

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.28	-1
5-yr UST	0.97	-2
10-yr UST	1.49	-3
30-yr UST	2.05	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.44	-4	2.56	-1
5-yr	2.92	-1	2.99	0
7-yr	3.30	-3	3.25	13
10-yr	3.37	-3	3.46	-7
15-yr	3.90	-1	3.98	0
20-yr	4.06	-3	4.17	-1
30-yr	4.25	-4	4.51	-2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	0
3-yr	2.46	0
5-yr	2.78	0
7-yr	2.98	-1
10-yr	3.21	-2

Source: Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- USTs saw steady price-action and ended modestly stronger during the month-end session on portfolio rebalancing requirements. The curve ended lower with overall benchmark yields eased between 1-3bps. The UST 2Y yield edged 1bps down at 0.28% whilst the much-watched UST 10Y slid 3bps to 1.49%. Fed Chair Powell in his testimony to a US House Financial services Committee said that factors pushing inflation higher may last until "next summer" and that both persistent inflation and elevated unemployment could pose difficult decisions for the Fed next year. Treasury Secretary Yellen has shared her concerns that the the government is expected to run out of cash by 18<sup>th</sup> October as the Senate voted 65 to 35 to approve a stopgap funding bill to avert the government shutdown soon. Elsewhere the Reverse Repo facility saw the amount of money parked by investors hit a new high of ~\$1.6 trillion on the final trading day of the month. Expect attention tonight to shift to the release of PCE data for August and also September ISM manufacturing data.

### MGS/GII

- Local govovies, especially MGS were well-bid on Thursday as the Finance Minister said that monetary policy remains adequate to provide additional support to the economy, if warranted. Overall benchmark yields closed mostly lower between 0-7bps (save for the 7Y GII) amid a 68% jump in secondary market volume of RM5.59b. The 5Y benchmark MGS 11/26 yield edged 1bps down again to 2.92% whilst the 10Y MGS 4/31 yield eased 3bps lower to 3.37%. Interest was mainly seen in the shorter off-the-run 22's, 25's, and also 3Y GII, 5Y MGS/GII, 10Y MGS/GII. GII trades rose further to form ~40% of overall trades. Expect bonds to be supported whilst the just-released PMI manufacturing data for September this morning showed some improvements.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw slight pullback in activity amid sustained secondary market volume of RM403m with interest seen mainly along the GG-AA part of the curve. Overall yields closed mixed-to-higher again, spanning across 29 names. Govt-guaranteed DANA saw several long-end tranches exchange hands with the 2/32, 11/34 and 9/40 tranches climbing 2-12bps at 3.67%, 4.08% and 4.42% each. AAA-rated PLUS 24 edged 2bps up at 2.77% whilst DANUM and DANGA 27's spiked 30-32bps at 3.50% levels. Utility giant TNB 8/35 declined 18bps at 4.12%. The AA-rated IJM saw a slew of tranches close mixed on yields. IJM 4/25 closed 8bps lower at 3.34% whereas the 8/28 tranche settled unchanged at 3.96%. Meanwhile IJM 4/29 tranche spiked 17bps to 4.06%. Another construction giant GAMUDA 11/22 rallied 22bps to 2.79% instead with RM30m worth of trades transacted.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.721	11	1.772	29/09/2021	-5
MGS	03/22	1.770	565	1.735	29/09/2021	3
MGS	08/22	1.696	6	1.770	29/09/2021	-7
MGS	09/22	1.734	63	1.742	29/09/2021	-1
MGS	03/23	1.911	139	1.933	29/09/2021	-2
MGS	04/23	1.927	30	1.962	29/09/2021	-3
MGS	08/23	2.030	72	2.056	29/09/2021	-3
MGS	06/24	2.435	243	2.473	29/09/2021	-4
MGS	07/24	2.500	51	2.551	29/09/2021	-5
MGS	09/24	2.501	28	2.594	29/09/2021	-9
MGS	09/25	2.684	301	2.786	29/09/2021	-10
MGS	04/26	2.874	5	2.900	29/09/2021	-3
MGS	07/26	2.894	5	2.937	29/09/2021	-4
MGS	11/26	2.921	91	2.933	29/09/2021	-1
MGS	03/27	3.104	5	3.148	29/09/2021	-4
MGS	05/27	3.094	67	3.075	28/09/2021	2
MGS	11/27	3.188	57	3.175	29/09/2021	1
MGS	06/28	3.296	162	3.330	29/09/2021	-3
MGS	08/29	3.374	39	3.375	29/09/2021	0
MGS	04/30	3.435	12	3.436	28/09/2021	0
MGS	04/31	3.374	636	3.405	29/09/2021	-3
MGS	06/31	3.470	22	3.560	29/09/2021	-9
MGS	04/32	3.621	49	3.666	28/09/2021	-4
MGS	04/33	3.808	10	3.777	29/09/2021	3
MGS	11/33	3.843	13	3.891	29/09/2021	-5
MGS	07/34	3.928	127	3.918	29/09/2021	1
MGS	05/35	3.897	229	3.911	29/09/2021	-1
MGS	04/37	3.979	27	4.020	28/09/2021	-4
MGS	05/40	4.061	221	4.090	29/09/2021	-3
MGS	09/43	4.298	1	4.200	07/09/2021	10
MGS	07/48	4.375	6	4.289	15/09/2021	9
MGS	06/50	4.248	44	4.289	29/09/2021	-4
GII	03/22	1.779	149	1.769	29/09/2021	1
GII	04/22	1.790	165	1.724	29/09/2021	7
GII	07/22	1.810	10	1.810	28/09/2021	0
GII	11/22	1.633	20	1.820	29/09/2021	-19
GII	05/23	1.947	5	2.050	29/09/2021	-10
GII	07/23	1.997	21	2.025	21/09/2021	-3
GII	11/23	2.059	14	2.062	28/09/2021	0
GII	08/24	2.551	30	2.538	28/09/2021	1
GII	10/24	2.563	220	2.570	29/09/2021	-1
GII	03/26	2.992	550	2.996	29/09/2021	0
GII	09/26	2.994	10	2.785	14/09/2021	21
GII	07/27	3.201	10	3.214	28/09/2021	-1
GII	09/27	3.246	112	3.118	29/09/2021	13
GII	10/28	3.326	184	3.392	29/09/2021	-7
GII	07/29	3.427	7	3.435	29/09/2021	-1
GII	10/30	3.455	295	3.529	29/09/2021	-7
GII	11/34	3.953	39	3.942	29/09/2021	1
GII	10/35	3.995	3	4.037	27/09/2021	-4
GII	07/36	3.979	1	3.978	29/09/2021	0
GII	09/39	4.269	40	4.290	24/09/2021	-2
GII	09/41	4.172	352	4.183	29/09/2021	-1
GII	11/49	4.512	20	4.527	29/09/2021	-2
			<u>5592</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Lembaga Pembiayaan Perumahan Sektor Awam	04/22	GG	2.010	20	2.030	08/06/2021	-2	23
Danainfra Nasional Berhad	02/31	GG	3.667	10	3.550	26/04/2021	12	29
Danainfra Nasional Berhad	11/34	GG	4.080	10	4.060	11/06/2021	2	19
Danainfra Nasional Berhad	09/40	GG	4.410	20	4.301	07/09/2021	11	32
Danainfra Nasional Berhad	05/46	GG	4.511	5	4.540	09/06/2021	-3	43
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.774	30	2.758	22/09/2021	2	76
Sarawak Energy Berhad	07/24	AAA	2.773	30	2.707	15/09/2021	7	30
Sarawak Energy Berhad	01/27	AAA	3.368	40	3.199	07/09/2021	17	44
Danum Capital Berhad	05/27	AAA	3.498	15	3.195	20/08/2021	30	36
Danga Capital Berhad	09/27	AAA	3.499	15	3.176	02/08/2021	32	36
Telekom Malaysia Berhad	10/28	AAA	3.701	5	3.279	25/08/2021	42	42
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	3.945	40	3.930	29/09/2021	1	57
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.889	10	3.865	27/08/2021	2	51
Pengerang LNG (Two) Sdn Berhad	10/34	AAA	4.069	2	4.019	17/09/2021	5	18
Tenaga Nasional Berhad	08/35	AAA	4.120	30	4.299	11/05/2021	-18	23
Pengurusan Air SPV Berhad	02/36	AAA	4.280	9	4.548	29/03/2021	-27	39
UniTapah Sdn Berhad	12/30	AA1	4.100	16	3.959	26/08/2021	14	73
IJM Corporation Berhad	06/22	AA3	2.629	10	2.998	09/04/2021	-37	85
Gamuda Berhad	11/22	AA3	2.791	30	3.006	21/04/2021	-22	101
IJM Corporation Berhad	04/25	AA3	3.338	10	3.419	10/06/2021	-8	62
IJM Corporation Berhad	08/28	AA3	3.958	10	3.959	29/09/2021	0	67
IJM Corporation Berhad	04/29	AA3	4.059	10	3.892	08/09/2021	17	71
Quantum Solar Park (Semenanjung) Sdn Berhad	04/30	AA-	4.259	3	4.289	27/07/2021	-3	88
Malaysian Resources Corporation Berhad	08/30	AA-	4.942	2	5.032	29/03/2021	-9	157
Southern Power Generation Sdn Berhad	04/31	AA-	4.138	10	4.089	27/05/2021	5	76
TG Excellence Berhad	02/20	AA-	3.693	7	4.264	24/09/2021	-57	-39
Tropicana Corporation Berhad	06/23	A+	4.878	1	4.465	24/09/2021	41	287
Tropicana Corporation Berhad	10/25	A+	4.845	2	4.757	17/09/2021	9	213
Eco World Capital Assets Berhad	08/24	-	4.925	1	5.025	29/09/2021	-10	246
				<u>403</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sunsuria Berhad	RM500.0 million Sukuk Wakalah Programme	A+ IS/Stable	Affirmed

Source: RAM/ MARC

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