

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended stronger with the longer-ends rallying substantially on Tuesday amid fading risk appetite as ongoing concerns over the Delta coronavirus variant were seen to impact economic growth. Bonds were also seen supported by the absence of hints over earlier whispers of QE tapering. The curve flattened with overall benchmark yields closing between 1-5bps lower. The UST 2Y yield ended 1bps lower at 0.19% whilst the much-watched UST 10Y rallied 5bps at 1.24%. The auction of \$61b of 5Y notes was fairly well-received; yielding 0.71% (previous auction: 0.94%) and on a steady BTC ratio of 2.36x (6 previous auction average: 2.35x). Expect cautious trading ahead of the upcoming FOMC meeting tomorrow, followed by Friday's \$62b 7Y notes auction.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	-1
5-yr UST	0.70	-2
10-yr UST	1.24	-5
30-yr UST	1.89	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	2	2.29	0
5-yr	2.60	0	2.60	1
7-yr	2.96	1	2.98	2
10-yr	3.16	3	3.29	3
15-yr	3.71	4	3.89	-2
20-yr	3.95	-2	4.16	0
30-yr	4.10	-4	4.39	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	1
3-yr	2.31	2
5-yr	2.53	0
7-yr	2.78	2
10-yr	3.00	3

Source: Bloomberg

##### Upcoming Government Bond Tender

Reopening of RM 3.5b+ RM2.0b (Private Placement) of 10Y GII 10/30 on Thursday, 29<sup>th</sup> July 2021

##### MGS/GIII

- On Tuesday, local govies ended mixed with the short-to-intermediate tenures seeing slight pressure post auction announcement for the 10Y GII which will see a massive issuance of RM5.5b; that includes a private placement as well. Overall benchmark yields closed mostly mixed-to-higher i.e. between -4 to +4bps with the longer-ends richer amid a slight decrease in secondary market volume to RM2.58b. The 5Y benchmark MGS 11/26 yield settled within 1bps lower at 2.60% whilst the 10Y MGS 4/31 yield rose 3bps at 3.16%. Interest was mainly seen in the off-the-run 21-23's and also benchmark 5Y MGS. The GII sector eased to form ~25% of overall trades. Elsewhere, the parliament sitting proceeded smoothly with no major announcement. Expect some attention to shift to the release of June trade numbers today.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw further ramp-up in activity on Tuesday with interest seen across the curve amid a doubling in secondary market volume @ RM1.18b. Overall yields closed mostly mixed-to-lower, spanning across 51 names. Govt-guaranteed DANA and PRASA 29's rallied 11-4bps compared to previous-done levels at 3.30% whereas PTPTN 2/34 saw unusually large transacted amounts of RM270m, closing 3bps lower at 4.00%. AAA-rated TOYOTA Cap 23 and 25 moved opposite ends between -15 to +12bps at 2.77% and 3.36% each. AA-rated space saw several energy-related bonds exchange hands. BGSM 12/22 ebbed 8bps lower at 2.65% on substantial volume whilst JEV 21's declined 15-18bps at 2.48%. TBEI 32's and EDRA 37's moved 8bps lower each at 2.64% and 4.00% respectively. The banking space was active with bonds like AFFIN 28NC23 closing unchanged at 3.70%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.747	520	1.718	26/07/2021	3
MGS 11/21	1.750	175	1.744	26/07/2021	1
MGS 03/22	1.745	245	1.749	26/07/2021	0
MGS 03/23	1.890	127	1.898	26/07/2021	-1
MGS 06/24	2.254	78	2.230	26/07/2021	2
MGS 07/24	2.259	18	2.278	26/07/2021	-2
MGS 09/24	2.306	30	2.301	26/07/2021	0
MGS 09/25	2.531	47	2.529	26/07/2021	0
MGS 11/26	2.604	375	2.608	26/07/2021	0
MGS 11/27	2.919	10	2.897	26/07/2021	2
MGS 06/28	2.964	45	2.957	26/07/2021	1
MGS 08/29	3.176	59	3.154	26/07/2021	2
MGS 04/30	3.187	84	3.140	26/07/2021	5
MGS 04/31	3.162	47	3.130	26/07/2021	3
MGS 06/31	3.315	10	3.295	26/07/2021	2
MGS 05/35	3.709	10	3.674	23/07/2021	4
MGS 06/38	3.966	4	4.021	26/07/2021	-5
MGS 05/40	3.973	50	3.975	26/07/2021	0
GII 03/22	1.615	1	1.750	26/07/2021	-14
GII 04/22	1.718	28	1.734	26/07/2021	-2
GII 07/22	1.661	5	1.675	26/07/2021	-1
GII 05/23	1.955	160	1.945	26/07/2021	1
GII 02/24	2.357	10	2.370	03/06/2021	-1
GII 10/24	2.288	90	2.289	26/07/2021	0
GII 03/26	2.598	80	2.591	26/07/2021	1
GII 07/27	2.965	40	2.951	21/07/2021	1
GII 09/27	2.984	60	2.961	26/07/2021	2
GII 12/28	3.098	2	3.097	22/07/2021	0
GII 10/30	3.287	54	3.256	26/07/2021	3
GII 08/33	3.747	40	3.656	22/07/2021	9
GII 07/36	3.891	67	3.912	26/07/2021	-2
GII 09/39	4.191	4	4.206	26/07/2021	-2
		<u>2575</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*
Khazanah Nasional Berhad	09/22	GG	1.953	60	2.190	02/06/2021	-24	18
Danainfra Nasional Berhad	09/29	GG	3.301	20	3.439	29/06/2021	-14	21
Prasarana Malaysia Berhad	09/29	GG	3.301	20	3.409	26/04/2021	-11	21
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.000	270	4.029	26/04/2021	-3	30
Danainfra Nasional Berhad	11/35	GG	4.019	10	4.040	23/07/2021	-2	32
Pengurusan Air SPV Berhad	11/21	AAA	2.101	20	2.268	10/05/2021	-17	33
Westports Malaysia Sdn Berhad	04/22	AAA	2.155	10	2.395	21/04/2021	-24	38
Toyota Capital Malaysia Sdn Berhad	01/23	AAA	2.766	30	2.911	05/05/2021	-15	99
Toyota Capital Malaysia Sdn Berhad	01/25	AAA	3.358	30	3.242	16/03/2021	12	90
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/25	AAA	2.913	30	3.119	09/04/2021	-21	46
Bank Pembangunan Malaysia Berhad	10/25	AAA	3.049	10	2.729	24/02/2021	32	59
Danum Capital Berhad	02/26	AAA	2.950	20	3.010	21/06/2021	-6	34
Infracap Resources Sdn Berhad	04/26	AAA	3.219	5	3.230	21/07/2021	-1	61
Danga Capital Berhad	09/27	AAA	3.194	20	3.199	26/07/2021	0	36
Putrajaya Bina Sdn Berhad	03/28	AAA	3.268	10	3.799	31/03/2021	-53	31
Infracap Resources Sdn Berhad	04/28	AAA	3.570	5	3.580	21/07/2021	-1	61
Putrajaya Bina Sdn Berhad	05/29	AAA	3.438	10	3.637	18/05/2021	-20	34
Sarawak Energy Berhad	07/29	AAA	3.560	15	3.679	29/06/2021	-12	47
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.618	10	3.680	21/07/2021	-6	52
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	3.801	5	3.807	23/07/2021	-1	65
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.939	10	4.029	30/06/2021	-9	79
Sarawak Energy Berhad	11/33	AAA	4.129	10	4.300	08/07/2021	-17	98
GENM Capital Berhad	08/25	AA1	4.757	1	4.757	26/07/2021	0	230
GENM Capital Berhad	07/28	AA1	4.595	20	4.697	26/07/2021	-10	164
Public Bank Berhad	07/29	AA1	3.039	5	3.094	24/06/2021	-5	-5
Malaysia Airport Holdings Berhad	12/14	AA2	4.325	20	4.339	16/07/2021	-1	36
Fortune Premiere Sdn Berhad	09/23	AA	3.060	2	3.124	15/06/2021	-6	114
Fortune Premiere Sdn Berhad	09/25	AA	3.434	10	3.457	17/06/2021	-2	98
Jimah Energy Ventures Sdn Berhad	11/21	AA3	2.475	10	2.626	24/11/2020	-15	70
Jimah Energy Ventures Sdn Berhad	11/21	AA3	2.480	10	2.661	12/04/2021	-18	71
BGSM Management Sdn Berhad	12/22	AA3	2.648	120	2.727	12/07/2021	-8	88
Tanjung Bin Energy Sdn Berhad	09/31	AA3	4.003	20	4.087	23/06/2021	-8	85
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.038	20	4.040	26/07/2021	0	89
Edra Energy Sdn Berhad	07/37	AA3	4.819	30	4.819	19/07/2021	0	112
Public Bank Berhad	06/18	AA3	3.186	10	3.085	28/10/2020	10	-78
UEM Sunrise Berhad	02/24	AA-	3.875	40	3.962	22/06/2021	-9	164
MMC Corporation Berhad	03/28	AA-	4.108	15	4.122	21/07/2021	-1	115
Quantum Solar Park (Semenanjung) Sdn Berhad	04/30	AA-	4.289	10	4.197	26/07/2021	9	115
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/38	AA-	5.493	3	5.542	29/06/2021	-5	180
AmBank Islamic Berhad	03/27	A1	3.503	1	3.178	18/06/2021	33	67
AmBank (M) Berhad	03/27	A1	3.157	1	3.140	26/04/2021	2	32
Affin Islamic Bank Berhad	10/28	A1	3.698	70	3.695	15/07/2021	0	74
CIMB Group Holdings Berhad	05/16	A1	3.576	20	3.550	07/07/2021	3	-39
CIMB Group Holdings Berhad	05/16	A1	3.389	10	3.396	07/07/2021	-1	-58
Hong Leong Financial Group Berhad	11/17	A1	3.679	10	3.352	07/05/2021	33	-29
DRB-Hicom Berhad	12/26	A+	4.738	1	4.738	26/07/2021	0	213
Affin Bank Berhad	07/18	A3	3.543	1	4.353	19/07/2021	-81	-43
Eco World International Berhad	04/23	-	4.713	1	5.402	22/07/2021	-69	279
Malakoff Power Berhad	12/21	AA-	2.327	50	2.429	23/06/2021	-10	55
Celcom Networks Sdn Berhad	08/24	AA+	2.848	30	3.108	01/04/2021	-26	61
Celcom Networks Sdn Berhad	10/26	AA+	3.248	10	3.328	22/06/2021	-8	64
				<u>1179</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Kuwait Finance House (Malaysia) Berhad (KFH Malaysia)	Long- and short-term financial institution (FI) ratings	AA+/MARC-1	Affirmed
Puncak Wangi Sdn Bhd	Guaranteed IMTN Programme of up to RM200 mil (2014/2022)	AAA(FG)/Stable	Reaffirmed
Agroto Business (M) Sdn Bhd's	Proposed RM200 mil 5-year tranche	AA1(BG)/Stable	Assigned

Source: RAM/ MARC

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