

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries gained on Tuesday, as Fed Chair Powell continued to downplay risks of inflation during his testimony. The curve shifted lower as overall benchmark yields declined between 2-3bps. Both the UST 2Y and much-watched UST 10Y yields moved 3bps lower at 0.23% and 1.46% respectively. The \$60b 2Y auction saw slightly weaker-than-expected bidding metrics @2.54x (previous auction: 2.74x; previous average six auctions: 2.53x) and awarded at an auction-high yield of 0.249%. Fed Chair Powell is expected to elaborate his views on the Fed's recent signalling on the 2023 rate hikes along with the slowing of the pace of their \$120b monthly bond purchases. He has repeated that inflation pressures which saw CPI levels rise to its highest levels in 10 years, will ease into the year-end and again in early 2022. Meanwhile, expect attention to shift to the \$61b 5Y auction and Markit Manufacturing and Services data tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	-3
5-yr UST	0.86	-3
10-yr UST	1.46	-3
30-yr UST	2.09	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.29	2	2.35	1
5-yr	2.54	2	2.70	1
7-yr	3.01	3	2.97	0
10-yr	3.30	3	3.31	-1
15-yr	3.85	0	4.01	8
20-yr	4.18	23	4.27	-4
30-yr	4.21	6	4.40	-8

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.96	0
3-yr	2.37	2
5-yr	2.66	3
7-yr	2.86	2
10-yr	3.09	1

Source: Bloomberg

### Upcoming Government Bond Tender

Nil

### MGS/GII

- On Tuesday, local govies were slightly pressured especially MGS due to fears of potential future downgrade based on S&P Global Ratings negative outlook on the long-term rating. This was despite **affirmation** of Malaysia's "A-" long-term and "A-2" short-term sovereign credit ratings on Malaysia, besides also affirming its 'A' long-term and 'A-1' short-term local currency ratings on the country. Secondary market volume rose to RM4.13b as benchmark yields ended mixed again between -8 to +23bps. The 5Y MGS 9/25 yield edged 2bps up at 2.54% whilst the 10Y MGS 4/31 yield rose 3bps at 3.30%. Trades were mainly seen in the short off-the-run 21-22's and also 15Y MGS. GII bond trades maintained to form about 42% of overall trades. The auction involving the reopening of 3Y GII saw decent bidding metrics at the 2.0x handle whilst being awarded at 2.341%. Meanwhile, expect some attention to shift to the release of May CPI data this Friday.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw secondary market volume ease to RM809m with trades seen across the curve. Overall yields closed mixed, spanning across 50 names. Govt-guaranteed DANA 11/27 and 9/34 spiked 40-84bps compared to previous-done levels at 3.15% and 4.07% respectively. AAA-rated SEB 8/25, 1/27 and 4/31 rose 0-11bps higher at 3.13%, 3.43% and 4.04% each whereas the 6/30 tranche was well-bid, closing 33bps lower at 3.80%. AA-rated energy-related bonds i.e. EDRA 26-31's declined 1-17bps between 3.79-4.38% whereas UEM Sunrise saw a slew of tranches notch RM90m worth of trades. Both the 2/24 and 2/26 tranches closed unchanged at 3.96% and 4.44%. The 12/22 tranche meanwhile edged 1bps lower at 3.67% whilst the 3/24 tranche rallied 18bps at 3.99%. Meanwhile the banking space saw AFFIN 27NC22 settle 6bps lower at 3.09%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.781	405	1.772	21/06/2021	1
MGS	09/21	1.738	562	1.757	21/06/2021	-2
MGS	11/21	1.741	120	1.760	18/06/2021	-2
MGS	03/22	1.848	56	1.793	18/06/2021	6
MGS	08/22	1.819	55	1.849	18/06/2021	-3
MGS	09/22	1.822	98	1.826	21/06/2021	0
MGS	03/23	1.952	10	1.919	21/06/2021	3
MGS	08/23	2.019	77	1.975	21/06/2021	4
MGS	06/24	2.284	84	2.269	21/06/2021	1
MGS	07/24	2.291	43	2.332	18/06/2021	-4
MGS	09/24	2.312	41	2.344	21/06/2021	-3
MGS	03/25	2.454	6	2.429	16/06/2021	3
MGS	09/25	2.535	47	2.512	21/06/2021	2
MGS	04/26	2.674	28	2.658	17/06/2021	2
MGS	07/26	2.713	9	2.713	21/06/2021	0
MGS	11/26	2.623	2	2.614	21/06/2021	1
MGS	03/27	2.823	9	2.881	17/06/2021	-6
MGS	05/27	2.880	143	2.865	21/06/2021	1
MGS	11/27	2.931	16	2.915	21/06/2021	2
MGS	06/28	3.006	12	2.980	21/06/2021	3
MGS	08/29	3.176	65	3.176	21/06/2021	0
MGS	04/30	3.311	14	3.311	21/06/2021	0
MGS	04/31	3.295	23	3.261	21/06/2021	3
MGS	06/31	3.413	1	3.407	21/06/2021	1
MGS	04/32	3.565	54	3.565	21/06/2021	0
MGS	04/33	3.775	20	3.738	14/06/2021	4
MGS	11/33	3.797	1	3.790	18/06/2021	1
MGS	07/34	3.826	19	3.806	21/06/2021	2
MGS	05/35	3.852	156	3.848	21/06/2021	0
MGS	04/37	4.045	1	4.066	21/06/2021	-2
MGS	06/38	4.200	2	4.197	15/06/2021	0
MGS	05/40	4.181	148	3.946	21/06/2021	24
MGS	09/43	4.302	1	4.356	18/06/2021	-5
MGS	03/46	4.370	2	4.370	21/06/2021	0
MGS	06/50	4.210	63	4.148	21/06/2021	6
GII	08/21	1.779	80	1.775	21/06/2021	0
GII	04/22	1.762	100	1.740	17/06/2021	2
GII	11/22	1.848	10	1.840	14/06/2021	1
GII	05/23	1.958	32	1.997	17/06/2021	-4
GII	11/23	2.039	80	2.087	17/06/2021	-5
GII	10/24	2.345	1088	2.330	21/06/2021	2
GII	03/26	2.702	180	2.691	21/06/2021	1
GII	09/27	2.972	2	2.969	21/06/2021	0
GII	10/28	3.080	4	3.090	21/06/2021	-1
GII	07/29	3.275	20	3.248	18/06/2021	3
GII	10/30	3.308	35	3.314	21/06/2021	-1
GII	06/33	3.812	11	3.849	17/06/2021	-4
GII	10/35	4.019	50	3.958	16/06/2021	6
GII	07/36	4.008	49	3.930	21/06/2021	8
GII	09/41	4.268	2	4.305	17/06/2021	-4
GII	11/49	4.402	2	4.484	21/06/2021	-8
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	2.998	15	3.051	28/04/2021	-5	47
DanaInfra Nasional Berhad	11/27	GG	3.153	10	2.752	04/01/2021	40	31
DanaInfra Nasional Berhad	09/34	GG	4.070	4	3.229	15/10/2020	84	21
Malaysia Airports Capital Berhad	12/22	AAA	2.843	50	2.893	15/06/2021	-5	104
Sarawak Energy Berhad	08/25	AAA	3.133	30	3.078	21/04/2021	6	70
Zamarad Assets Berhad	07/26	AAA	3.740	3	3.803	06/05/2021	-6	121
Sarawak Energy Berhad	01/27	AAA	3.431	30	3.428	21/06/2021	0	59
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.679	7	3.694	08/03/2021	-2	53
Sarawak Energy Berhad	06/30	AAA	3.800	20	4.130	25/03/2021	-33	57
Sarawak Energy Berhad	04/31	AAA	4.039	30	3.931	09/06/2021	11	77
TNB Western Energy Berhad	01/34	AAA	4.200	20	3.999	24/02/2021	20	34
Danum Capital Berhad	02/35	AAA	4.310	3	4.398	22/04/2021	-9	45
Tenaga Nasional Berhad	08/40	AAA	4.433	11	4.472	21/06/2021	-4	25
Kuala Lumpur Kepong Berhad	08/25	AA1	3.038	10	3.109	27/04/2021	-7	61
Kuala Lumpur Kepong Berhad	04/26	AA1	3.200	20	2.900	24/02/2021	30	67
Samalaju Industrial Port Sdn Berhad	12/28	AA1	3.869	30	3.298	31/12/2020	57	72
Kuala Lumpur Kepong Berhad	09/34	AA1	4.370	5	4.390	16/06/2021	-2	51
Genting RMTN Berhad	11/34	AA1	5.199	21	5.262	21/06/2021	-6	134
CIMB Bank Berhad	08/26	AA+	2.690	7	4.397	03/06/2021	-171	16
Celcom Networks Sdn Berhad	10/26	AA+	3.328	20	3.602	31/03/2021	-27	80
Celcom Networks Sdn Berhad	08/27	AA+	3.459	20	3.549	27/04/2021	-9	62
Konsortium ProHAWK Sdn Berhad	06/26	AA2	3.350	13	3.352	21/06/2021	0	82
CIMB Bank Berhad	08/26	AA2	2.415	20	2.430	09/06/2021	-2	-12
Malaysia Airport Holdings Berhad	12/14	AA2	4.103	20	4.017	09/06/2021	9	-8
Anih Berhad	11/24	AA	3.184	1	2.893	21/01/2021	29	92
Perbadanan Kemajuan Negeri Selangor	11/21	AA3	3.017	30	-	-	-	121
Trinity Asia Ventures Berhad	09/22	AA3	3.946	2	3.862	23/02/2021	8	214
Perbadanan Kemajuan Negeri Selangor	11/22	AA3	3.387	25	-	-	-	158
Perbadanan Kemajuan Negeri Selangor	01/23	AA3	3.404	30	3.181	19/01/2021	22	143
Edra Energy Sdn Berhad	07/26	AA3	3.787	10	3.838	05/05/2021	-5	126
Edra Energy Sdn Berhad	07/27	AA3	3.974	2	4.098	06/04/2021	-12	114
Besraya (M) Sdn Berhad	07/27	AA3	3.753	1	3.762	11/03/2021	-1	91
Edra Energy Sdn Berhad	01/28	AA3	4.049	20	4.058	03/06/2021	-1	107
Edra Energy Sdn Berhad	01/31	AA3	4.384	20	4.549	16/04/2021	-17	111
Cypark Ref Sdn Berhad	06/39	AA3	5.361	1	4.859	09/12/2020	50	118
WCT Holdings Berhad	10/21	AA-	3.682	10	3.837	30/03/2021	-16	188
WCT Holdings Berhad	10/22	AA-	4.043	10	3.937	12/11/2020	11	224
UEM Sunrise Berhad	12/22	AA-	3.674	20	3.687	31/05/2021	-1	187
UEM Sunrise Berhad	02/24	AA-	3.962	20	-	-	-	170
UEM Sunrise Berhad	03/24	AA-	3.986	40	4.169	16/04/2021	-18	172
UEM Sunrise Berhad	02/26	AA-	4.442	10	-	-	-	191
MMC Corporation Berhad	03/28	AA-	4.328	30	4.666	21/06/2021	-34	135
UiTM Solar Power Dua Sdn Berhad	03/30	AA-	4.593	20	-	-	-	137
Quantum Solar Park (Semenanjung) Sdn Berhad	04/31	AA-	4.784	10	4.798	25/05/2021	-1	151
Penang Port Sdn Berhad	12/31	AA-	4.222	2	4.329	23/04/2021	-11	95
TG Excellence Berhad	02/20	AA-	3.511	20	4.209	18/06/2021	-70	-67
Affin Bank Berhad	09/27	A1	3.092	53	3.149	16/06/2021	-6	25
CIMB Group Holdings Berhad	05/16	A1	2.911	4	3.568	18/06/2021	-66	-127
YNH Property Berhad	08/19	-	6.342	1	6.194	21/06/2021	15	216
Alliance Islamic Bank Berhad	03/19	BBB	3.867	1	4.792	27/07/2020	-93	-32
				<u>809</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Southern Power Generation Sdn Bhd	Sukuk Wakalah of up to RM4.0 billion	AA-IS/Stable	Affirmed
Premier Auto Assets Berhad	RM20 million Senior Class B Notes under Premier Auto Assets Berhad's (Premier Auto or the Issuer) RM105 million Tranche 1 Medium Term Notes (Tranche 1 MTN)	Upgraded from AA1/Stable to AAA/Stable	Upgraded
	RM35 million Senior Class A Notes	AAA/Stable	Reaffirmed

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