

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended only marginally richer on Tuesday as traders weighed optimism about the economic outlook against the recent surge in COVID-19 cases throughout the world. Overall benchmark yields edged lower i.e. between a mere 0-1bps with the UST 2Y yield at 0.17% and the much-watched UST 10Y at 1.17%. Market participants continue to monitor the ongoing impact and pace of Delta variant infections whilst looking for updates on the Fed's bond-buying program. US Treasury auction cuts are expected to begin during this October-November period with details on the quarterly refunding announcement to be released later tonight. Elsewhere, corporate issuance slate of up to \$11b in bonds is projected today. Meanwhile, expect attention to shift to the July jobs report later this Friday whilst market participants await for details of this month's 3Y, 10Y and 30Y bond auctions.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.17	0
5-yr UST	0.65	-1
10-yr UST	1.17	-1
30-yr UST	1.84	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.28	1	2.31	23
5-yr	2.61	0	2.61	1
7-yr	2.99	0	2.99	-1
10-yr	3.17	0	3.28	0
15-yr	3.70	0	3.89	-1
20-yr	3.99	0	4.21	0
30-yr	4.19	4	4.46	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.30	-1
5-yr	2.54	0
7-yr	2.81	0
10-yr	2.99	-1

Source: Bloomberg

##### MGS/GII

- On Tuesday, local govies were little changed reflecting lack of major catalysts with the ultra-short GII observing an adjustment in skewed levels the prior day. Overall benchmark yields closed largely unchanged between -1 to +1bps with both ends of the curve seeing larger deviations amid a dip in secondary market volume @ RM2.46b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields closed almost unchanged at 2.61% and 3.17%. Interest was mainly seen in the shorter off-the-run 21's, 28's, 30's and also 3Y benchmark MGS/GII. The GII sector rose to form 39% of overall trades. Meanwhile, the daily vaccination process is seen hovering around 500,000 and should augur well for the eventual easing of movement restrictions in line with the National Recovery Plan.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space witnessed decent activity on Tuesday with interest seen across GG-AA part of the curve amid a sustained secondary market volume @ RM556m. Overall yields closed mostly lower, spanning across 36 names. Govt-guaranteed PRASA 30-31's printed RM40 worth of trades each; closing 4-18bps lower compared to previous-done levels between 3.36-4.3% whilst the long-end DANA 47-48's settled 6-8bps lower at 4.52% levels. AAA-rated DANUM edged 1bps up at 2.95% whilst TELEKOM 10/28 traded again, slipping 4bps at 3.28%. The AA-rated toll-operator ANIH 11/27 moved 9bps lower at 3.61% whereas both WCT 5/22 and UEM 3/24 declined 4bps at 3.77% and 3.89% each. The banking/finance sector was relatively quiet with SABAH Development Bank and ALLIANCE Bank recording odd-lot trades.

#### Upcoming Government Bond Tender

Reopening of RM2.0b + RM2.0b (private placement)  
30Y MGS 6/50 on Thursday, 5<sup>th</sup> Aug 2021

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.750	172	1.630	02/08/2021	12
MGS 11/21	1.761	128	1.761	02/08/2021	0
MGS 03/22	1.760	30	1.760	02/08/2021	0
MGS 03/23	1.909	3	1.880	02/08/2021	3
MGS 08/23	1.960	6	1.888	02/08/2021	7
MGS 06/24	2.278	128	2.265	02/08/2021	1
MGS 07/24	2.290	41	2.268	02/08/2021	2
MGS 09/24	2.338	140	2.331	02/08/2021	1
MGS 09/25	2.537	83	2.576	02/08/2021	-4
MGS 07/26	2.677	10	2.654	02/08/2021	2
MGS 11/26	2.611	440	2.609	02/08/2021	0
MGS 05/27	2.848	94	2.884	02/08/2021	-4
MGS 11/27	2.900	3	2.891	02/08/2021	1
MGS 06/28	2.986	15	2.986	02/08/2021	0
MGS 09/28	3.058	20	2.942	02/08/2021	12
MGS 08/29	3.157	65	3.188	02/08/2021	-3
MGS 04/31	3.166	1	3.170	02/08/2021	0
MGS 06/31	3.290	1	3.302	02/08/2021	-1
MGS 04/33	3.655	7	3.690	02/08/2021	-4
MGS 07/34	3.828	30	3.821	02/08/2021	1
MGS 05/35	3.700	18	3.704	02/08/2021	0
MGS 04/37	3.832	3	3.822	02/08/2021	1
MGS 06/38	3.951	3	3.935	02/08/2021	2
MGS 05/40	3.994	43	3.997	02/08/2021	0
MGS 03/46	4.355	1	4.305	02/08/2021	5
MGS 06/50	4.194	11	4.158	02/08/2021	4
GII 08/21	1.747	2	1.742	28/07/2021	1
GII 03/22	1.823	7	1.732	02/08/2021	9
GII 04/22	1.767	7	1.689	02/08/2021	8
GII 07/22	1.933	40	1.950	15/06/2021	-2
GII 07/22	1.801	40	1.688	02/08/2021	11
GII 07/23	1.964	2	1.970	26/07/2021	-1
GII 11/23	1.986	17	1.988	30/07/2021	0
GII 08/24	2.308	50	2.285	29/07/2021	2
GII 10/24	2.309	150	2.083	02/08/2021	23
GII 03/26	2.614	42	2.601	02/08/2021	1
GII 09/27	2.985	28	2.991	02/08/2021	-1
GII 12/28	3.100	160	3.098	27/07/2021	0
GII 09/30	3.307	160	3.314	02/08/2021	-1
GII 10/30	3.278	65	3.281	02/08/2021	0
GII 11/34	3.877	80	3.886	02/08/2021	-1
GII 07/36	3.887	54	3.896	02/08/2021	-1
GII 11/49	4.456	60	4.450	30/07/2021	1
		<u>2459</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*
Jambatan Kedua Sdn Berhad	07/26	GG	2.861	10	3.001	04/06/2021	-14	25
Prasarana Malaysia Berhad	03/30	GG	3.359	40	3.540	25/06/2021	-18	20
Prasarana Malaysia Berhad	02/31	GG	3.429	40	3.470	19/07/2021	-4	26
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	3.800	70	4.000	27/07/2021	-20	10
Danainfra Nasional Berhad	11/35	GG	4.010	20	4.019	27/07/2021	-1	31
Prasarana Malaysia Berhad	02/36	GG	4.038	40	4.071	23/07/2021	-3	34
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.511	5	4.829	19/03/2021	-32	52
Danainfra Nasional Berhad	11/47	GG	4.521	5	4.598	23/06/2021	-8	53
Danainfra Nasional Berhad	04/48	GG	4.521	5	4.580	24/06/2021	-6	53
Infracap Resources Sdn Berhad	04/22	AAA	2.359	20	2.380	26/07/2021	-2	59
Aman Sukuk Berhad	07/24	AAA	2.712	10	2.800	10/07/2020	-9	44
Aman Sukuk Berhad	05/25	AAA	2.841	15	2.839	14/07/2020	0	37
Danum Capital Berhad	02/26	AAA	2.948	70	2.938	28/07/2021	1	33
Telekom Malaysia Berhad	10/28	AAA	3.278	5	3.319	02/08/2021	-4	29
Sarawak Energy Berhad	07/29	AAA	3.539	20	3.560	27/07/2021	-2	43
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.579	10	3.618	29/07/2021	-4	47
Tenaga Nasional Berhad	08/33	AAA	3.879	5	3.909	30/07/2021	-3	71
Sarawak Energy Berhad	11/33	AAA	4.069	10	4.129	27/07/2021	-6	90
Danum Capital Berhad	02/35	AAA	4.129	5	4.310	22/06/2021	-18	43
Sabah Development Bank Berhad	07/24	AA1	4.041	2	4.095	02/08/2021	-5	177
Sabah Development Bank Berhad	07/26	AA1	4.374	3	4.375	02/08/2021	0	176
Danajamin Nasional Berhad	10/27	AA+	2.671	40	2.729	05/07/2021	-6	-19
Anih Berhad	11/27	AA	3.608	30	3.698	18/05/2021	-9	75
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.227	1	4.930	23/07/2021	30	331
SAJ Capital Sdn Berhad	01/22	AA-	2.631	3	2.822	22/10/2020	-19	86
UEM Sunrise Berhad	04/22	AA-	3.371	20	3.687	07/04/2021	-32	160
WCT Holdings Berhad	05/22	AA-	3.765	10	3.782	30/07/2021	-2	199
UEM Sunrise Berhad	03/24	AA-	3.892	10	3.931	14/07/2021	-4	162
Quantum Solar Park (Semenanjung) Sdn Berhad	10/27	AA-	3.970	5	4.208	25/05/2021	-24	111
Quantum Solar Park (Semenanjung) Sdn Berhad	04/28	AA-	4.040	5	4.619	09/12/2020	-58	106
UITM Solar Power Dua Sdn Berhad	03/31	AA-	4.580	10	-	-	-	141
DRB-Hicom Berhad	12/24	A+	3.989	10	4.028	31/05/2021	-4	172
Alliance Bank Malaysia Berhad	10/30	A2	3.346	1	3.346	02/08/2021	0	19
YNH Property Berhad	08/19	-	6.809	1	6.215	27/07/2021	59	281
YNH Property Berhad	08/19	-	6.723	1	6.646	23/07/2021	8	273
LBS Bina Group Berhad	03/20	-	6.809	1	6.814	30/07/2021	0	281
				<u>556</u>				

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

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

Source: RAM/ MARC

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