

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.21	1
5-yr UST	0.74	5
10-yr UST	1.29	7
30-yr UST	1.94	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	0	2.27	-1
5-yr	2.47	-3	2.58	-1
7-yr	2.93	0	2.93	-3
10-yr	3.22	9	3.20	-6
15-yr	3.65	-6	3.86	-5
20-yr	3.94	-6	4.18	-2
30-yr	4.15	3	4.39	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	-1
3-yr	2.28	-2
5-yr	2.52	-2
7-yr	2.79	-1
10-yr	2.98	-5

Source: Bloomberg

Upcoming Government Bond Tender

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

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker on Wednesday, led by losses in the longer-ends as a rather tepid 20Y auction coupled with stronger performance for equities affected sentiment. Early signs of swap spread purchases due to rising corporate issuance slate also contributed to the weakness. The curve shifted higher with overall benchmark yields closing between 1-7bps higher across. The UST 2Y yield edged 1bps higher at 0.21% whilst the much-watched UST 10Y spiked 7bps to 1.29%, off the 5-month low seen earlier on Monday. The \$24b 20Y bond auction tailed as the BTC ratio dipped to the lowest since January at 2.33x (average for previous six auctions: 2.41x), whilst being awarded above market expectations at 1.89% (previous auction: 2.12%). Investors are seen pondering over current low yields given the growth outlook and high inflation. Expect some attention to shift to weekly jobless claims and existing home sales.

MGS/GII

- On Wednesday, local govies ended mostly stronger as financial markets resumed trading post Hari Raya Haji holidays. Overall benchmark yields closed lower between 0-6bps save for the 10Y MGS and ultra-long bonds; amid a spike in secondary market volume @ RM4.60b. The 5Y MGS 9/25 yield moved 3bps lower at 2.47% whilst the 10Y MGS 4/31 spiked 9bps instead at 3.22%. Interest was mainly seen in the off-the-run 21-23's, benchmark 3Y, 10Y MGS/GII and also 15Y GII. GII which were well-bis throughout the session, maintained momentum to form ~43% of overall trades. Elsewhere, EM investors have been seen actively investing in safe-haven bonds within this region as the delta variant of the COVID-19 virus impacts developing economies. Expect some attention to shift to the 5Y MGS auction today followed by July inflation data tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor activity improve on Wednesday amid an increase in secondary market volume to RM457m. Overall yields closed mostly mixed again, spanning across 24 names in total. Govt-guaranteed PRASA 3/25 which saw the largest trade transacted totaling RM140m, declined 4bps compared to previous-done levels at 2.50%. AAA-rated toll-operator PLUS 30-32's closed 1-4bps between 3.68-87% whilst INFRACAP 4/26 traded back-to-back again; settling unchanged at 3.23%. QUANTUM Solar saw a slew of 2030-2031 tranches move 9-37bps lower between 4.30-45% area. NORTHPORT 12/24 which last traded in April, closed 15bps lower at 3.63%. Meanwhile, the banking space was relatively quiet with BPMB 6/31 and Muamalat 11/21 registering odd-lot trades.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.720	184	1.727	19/07/2021	-1
MGS 11/21	1.731	340	1.740	19/07/2021	-1
MGS 03/22	1.730	538	1.713	19/07/2021	2
MGS 09/22	1.753	10	1.787	16/07/2021	-3
MGS 03/23	1.900	37	1.907	19/07/2021	-1
MGS 04/23	1.895	2	1.901	19/07/2021	-1
MGS 08/23	1.930	1	1.940	19/07/2021	-1
MGS 06/24	2.229	324	2.232	19/07/2021	0
MGS 07/24	2.296	99	2.301	19/07/2021	-1
MGS 09/24	2.313	28	2.316	19/07/2021	0
MGS 09/25	2.469	5	2.503	19/07/2021	-3
MGS 07/26	2.613	11	2.666	19/07/2021	-5
MGS 11/26	2.560	20	2.574	19/07/2021	-1
MGS 05/27	2.830	51	2.875	19/07/2021	-4
MGS 11/27	2.879	62	2.901	19/07/2021	-2
MGS 06/28	2.931	207	2.935	19/07/2021	0
MGS 08/29	3.129	136	3.115	19/07/2021	1
MGS 04/30	3.213	2	3.212	19/07/2021	0
MGS 04/31	3.223	367	3.135	19/07/2021	9
MGS 06/31	3.271	2	3.291	19/07/2021	-2
MGS 04/33	3.633	4	3.738	19/07/2021	-11
MGS 07/34	3.751	32	3.781	19/07/2021	-3
MGS 05/35	3.650	61	3.705	19/07/2021	-6
MGS 04/37	3.840	5	3.886	19/07/2021	-5
MGS 05/40	3.942	35	3.999	19/07/2021	-6
MGS 06/50	4.148	42	4.118	19/07/2021	3
GII 05/23	1.954	566	1.913	16/07/2021	4
GII 11/23	1.954	3	2.040	19/07/2021	-9
GII 05/24	2.171	13	2.214	13/07/2021	-4
GII 08/24	2.240	34	2.330	16/07/2021	-9
GII 10/24	2.269	174	2.283	19/07/2021	-1
GII 10/25	2.571	110	2.584	19/07/2021	-1
GII 03/26	2.577	192	2.585	19/07/2021	-1
GII 07/27	2.951	12	2.946	19/07/2021	0
GII 09/27	2.929	97	2.959	16/07/2021	-3
GII 10/28	3.033	3	3.059	19/07/2021	-3
GII 07/29	3.177	26	3.178	19/07/2021	0
GII 10/30	3.200	130	3.263	19/07/2021	-6
GII 06/33	3.709	6	3.703	19/07/2021	1
GII 08/33	3.656	5	3.740	19/07/2021	-8
GII 10/35	3.954	5	3.956	08/07/2021	0
GII 07/36	3.863	418	3.909	19/07/2021	-5
GII 09/39	4.228	2	4.258	19/07/2021	-3
GII 09/41	4.180	153	4.199	19/07/2021	-2
GII 11/49	4.393	49	4.387	19/07/2021	1
		<u>4603</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*
Jambatan Kedua Sdn Berhad	07/23	GG	2.149	60	2.160	06/07/2021	-1	22
MKD Kencana Sdn Berhad	02/25	GG	2.569	30	2.570	14/07/2021	0	16
Prasarana Malaysia Berhad	03/25	GG	2.501	140	2.543	15/07/2021	-4	9
Perbadanan Tabung Pendidikan Tinggi Nasional	07/31	GG	3.499	10	3.599	18/05/2021	-10	39
Infracap Resources Sdn Berhad	04/26	AAA	3.230	10	3.228	19/07/2021	0	71
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.012	10	3.067	29/06/2021	-6	49
Sarawak Energy Berhad	01/27	AAA	3.307	20	3.357	13/07/2021	-5	50
Pengurusan Air SPV Berhad	06/27	AAA	3.250	10	3.274	12/07/2021	-2	44
Infracap Resources Sdn Berhad	04/28	AAA	3.580	10	3.758	11/06/2021	-18	64
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.680	15	3.697	12/07/2021	-2	61
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.794	30	3.800	13/07/2021	-1	67
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.869	10	3.908	30/06/2021	-4	76
Kuala Lumpur Kepong Berhad	09/29	AA1	3.660	5	3.748	08/03/2021	-9	59
GENM Capital Berhad	03/32	AA1	4.893	2	4.694	19/07/2021	20	179
Anih Berhad	11/28	AA	3.807	10	3.918	05/05/2021	-11	87
Perbadanan Kemajuan Negeri Selangor	11/22	AA3	3.221	10	3.387	22/06/2021	-17	145
Tanjung Bin Energy Sdn Berhad	09/24	AA3	3.125	20	-	-	-	90
Quantum Solar Park (Semenanjung) Sdn Berhad	04/30	AA-	4.298	10	4.668	06/05/2021	-37	117
Jimah East Power Sdn Berhad	06/30	AA-	4.252	5	4.309	12/07/2021	-6	112
Quantum Solar Park (Semenanjung) Sdn Berhad	10/30	AA-	4.349	10	4.444	19/07/2021	-9	122
Quantum Solar Park (Semenanjung) Sdn Berhad	04/31	AA-	4.448	10	4.784	22/06/2021	-34	134
Northport (Malaysia) Berhad	12/24	AA-	3.630	20	3.781	02/04/2021	-15	140
				<u>457</u>				

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

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

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