

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw muted price action on Thursday on little news-flow despite the decent 7Y auction which benefitted from month-end extensions. USTs were also seen reacting to Fed President Bullard's statement that inflation may be stronger than what the Fed had envisaged, gaining momentum as the economy reopens from the COVID pandemic. The curve saw modest flattening at the long-end as overall benchmark yields ended between a mere -1 to +1bps. Both the UST 2Y and much-watched UST 10Y yields edged 1bps up at 0.27% and 1.49% respectively. The \$62b 7Y auction saw strong bidding metrics @2.36x (previous auction: 2.41x; previous average six auctions: 1.87x) and awarded at 1.264% (previous auction: 1.084%). Market reaction was also limited with durable goods orders, and jobless claims data mostly undershooting expectations. Meanwhile, expect attention tonight to shift to the release of the Fed's preferred reading on inflation i.e. PCE.

MGS/GII

- On Thursday, local govies, especially MGS recorded small deviations from prior day's close whilst GII closed mixed. Secondary market volume however halved to ~RM1.39b on lack of further catalysts as overall benchmark yields ended mostly between -4 to +5bps save for the 20Y MGS. Both the 5Y MGS 9/25 and 10Y MGS 4/31 yield edged 1bps up at 2.54% and 3.29% respectively. Trades were mainly seen in the short off-the-run 21's, and also 15Y MGS. GII bond trades eased further to form only about 18% of overall trades. Expect trading to take a backseat as attention shifts to the release of May CPI data today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to witness strong interest amid secondary market volume of RM822m on Thursday with trades seen across the GG-AA part of the curve. Overall yields closed mixed, spanning across lower number of names i.e. 37 in total. Govt-guaranteed LPPSA 9/26 which notched RM100m worth of trades, closed 5bps lower compared to previous-done levels at 2.98%. However the long-end DANA 4/48 spiked 31bps instead at 4.58%. AAA-rated DANGA 27-28's saw tremendous interest, closing -2 to +3bps between 3.00-3.29% whilst PLUS 32-33's rose 49-71bps between 3.92-4.07%. AA-rated energy-related bonds i.e. YTL Power 10/24 jumped 40bps at 3.80% whilst BGSM settled unchanged at 2.93%. The short-end PKNS 10/21 moved 13bps lower at 2.92%. Meanwhile the banking space saw MAYBANK 31NC26end 10bps lower at 3.09% whereas PUBLIC 27NC22 declined 17bps at 2.72%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.27	1
5-yr UST	0.89	1
10-yr UST	1.49	1
30-yr UST	2.10	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.28	-1	1.96	0
5-yr	2.54	1	2.70	1
7-yr	3.00	0	2.99	0
10-yr	3.29	1	3.34	1
15-yr	3.86	1	3.97	-4
20-yr	3.92	-25	4.27	0
30-yr	4.19	0	4.48	5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	0
3-yr	2.38	1
5-yr	2.66	0
7-yr	2.87	2
10-yr	3.09	0

Source: Bloomberg

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	07/21	1.678	387	1.754	23/06/2021	-8
MGS	09/21	1.746	131	1.767	23/06/2021	-2
MGS	11/21	1.750	182	1.771	23/06/2021	-2
MGS	08/22	1.796	3	1.815	23/06/2021	-2
MGS	09/22	1.825	5	1.817	23/06/2021	1
MGS	03/23	1.977	1	1.955	23/06/2021	2
MGS	08/23	2.015	12	2.015	23/06/2021	0
MGS	06/24	2.284	50	2.294	23/06/2021	-1
MGS	07/24	2.334	2	2.343	23/06/2021	-1
MGS	09/25	2.541	31	2.528	23/06/2021	1
MGS	04/26	2.681	1	2.674	22/06/2021	1
MGS	07/26	2.732	4	2.733	23/06/2021	0
MGS	09/26	2.780	100	2.763	23/06/2021	2
MGS	05/27	2.910	5	2.910	23/06/2021	0
MGS	11/27	2.910	3	2.948	23/06/2021	-4
MGS	08/29	3.189	9	3.176	23/06/2021	1
MGS	04/30	3.322	1	3.305	23/06/2021	2
MGS	04/31	3.287	7	3.276	23/06/2021	1
MGS	06/31	3.389	55	3.396	23/06/2021	-1
MGS	04/32	3.565	30	3.565	22/06/2021	0
MGS	05/35	3.857	105	3.847	23/06/2021	1
MGS	09/43	4.286	3	4.310	23/06/2021	-2
MGS	06/50	4.191	12	4.191	23/06/2021	0
GII	08/21	1.758	10	1.779	22/06/2021	-2
GII	03/22	1.786	9	1.769	15/06/2021	2
GII	10/24	2.346	70	2.349	23/06/2021	0
GII	03/26	2.700	10	2.690	23/06/2021	1
GII	07/29	3.267	10	3.261	23/06/2021	1
GII	10/30	3.339	30	3.326	23/06/2021	1
GII	11/34	4.000	40	3.995	23/06/2021	0
GII	07/36	3.970	35	4.008	23/06/2021	-4
GII	05/47	4.525	1	4.570	17/06/2021	-4
GII	11/49	4.484	41	4.435	23/06/2021	5
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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*
Pengurusan Air SPV Berhad	06/24	GG	2.529	20	2.530	21/06/2021	0	24
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	2.978	100	3.032	25/05/2021	-5	43
DanaInfra Nasional Berhad	04/48	GG	4.580	30	4.270	08/12/2020	31	38
Berjaya Land Berhad	12/21	AAA	2.882	10	2.945	09/06/2021	-6	108
Pengurusan Air SPV Berhad	02/22	AAA	2.237	20	2.366	22/04/2021	-13	44
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.194	20	2.353	15/04/2021	-16	40
Danum Capital Berhad	05/23	AAA	2.505	50	2.473	23/06/2021	3	52
Pengurusan Air SPV Berhad	02/24	AAA	2.789	10	2.825	04/06/2021	-4	50
Pengurusan Air SPV Berhad	02/24	AAA	2.789	10	2.798	18/06/2021	-1	50
Danga Capital Berhad	02/26	AAA	2.998	40	3.019	21/06/2021	-2	45
Danga Capital Berhad	09/27	AAA	3.287	65	3.255	04/06/2021	3	43
Pengurusan Air SPV Berhad	02/28	AAA	3.460	5	3.480	18/06/2021	-2	45
Danga Capital Berhad	01/30	AAA	3.650	10	3.659	11/06/2021	-1	41
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.924	20	3.436	29/01/2021	49	65
Rantau Abang Capital Berhad	01/32	AAA	3.899	10	3.390	08/02/2021	51	62
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.069	10	3.358	14/10/2020	71	79
Tenaga Nasional Berhad	08/40	AAA	4.390	1	4.390	23/06/2021	0	19
YTL Power International Berhad	10/24	AA1	3.796	140	3.399	24/05/2021	40	151
Public Bank Berhad	04/27	AA1	2.722	40	2.893	26/04/2021	-17	-13
Public Bank Berhad	07/29	AA1	3.094	10	2.921	17/11/2020	17	-6
Malayan Banking Berhad	01/31	AA1	3.088	80	3.189	02/06/2021	-10	-19
Kuala Lumpur Kepong Berhad	09/34	AA1	4.389	30	4.370	22/06/2021	2	54
Genting RMTN Berhad	11/34	AA1	5.200	2	5.199	23/06/2021	0	135
Perbadanan Kemajuan Negeri Selangor	10/21	AA3	2.919	30	3.045	12/01/2021	-13	112
TG Excellence Berhad	02/20	AA-	4.109	2	4.209	23/06/2021	-10	-9
UEM Sunrise Berhad	03/24	AA-	3.970	5	3.986	22/06/2021	-2	169
Gamuda Berhad	03/23	AA3	2.987	10	3.006	23/06/2021	-2	100
BGSM Management Sdn Berhad	12/23	AA3	2.932	20	2.935	05/05/2021	0	65
Malayan Banking Berhad	02/17	AA3	3.391	5	3.409	23/06/2021	-2	-81
AmBank (M) Berhad	02/28	A1	3.542	10	3.004	06/08/2020	54	53
CIMB Group Holdings Berhad	05/16	A1	3.586	1	2.911	22/06/2021	68	-61
Dialog Group Berhad	11/20	A1	3.873	1	3.872	18/06/2021	0	-33
Tropicana Corporation Berhad	06/23	A+	4.033	1	3.999	25/05/2021	3	204
Tropicana Corporation Berhad	10/23	A+	4.006	1	5.181	11/06/2021	-118	202
Eco World Capital Assets Berhad	08/24	-	5.214	1	4.810	16/06/2021	40	293
YNH Property Berhad	08/19	-	6.202	4	6.144	23/06/2021	6	200
Cypark Renewable Energy Sdn Berhad	09/20	-	6.101	1	6.498	10/05/2021	-40	190
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*spread against nearest indicative tenured MGS (Source : BPAM)

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

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