

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries plied in narrow ranges and ended with marginal gains on Thursday, as investors and traders positioned themselves in a neutral position ahead of tonight's US jobs data. The drop in US weekly jobless claims also helped support USTs whilst sending stock indices higher. Overall benchmark yields ended mostly between 0-2bps lower with the UST 2Y yield closing almost unchanged at 0.19%, whilst the much-watched UST 10Y edged 1bps lower at 1.28%. Last Friday, Fed Chair Powell signaled in his Jackson Hole speech that the Fed would likely aim to taper purchases of USTs and MBS by the end-2021 but didn't provide precise timing, suggesting that upcoming economic data remained a key determinant for monetary policy makers. Expect all eyes on tonight's release of US jobs data for August.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.77	-1
10-yr UST	1.28	-1
30-yr UST	1.90	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.31	-3	2.36	0
5-yr	2.67	1	2.64	1
7-yr	3.03	-2	3.01	0
10-yr	3.20	0	3.30	0
15-yr	3.70	1	3.88	-1
20-yr	3.97	-1	4.15	-1
30-yr	4.17	0	4.34	-5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.36	-2
5-yr	2.64	-2
7-yr	2.84	0
10-yr	3.09	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies closed mostly mixed-to-stronger on Thursday, coming off the back of two earlier solid sessions of gains with some influence emanating from lower IRS levels. Overall benchmark yields closed between -5 to +1bps amid a higher secondary market volume of RM3.83b. The 5Y benchmark MGS 11/26 yield edged 1bps up at 2.67% whilst the 10Y MGS 4/31 closed within 1bps higher at 3.20%. Interest was mainly seen in the shorter off-the-run 21's, 23's, 28's and benchmark 3Y, 5Y and 7Y MGS, 20Y GII. Th GII sector rose further to form 48% of overall trades. Meanwhile, the auction involving the reopening of 20Y GII 9/41 saw solid bidding metrics on a BTC ratio of 2.687x and awarded at 4.178%. Expect bonds to range sideways ahead of next week's MPC meeting to determine the Overnight Policy Rate on the 9th of September.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space drew decent interest on Thursday with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower, spanning across 34 names despite a pullback in secondary market volume to RM497m. The govt-guaranteed trades consisted of DANA 5/31 and 11/34 which closed 2-8bps lower compared to previous-done levels at 3.51% and 3.91% respectively. AAA-rated DANUM and PUTRAJAYA 23's settled unchanged between 2.42-4.9% whereas the short-tenured TNB 12/21 notched RM90m in nominal amounts; edging 2bps lower at 3.91%. AA-rated energy-related bonds EDRA 33, 35 and 37 moved 2-8bps lower at 4.39%, 4.60% and 4.71% each. Meanwhile KIMANIS power and Tg Bin Power 22's similarly were well-bid resulting in lower yields at 2.54% and 2.48% respectively. The banking/finance sector saw RHB 27NC22 decline 16bps to 2.90% whilst CIMB Thai 29NC24 fell 9bps to 3.48%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.640	3	1.752	01/09/2021	-11
MGS	11/21	1.777	234	1.698	01/09/2021	8
MGS	03/22	1.801	19	1.772	01/09/2021	3
MGS	08/22	1.744	13	1.762	01/09/2021	-2
MGS	09/22	1.697	59	1.713	01/09/2021	-2
MGS	03/23	1.820	132	1.860	01/09/2021	-4
MGS	04/23	1.866	1	1.871	01/09/2021	0
MGS	08/23	1.939	1	1.957	01/09/2021	-2
MGS	06/24	2.312	166	2.344	01/09/2021	-3
MGS	09/24	2.388	120	2.346	01/09/2021	4
MGS	03/25	2.489	9	2.515	01/09/2021	-3
MGS	09/25	2.573	100	2.586	01/09/2021	-1
MGS	07/26	2.698	53	2.664	01/09/2021	3
MGS	11/26	2.673	360	2.662	01/09/2021	1
MGS	05/27	2.905	136	2.906	01/09/2021	0
MGS	11/27	2.941	27	2.955	01/09/2021	-1
MGS	06/28	3.026	203	3.050	01/09/2021	-2
MGS	08/29	3.191	64	3.182	01/09/2021	1
MGS	04/31	3.198	39	3.197	01/09/2021	0
MGS	04/32	3.477	1	3.432	29/07/2021	4
MGS	04/33	3.701	4	3.724	01/09/2021	-2
MGS	11/33	3.774	12	3.790	01/09/2021	-2
MGS	07/34	3.778	86	3.798	01/09/2021	-2
MGS	05/35	3.701	23	3.693	01/09/2021	1
MGS	05/40	3.970	52	3.978	01/09/2021	-1
MGS	09/43	4.220	5	5.164	01/09/2021	-94
MGS	07/48	4.355	3	4.349	01/09/2021	1
MGS	06/50	4.170	50	4.173	01/09/2021	0
GII	07/22	1.745	20	1.765	01/09/2021	-2
GII	03/23	2.081	100	2.080	19/08/2021	0
GII	05/23	1.924	360	1.917	01/09/2021	1
GII	08/24	2.334	1	2.389	30/08/2021	-5
GII	10/24	2.360	152	2.355	01/09/2021	0
GII	03/26	2.643	47	2.630	01/09/2021	1
GII	09/26	2.777	13	2.692	01/09/2021	9
GII	07/27	3.023	9	3.053	01/09/2021	-3
GII	10/28	3.155	270	3.158	01/09/2021	0
GII	09/30	3.350	60	3.348	12/08/2021	0
GII	10/30	3.298	50	3.300	01/09/2021	0
GII	07/36	3.875	36	3.888	01/09/2021	-1
GII	09/39	4.193	62	4.263	01/09/2021	-7
GII	09/41	4.154	576	4.160	01/09/2021	-1
GII	11/49	4.335	100	4.389	01/09/2021	-5
			<u>3830</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*
DanaInfra Nasional Berhad	05/31	GG	3.509	20	3.590	18/08/2021	-8	30
DanaInfra Nasional Berhad	11/34	GG	3.910	10	3.931	03/03/2021	-2	16
Tenaga Nasional Berhad	12/21	AAA	1.961	90	2.229	11/03/2021	-27	18
Berjaya Land Berhad	12/21	AAA	2.828	10	2.882	24/06/2021	-5	105
Putrajaya Holdings Sdn Berhad	10/22	AAA	2.234	25	2.307	26/11/2020	-7	46
Danum Capital Berhad	05/23	AAA	2.423	20	2.421	19/08/2021	0	48
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.491	40	2.496	01/07/2021	0	55
Zamarad Assets Berhad	11/23	AAA	3.238	2	-	-	-	129
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.809	5	4.002	19/08/2021	-19	60
Sarawak Energy Berhad	04/36	AAA	4.219	10	4.320	04/08/2021	-10	47
Sabah Development Bank Berhad	04/22	AA1	3.385	20	3.222	11/03/2020	16	161
Sabah Development Bank Berhad	05/22	AA1	3.408	20	2.967	09/07/2020	44	163
YTL Corporation Berhad	04/23	AA1	3.400	10	3.072	19/02/2021	33	146
Sabah Development Bank Berhad	06/23	AA1	3.318	1	4.115	26/08/2021	-80	137
Tanjung Bin Power Sdn Berhad	08/22	AA2	2.542	10	2.578	16/02/2021	-4	76
Kimanis Power Sdn Berhad	08/22	AA	2.475	10	2.626	25/01/2021	-15	70
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.962	1	4.983	26/08/2021	-2	318
RHB Investment Bank Berhad	10/27	AA3	2.897	10	3.053	09/06/2021	-16	-3
CIMB Thai Bank Public Company Limited	07/29	AA3	3.477	10	3.565	06/07/2021	-9	33
Gamuda Berhad	11/29	AA3	3.879	5	3.888	24/08/2021	-1	73
Edra Energy Sdn Berhad	07/33	AA3	4.389	20	4.409	26/08/2021	-2	118
Edra Energy Sdn Berhad	07/35	AA3	4.601	50	4.680	20/08/2021	-8	85
Edra Energy Sdn Berhad	01/37	AA3	4.710	20	4.759	12/08/2021	-5	96
UEM Edgenta Berhad	04/22	AA-	2.626	2	2.742	16/07/2021	-12	85
Konsortium KAJV Sdn Bhd	05/22	AA-	4.092	5	4.128	21/07/2020	-4	231
UEM Sunrise Berhad	02/24	AA-	3.882	10	3.874	30/08/2021	1	194
Southern Power Generation Sdn Berhad	04/25	AA-	3.166	10	3.231	21/04/2021	-6	61
Tropicana Corporation Berhad	10/25	A+	4.815	2	4.931	01/09/2021	-12	226
MMC Corporation Berhad	03/28	AA-	3.918	45	3.975	24/08/2021	-6	87
Affin Bank Berhad	07/18	A3	4.307	1	4.150	26/08/2021	16	29
Eco World Capital Assets Berhad	08/24	-	5.574	1	5.523	26/08/2021	5	323
Mah Sing Group Berhad	04/17	-	4.227	1	4.987	24/08/2021	-76	21
YNH Property Berhad	08/19	-	6.675	1	6.246	26/08/2021	43	266
Tropicana Corporation Berhad	09/19	-	6.075	1	6.071	27/08/2021	0	206
				<u>497</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Batu Kawan Berhad	Proposed Islamic Medium-Term Notes (IMTN) Programme of up to RM1.0 bil	AA1/Stable	Assigned
	RM500 mil IMTN Programme (2013/2023)	AA1/Stable	Assigned
Kuala Lumpur Kepong Berhad's (KLK or the Group)	RM2.0b Islamic Medium-Term Notes (IMTN) Programme (2019/2039)	AA1/Stable	Reaffirmed
	RM1.6b Multi-Currency IMTN Programme (2015/2027)	AA1/Stable	Reaffirmed
	RM1.0b Multi-Currency IMTN Programme (2012/2022)	AA1/Stable	Reaffirmed
	Global Corporate Credit Ratings	gA3/Stable/gP2	Reaffirmed

Source: RAM/ MARC

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