

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended little changed on Tuesday after recovering from earlier weakness due to a jumbo IG bond offering of \$8.0b by Salesforce.com Inc. The curve shifted slightly lower today as overall benchmark yields declined between 0-1bps. The UST 2Y yield settled almost unchanged at 0.25% whilst the much-watched UST 10Y edged 1bps lower at 1.47%. Market participants believed that the choppy trade so far this week can be attributed to the month-end and quarter-end positioning. Fed Reserve President Tom Barkin was optimistic that the US labor market would improve especially nearing August-September period. Meanwhile, usage at the Fed's Reverse Repo facility which pays an overnight rate of 0.05%, surged yet again to a new high amid cash glut. Expect attention to shift to the ADP employment data today followed by jobless claims as at 26th June.

MGS/GII

- On Tuesday, local govies saw the MGS shorter-ends mostly steadier whilst the 7-20Y tenures were pressured following the recent announcement of the RM150b PEMULIH economic package that included a fiscal injection of RM10b. Overall benchmark yields ended mixed between -5 to +9bps amid sustained secondary market volume of ~RM3.41b. The 5Y MGS 9/25 yield edged 1bps lower at 2.53%, whilst the 10Y MGS 4/31 rose 3bps at 3.33%. Interest was mainly seen in the off-the-run 21's, 23's and also 3Y, 10Y and 15Y MGS. GII transactions formed 25% of overall trades. The 20Y MGS 5/40 auction saw solid bidding metrics, notching a BTC ratio of 2.651x and awarded at 4.254%. Meanwhile, expect some attention to shift to the PMI data tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest dwindle amid lower secondary market volume of RM247m on Tuesday. Trades were seen across the GG-AA part of the curve as overall yields closed mostly mixed-to-lower, spanning across 27 names in total. Govt-guaranteed DANA 8/23 declined 4bps compared to previous-done levels at 2.25% whilst the 9/29 tranche closed 3bps up at 3.44%. AAA-rated SEB 7/29 and 8/35 closed unchanged at 3.68% and 4.52% respectively. AA-rated energy-related bonds EDRA saw a slew of 2023-2029 tranches improve yield-wise. EDRA 24 and 27 moved 2-6bps lower at 3.46% and 3.91% each whilst the 2023 and 2029 tranches rallied 25-28bps at 3.18% and 4.16%. Meanwhile the banking space saw RHB Islamic 29NC24 settle unchanged at 3.20%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.25	0
5-yr UST	0.89	-1
10-yr UST	1.47	-1
30-yr UST	2.09	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.27	-1	2.32	0
5-yr	2.53	-1	2.71	0
7-yr	3.02	1	3.02	-1
10-yr	3.33	3	3.38	1
15-yr	3.90	1	4.01	-2
20-yr	4.25	9	4.27	0
30-yr	4.24	-5	4.44	0

* 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	2.86	-2
10-yr	3.10	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	1.771	13	1.807	28/06/2021	-4
MGS 09/21	1.772	189	1.756	28/06/2021	2
MGS 11/21	1.761	73	1.749	28/06/2021	1
MGS 03/22	1.737	1	1.742	25/06/2021	0
MGS 08/22	1.792	20	1.779	28/06/2021	1
MGS 03/23	1.923	160	1.925	28/06/2021	0
MGS 04/23	1.911	105	1.951	21/06/2021	-4
MGS 06/24	2.266	270	2.272	28/06/2021	-1
MGS 07/24	2.331	4	2.331	28/06/2021	0
MGS 03/25	2.502	2	2.498	28/06/2021	0
MGS 09/25	2.527	23	2.538	28/06/2021	-1
MGS 04/26	2.690	29	2.673	28/06/2021	2
MGS 11/27	2.968	7	2.947	25/06/2021	2
MGS 06/28	3.019	135	3.007	28/06/2021	1
MGS 08/29	3.202	35	3.195	28/06/2021	1
MGS 04/31	3.325	771	3.293	28/06/2021	3
MGS 07/34	3.877	100	3.858	28/06/2021	2
MGS 05/35	3.898	210	3.885	28/06/2021	1
MGS 06/38	4.211	6	4.191	25/06/2021	2
MGS 05/40	4.245	316	4.157	28/06/2021	9
MGS 03/46	4.402	2	4.355	24/06/2021	5
MGS 07/48	4.472	70	4.453	28/06/2021	2
MGS 06/50	4.240	23	4.292	28/06/2021	-5
GII 03/23	2.150	300	2.304	05/04/2021	-15
GII 04/23	2.148	20	1.970	20/01/2021	18
GII 05/23	1.982	20	2.003	28/06/2021	-2
GII 11/23	2.047	5	2.051	23/06/2021	0
GII 05/24	2.250	5	2.205	17/06/2021	4
GII 10/24	2.324	215	2.328	28/06/2021	0
GII 10/25	2.624	14	2.627	25/06/2021	0
GII 03/26	2.709	60	2.705	28/06/2021	0
GII 07/27	2.971	37	2.962	28/06/2021	1
GII 09/27	3.015	70	3.024	28/06/2021	-1
GII 10/30	3.376	1	3.370	25/06/2021	1
GII 07/36	4.009	50	4.032	28/06/2021	-2
GII 09/39	4.319	45	4.338	28/06/2021	-2
GII 09/41	4.270	2	4.268	22/06/2021	0
		<u>3407</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Danalnra Nasional Berhad	08/23	GG	2.251	15	2.288	23/06/2021	-4	28
Danalnra Nasional Berhad	09/29	GG	3.439	10	3.409	22/04/2021	3	27
Danum Capital Berhad	05/23	AAA	2.488	20	2.495	28/06/2021	-1	52
Danum Capital Berhad	02/25	AAA	2.828	10	2.868	03/06/2021	-4	39
Westports Malaysia Sdn Berhad	04/26	AAA	3.087	10	4.689	16/06/2016	-160	54
Putrajaya Holdings Sdn Berhad	05/26	AAA	3.064	10	3.482	24/03/2021	-42	51
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.067	20	3.109	28/05/2021	-4	52
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.510	5	3.799	12/04/2021	-29	63
Sarawak Energy Berhad	11/28	AAA	3.618	10	3.740	18/06/2021	-12	59
Sarawak Energy Berhad	07/29	AAA	3.679	10	3.679	28/06/2021	0	51
Pengurusan Air SPV Berhad	10/34	AAA	4.250	5	3.307	30/10/2020	94	38
Sarawak Energy Berhad	08/35	AAA	4.519	10	4.522	23/06/2021	0	65
Tenaga Nasional Berhad	08/40	AAA	4.332	5	4.363	28/06/2021	-3	11
Genting RMTN Berhad	11/34	AA1	5.200	1	5.224	28/06/2021	-2	133
Edra Energy Sdn Berhad	01/23	AA3	3.176	10	3.458	19/05/2020	-28	121
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.301	1	5.184	15/06/2021	12	333
Edra Energy Sdn Berhad	07/24	AA3	3.457	10	3.477	11/06/2021	-2	118
Penang Port Sdn Berhad	12/26	AA-	3.549	10	3.552	17/06/2021	0	100
Edra Energy Sdn Berhad	07/27	AA3	3.913	20	3.971	23/06/2021	-6	104
Edra Energy Sdn Berhad	01/29	AA3	4.159	10	4.409	01/04/2021	-25	99
RHB Islamic Bank Berhad	05/29	AA3	3.198	10	3.197	17/06/2021	0	3
Malayan Banking Berhad	02/17	AA3	3.421	10	3.432	25/06/2021	-1	-80
The Holstein Milk Company Sdn Berhad	05/26	AA-	3.693	10	3.700	16/06/2021	-1	114
Penang Port Sdn Berhad	12/31	AA-	4.209	10	4.222	22/06/2021	-1	90
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/38	AA-	5.542	4	5.536	27/05/2021	1	167
Dialog Group Berhad	11/20	A1	3.823	1	3.873	24/06/2021	-5	-40
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.239	1	4.098	28/06/2021	14	93
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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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