824	10/06/2021	-3	55
Pengurusan Air SPV Berhad	06/24	AAA	2.837	10	2.888	04/06/2021	-5	59
Projek Lebuhraya Usahasama Berhad	01/25	AAA	2.827	10	2.847	08/06/2021	-2	40
Putrajaya Holdings Sdn Berhad	04/25	AAA	2.849	5	3.180	22/03/2021	-33	43
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.408	10	3.430	11/06/2021	-2	37
Danga Capital Berhad	01/28	AAA	3.382	10	3.338	02/06/2021	4	35
Pengurusan Air SPV Berhad	02/28	AAA	3.480	5	3.522	02/06/2021	-4	45
Sarawak Energy Berhad	11/28	AAA	3.740	15	3.571	01/06/2021	17	71
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.752	25	3.714	15/06/2021	4	50
TNB Western Energy Berhad	01/30	AAA	3.749	10	3.547	02/03/2021	20	50
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.828	5	3.829	17/06/2021	0	52
Tenaga Nasional Berhad	08/33	AAA	4.023	10	4.039	10/06/2021	-2	72
Sarawak Energy Berhad	11/33	AAA	4.329	5	4.551	16/06/2021	-22	102
Tenaga Nasional Berhad	08/38	AAA	4.429	50	4.470	11/06/2021	-4	52
Sabah Development Bank Berhad	06/23	AA1	3.524	1	3.525	17/06/2021	0	156
Genting RMTN Berhad	11/34	AA1	5.199	1	5.271	17/06/2021	-7	129
Malayan Banking Berhad	02/17	AA3	3.484	30	3.470	16/06/2021	1	-70
Malayan Banking Berhad	02/17	AA3	3.825	1	3.599	16/06/2021	23	-36
UEM Sunrise Berhad	09/23	AA-	3.865	20	3.866	04/06/2021	0	190
Jimah East Power Sdn Berhad	06/29	AA-	4.129	15	3.414	20/10/2020	71	96
Jimah East Power Sdn Berhad	12/30	AA-	4.299	20	4.299	28/04/2021	0	105
Jimah East Power Sdn Berhad	06/31	AA-	4.349	20	4.490	24/03/2021	-14	104
Jimah East Power Sdn Berhad	12/32	AA-	4.499	10	3.828	26/01/2021	67	119
AmBank Islamic Berhad	03/27	A1	3.178	4	3.186	31/03/2021	-1	34
AmBank (M) Berhad	11/28	A1	3.709	40	3.752	01/06/2021	-4	68
AmBank (M) Berhad	03/31	A1	4.049	1	3.997	11/05/2021	5	74
CIMB Group Holdings Berhad	05/16	A1	3.568	2	3.579	17/06/2021	-1	-62
CIMB Group Holdings Berhad	05/16	A1	3.214	1	3.216	17/06/2021	0	-97
Dialog Group Berhad	11/20	A1	3.872	1	3.923	31/05/2021	-5	-31
YNH Property Berhad	08/19	-	6.194	4	6.196	16/06/2021	0	201
				380				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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