

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries bounced up stronger with the longer-ends rallying the most on Monday following month-end index rebalancing requirements and also on risk-off flows following US airstrikes on Iraq and Syria. The curve flattened as overall benchmark yields declined between 1-5bps. The UST 2Y yield edged 1bps lower at 0.26% whilst the much-watched UST 10Y rallied 5bps at 1.48%. Fed speak did not provide further insights as markets seem to have digested the hawkish shift in the dots from the recent June FOMC meeting. Some expectations on auction-size cuts by year-end are also seen filtering through which may improve supply outlook. Elsewhere, there are looming challenges around the reinstatement of the federal debt ceiling at end-July. Meanwhile expect attention to shift to the ADP employment tomorrow followed by jobless claims.

MGS/GII

- On Monday, local govies held steady, unwavering by the newly-announced PEMULIH economic stimulus of RM150b which encompasses a fiscal injection of RM10b. Overall benchmark yields ended mixed between -8 to +6bps save for the adjustment of earlier skewed levels seen for the 5Y MGS; amid higher secondary market volume of ~RM3.13b. The 5Y MGS 9/25 adjusted its levels by 57bps, reverting back to 2.54%, whilst the 10Y MGS 4/31 yield closed unchanged at 3.29%. Trades were mainly seen in the short off-the-run 21-22's, and also 3Y, 5Y GII. GII bond trades eased to form 49% of overall trades. PEMULIH is also seen to benefit businesses and B40, M40 groups as well. Elsewhere, exports were seen softer for May compared to previous month, denoting potentially softer prospects for the economy. Meanwhile, expect some attention to shift to the 20Y auction today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw sustained investor interest amid the drop in secondary market volume at RM413m on Monday; with trades seen across the curve. Overall yields closed mostly mixed-to-lower, spanning across 25 names in total. The sole govt-guaranteed trade consisted of JKSB 7/23 which declined 4bps compared to previous-done levels at 2.26%. AAA-rated SEB 8/25 closed unchanged at 3.13% whilst the 7/29 tranche rallied 19bps at 3.68%. Energy-related bonds EDRA 30-31's moved 4-11bps lower between 4.32-4.1% whilst TADAU 7/27, which last traded 9 months ago spiked 33bps at 4.09%. Meanwhile the banking space saw MBSB 31NC26 and 29NC24 end sharply lower on yields at 3.65% and 4.10% respectively.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.26	-1
5-yr UST	0.88	-2
10-yr UST	1.48	-5
30-yr UST	2.10	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.27	-2	2.33	-3
5-yr	2.54	-57	2.71	-2
7-yr	3.01	-2	3.02	1
10-yr	3.29	0	3.37	0
15-yr	3.89	1	4.03	6
20-yr	4.16	-8	4.27	0
30-yr	4.29	-2	4.44	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	0
3-yr	2.39	0
5-yr	2.66	-2
7-yr	2.87	0
10-yr	3.10	-2

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM2.0b (+ RM2.0b Private Placement)
20Y MGS 5/40 on Tuesday, 29th June 2021

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.807	50	1.772	25/06/2021	3
MGS	09/21	1.756	85	1.711	25/06/2021	4
MGS	11/21	1.749	132	1.759	25/06/2021	-1
MGS	08/22	1.779	305	1.800	25/06/2021	-2
MGS	09/22	1.796	290	1.825	24/06/2021	-3
MGS	03/23	1.925	80	1.955	25/06/2021	-3
MGS	06/24	2.272	89	2.292	25/06/2021	-2
MGS	07/24	2.331	20	2.326	25/06/2021	0
MGS	09/25	2.538	75	2.541	24/06/2021	0
MGS	04/26	2.673	6	2.681	24/06/2021	-1
MGS	11/26	2.595	40	2.611	25/06/2021	-2
MGS	06/28	3.007	11	3.032	25/06/2021	-2
MGS	08/29	3.195	2	3.188	25/06/2021	1
MGS	04/30	3.322	25	3.322	24/06/2021	0
MGS	04/31	3.293	121	3.291	25/06/2021	0
MGS	06/31	3.395	31	3.389	24/06/2021	1
MGS	07/34	3.858	33	3.829	25/06/2021	3
MGS	05/35	3.885	24	3.873	25/06/2021	1
MGS	05/40	4.157	150	4.233	25/06/2021	-8
MGS	06/50	4.292	28	4.308	25/06/2021	-2
GII	07/22	1.800	258	1.834	17/06/2021	-3
GII	11/22	1.812	30	1.848	22/06/2021	-4
GII	05/23	2.003	40	1.958	22/06/2021	5
GII	08/24	2.298	1	2.297	15/06/2021	0
GII	10/24	2.328	567	2.360	25/06/2021	-3
GII	03/26	2.705	367	2.721	25/06/2021	-2
GII	09/26	2.782	30	2.822	25/06/2021	-4
GII	07/27	2.962	40	2.969	14/06/2021	-1
GII	09/27	3.024	48	3.015	25/06/2021	1
GII	07/36	4.032	10	3.970	24/06/2021	6
GII	09/39	4.338	138	4.309	21/06/2021	3
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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*	
Jambatan Kedua Sdn Berhad	07/23	GG	2.262	55	2.298	25/06/2021	-4	29
Danum Capital Berhad	05/23	AAA	2.495	20	2.505	24/06/2021	-1	53
Sarawak Energy Berhad	08/25	AAA	3.130	10	3.133	22/06/2021	0	69
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.301	20	3.149	02/06/2021	15	75
Sarawak Energy Berhad	07/29	AAA	3.679	15	3.868	17/06/2021	-19	51
Tenaga Nasional Berhad	08/40	AAA	4.363	6	4.390	24/06/2021	-3	12
Kuala Lumpur Kepong Berhad	08/25	AA1	3.040	10	3.038	22/06/2021	0	60
Genting RMTN Berhad	11/34	AA1	5.224	8	5.200	25/06/2021	2	135
OSK Rated Bond Sdn Berhad	04/28	AA	4.168	20	4.290	28/04/2021	-12	113
SP Setia Berhad	06/28	AA	4.297	3	-	-	-	126
WCT Holdings Berhad	10/22	AA-	4.023	2	4.043	22/06/2021	-2	223
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.557	20	3.576	25/06/2021	-2	159
Press Metal Aluminium Holdings Berhad	10/26	AA3	4.199	5	4.237	15/06/2021	-4	165
AEON Credit Service (M) Berhad	02/27	AA3	3.789	20	3.797	18/05/2021	-1	91
Tadau Energy Sdn Berhad	07/27	AA3	4.090	20	3.756	09/09/2020	33	122
Edra Energy Sdn Berhad	07/30	AA3	4.317	30	4.429	05/05/2021	-11	107
Mumtaz Rakyat Sukuk Berhad	06/31	AA3	3.776	2	-	-	-	48
Edra Energy Sdn Berhad	07/31	AA3	4.412	30	4.449	09/06/2021	-4	112
Southern Power Generation Sdn Berhad	04/30	AA-	4.001	10	4.083	19/04/2021	-8	75
Southern Power Generation Sdn Berhad	04/33	AA-	4.311	10	4.306	10/06/2021	0	102
Affin Bank Berhad	02/27	A1	4.264	1	3.939	03/05/2021	33	139
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/29	A3	3.646	20	4.547	31/05/2021	-90	48
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.098	20	4.499	31/05/2021	-40	80
Jambatan Kedua Sdn Berhad	07/23	-	2.262	55	2.298	25/06/2021	-4	29
Tropicana Corporation Berhad	09/19	-	4.969	1	5.569	25/06/2021	-60	73
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*spread against nearest indicative tenured MGS (Source : BPAM)

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

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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