

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended mixed as paying flows were seen in US dollar swap spreads ahead of a rather heavy IG issuance slate which put pressure on the long-ends. The curve ended steeper with overall benchmark yields closing between -2 to +6bps across. The UST 2Y yield settled 2bps lower at 0.20% whilst the much-watched UST 10Y rose 3bps at 1.22% on profit-taking activities, following prior day's 10bps rally to a 5-month low. Nevertheless, a slight shift in investor sentiment was seen as concerns emerged over the spread of the delta variant of the coronavirus that causes COVID-19. Some doubts were also raised over near-term economic growth as lower-than-expected vaccination rates in many countries including Asia prolong the pandemic. Meanwhile, expect some attention to shift to Treasury's \$24b 20Y auction tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.20	-2
5-yr UST	0.69	-2
10-yr UST	1.22	3
30-yr UST	1.88	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	1	2.28	2
5-yr	2.50	0	2.58	0
7-yr	2.94	-2	2.96	0
10-yr	3.14	-6	3.26	1
15-yr	3.71	-4	3.91	-2
20-yr	4.00	-2	4.20	-3
30-yr	4.12	-4	4.39	-9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.30	-2
5-yr	2.54	-4
7-yr	2.80	-2
10-yr	3.03	-2

Source: Bloomberg

MGS/GII

- Financial markets were closed on Tuesday to celebrate Hari Raya Haji holiday. On Monday however, local govies ended mostly stronger save for the shorter-ends. Overall benchmark yields closed between -9 to +2bps amid a plunge in secondary market volume @ RM1.94b. The 5Y MGS 9/25 yield closed within 1bps higher at 2.50% whilst the 10Y MGS 4/31 rallied 6bps at 3.14%. Interest was mainly seen in the off-the-run 23's, benchmark 10Y, 15Y MGS and also 5Y GII. GII transactions maintained to form ~25% of overall trades. Meantime, Fitch Ratings has affirmed Malaysia's long-term foreign currency issuer default rating at BBB+ with a stable outlook. Expect some attention to shift to the 5Y MGS auction tomorrow followed by July inflation data this coming Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor activity ease ahead of Tuesday's public holiday amid a drop in secondary market volume to RM301m. Overall yields closed mostly mixed again, spanning across 24 names in total. The sole govt-guaranteed consisted of PRASA 2/31 which declined 8bps compared to previous-done levels at 3.47%. AAA-rated INFRACAP 4/26 and PLUS 26 captured RM60m of trades each, with the former closing 5bps lower at 3.23% whilst the latter edged 1bps up at 3.18%. AA-rated energy-related bonds EDRA 37's eased 3-6bps, closing between 4.80-82% whereas YTL Power 5/27 rose 5bps instead at 3.90%. QUANTUM Solar 29-30's rallied 23-35bps to end between 4.32-44%. Meanwhile, the banking space saw MBSB 29NC24 edge 1bps lower at 3.63%.

Upcoming Government Bond Tender

Reopening of RM5.0b 5Y MGS 11/26 on Thursday, 22nd of July 2021

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.727	110	1.733	16/07/2021	-1
MGS 11/21	1.740	20	1.740	16/07/2021	0
MGS 03/22	1.713	13	1.791	16/07/2021	-8
MGS 03/23	1.907	143	1.873	16/07/2021	3
MGS 04/23	1.901	2	1.881	16/07/2021	2
MGS 08/23	1.940	13	1.942	16/07/2021	0
MGS 06/24	2.232	40	2.221	16/07/2021	1
MGS 07/24	2.301	36	2.297	16/07/2021	0
MGS 09/24	2.316	6	2.327	16/07/2021	-1
MGS 03/25	2.415	1	2.427	16/07/2021	-1
MGS 09/25	2.503	36	2.501	16/07/2021	0
MGS 07/26	2.666	21	2.643	16/07/2021	2
MGS 11/26	2.574	2	2.544	16/07/2021	3
MGS 05/27	2.875	6	2.867	16/07/2021	1
MGS 11/27	2.901	20	2.876	16/07/2021	2
MGS 06/28	2.935	58	2.951	16/07/2021	-2
MGS 08/29	3.115	6	3.126	16/07/2021	-1
MGS 04/30	3.212	1	3.208	16/07/2021	0
MGS 04/31	3.135	670	3.197	16/07/2021	-6
MGS 06/31	3.291	3	3.283	16/07/2021	1
MGS 04/33	3.738	2	3.690	16/07/2021	5
MGS 11/33	3.713	41	3.750	16/07/2021	-4
MGS 07/34	3.781	7	3.816	16/07/2021	-3
MGS 05/35	3.705	144	3.751	16/07/2021	-5
MGS 05/40	3.999	23	4.014	16/07/2021	-2
MGS 09/43	4.254	1	4.283	16/07/2021	-3
MGS 03/46	4.299	1	4.338	16/07/2021	-4
MGS 07/48	4.367	1	4.398	15/07/2021	-3
MGS 06/50	4.118	2	4.161	16/07/2021	-4
GII 04/22	1.770	20	1.707	09/07/2021	6
GII 11/22	1.804	10	1.804	02/07/2021	0
GII 11/23	2.040	3	1.978	16/07/2021	6
GII 08/25	2.544	3	2.452	16/07/2021	9
GII 10/25	2.584	90	2.589	14/07/2021	0
GII 03/26	2.585	132	2.583	16/07/2021	0
GII 07/27	2.946	4	2.960	16/07/2021	-1
GII 10/28	3.059	6	3.059	14/07/2021	0
GII 07/29	3.178	49	3.200	15/07/2021	-2
GII 10/30	3.263	43	3.256	15/07/2021	1
GII 06/33	3.703	3	3.714	15/07/2021	-1
GII 11/34	3.887	1	3.925	16/07/2021	-4
GII 07/36	3.909	101	3.927	16/07/2021	-2
GII 08/37	4.087	1	4.071	15/07/2021	2
GII 09/39	4.258	1	4.237	15/07/2021	2
GII 09/41	4.199	51	4.228	13/07/2021	-3
GII 11/49	4.387	1	4.417	14/07/2021	-3
		<u>1943</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Prasarana Malaysia Berhad	02/31	GG	3.470	15	3.550	25/05/2021	-8	32
Infracap Resources Sdn Berhad	04/26	AAA	3.228	60	3.283	07/07/2021	-5	72
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.183	60	3.177	08/07/2021	1	68
Sarawak Energy Berhad	04/31	AAA	3.877	10	4.039	22/06/2021	-16	73
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	3.810	5	3.899	19/05/2021	-9	66
Pengurusan Air SPV Berhad	10/34	AAA	4.180	5	4.238	02/07/2021	-6	46
GENM Capital Berhad	07/23	AA1	4.087	10	4.090	16/07/2021	0	216
GENM Capital Berhad	08/25	AA1	4.515	2	3.960	28/06/2021	56	211
YTL Power International Berhad	05/27	AA1	3.897	40	3.848	12/07/2021	5	108
GENM Capital Berhad	03/32	AA1	4.694	2	4.893	16/07/2021	-20	155
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bh)	07/23	AA3	3.365	1	4.338	21/10/2020	-97	144
Bumitama Agri Ltd	07/24	AA3	3.117	10	3.158	06/07/2021	-4	88
Country Garden Real Estate Sdn Berhad	03/25	AA3	4.618	10	4.622	16/07/2021	0	221
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	AA-	4.324	10	4.550	07/07/2021	-23	123
Quantum Solar Park (Semenanjung) Sdn Berhad	10/30	AA-	4.444	10	4.789	18/05/2021	-35	129
Cypark Ref Sdn Berhad	06/36	AA3	5.090	5	5.091	16/07/2021	0	137
Edra Energy Sdn Berhad	01/37	AA3	4.800	10	4.859	05/05/2021	-6	108
Edra Energy Sdn Berhad	07/37	AA3	4.819	10	4.849	11/05/2021	-3	110
Cypark Ref Sdn Berhad	06/39	AA3	5.330	10	5.331	16/07/2021	0	133
MNRB Holdings Berhad	03/29	A1	3.988	10	4.056	24/03/2021	-7	89
Tropicana Corporation Berhad	06/23	A+	4.940	1	4.741	05/07/2021	20	302
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.627	5	3.632	16/07/2021	-1	53
Affin Bank Berhad	07/18	A3	4.353	1	3.845	22/02/2021	51	35
YNH Property Berhad	08/19	-	6.809	1	6.371	17/06/2021	44	281
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MISC Berhad	RM2.5 billion Islamic Medium-Term Notes programme	AAA-IS/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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