

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries witnessed volatile movements in a choppy session on Wednesday ignited by both the softer private sector employment data by ADP and also hawkish comments by Fed vice-chairman Clarida. Overall benchmark yields settled between 0-3bps higher with both the UST 2Y and UST 10Y yields up a mere 1bps at 0.18% and 1.18% each. In its refunding announcement, the US Treasury said that it plans to sell \$673b in new bonds this quarter as part of a \$1.5 trillion 2nd-half funding target that is dependent on lawmakers lifting the suspension on debt ceiling (which expired at \$22 trillion last week). Meanwhile, expect attention to shift to the auctions involving \$126b in total sales (consisting of \$41b 10Y today, \$27b 30Y tomorrow followed by the \$58b 3Y notes) and the all-important July jobs report this Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.18	1
5-yr UST	0.68	3
10-yr UST	1.18	1
30-yr UST	1.84	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.28	0	2.31	0
5-yr	2.63	2	2.61	0
7-yr	2.99	1	2.98	0
10-yr	3.17	0	3.29	1
15-yr	3.71	1	3.89	1
20-yr	3.99	0	4.20	-1
30-yr	4.28	9	4.46	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.31	1
5-yr	2.56	2
7-yr	2.82	1
10-yr	3.00	1

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM2.0b + RM2.0b (private placement)

30Y MGS 6/50 on Thursday, 5th Aug 2021

MGS/GIII

- Local govies continued to notch small movements on Wednesday with MGS seen slightly more pressured than GII. Overall benchmark yields closed mostly between -1 to +1bps save for the long-end MGS amid a rise in secondary market volume @ RM3.26b. The 5Y benchmark MGS 11/26 yield edged 2bps up at 2.63% whilst the 10Y MGS 4/31 closed almost unchanged at 3.17%. Interest was mainly seen in the shorter off-the-run 21-22's, 34's, and also benchmark 3Y GII, 5Y MGS, 15Y MGS. The GII sector esed to form 20% of overall trades. Meanwhile, expect focus to shift to the 30Y MGS auction today as investors continue to monitor political developments and updates on the local scene.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see active participation on Wednesday with interest seen across the curve amid a sustained secondary market volume of RM589m. Overall yields closed mostly mixed, spanning across 50 names. Govt-guaranteed MKD Kenchana 2/23 rose 5bps compared to previous-done levels at 2.21% whilst LPPSA 3/31 rallied 8bps instead at 3.50%. AAA-rated AMAN 26's notched RM40m in total trades; closing at between 2.96-3.06% area whilst MANJUNG 31 and TNB 8/33 declined 1-3bps at 3.74% and 3.85% each. The AA-rated energy-related bonds, EDRA saw a slew of tranches exchange hands with the 2034 and 2039 tranches closing unchanged at 4.62% and 4.81% respectively. The 7/26, 1/35 and 7/37 tranches were well-bid with yields falling 3-12bps at 3.53%, 4.66% and 4.79% each. Meanwhile the banking/finance sector was relatively quiet.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 09/21	1.749	105	1.750	03/08/2021	0
MGS 11/21	1.629	394	1.761	03/08/2021	-13
MGS 03/22	1.752	853	1.760	03/08/2021	-1
MGS 08/22	1.771	1	1.697	02/08/2021	7
MGS 09/22	1.696	1	1.752	26/07/2021	-6
MGS 03/23	1.893	2	1.909	03/08/2021	-2
MGS 06/24	2.281	42	2.278	03/08/2021	0
MGS 07/24	2.316	51	2.290	03/08/2021	3
MGS 09/24	2.323	61	2.338	03/08/2021	-2
MGS 09/25	2.554	34	2.537	03/08/2021	2
MGS 04/26	2.657	51	2.640	03/08/2021	2
MGS 07/26	2.658	130	2.677	03/08/2021	-2
MGS 09/26	2.659	14	2.569	29/07/2021	9
MGS 11/26	2.626	208	2.611	03/08/2021	1
MGS 05/27	2.854	60	2.848	03/08/2021	1
MGS 11/27	2.895	18	2.900	03/08/2021	0
MGS 06/28	2.994	66	2.986	03/08/2021	1
MGS 08/29	3.168	21	3.157	03/08/2021	1
MGS 04/30	3.210	21	3.188	02/08/2021	2
MGS 04/31	3.169	55	3.166	03/08/2021	0
MGS 06/31	3.296	1	3.290	03/08/2021	1
MGS 04/33	3.679	11	3.655	03/08/2021	2
MGS 11/33	3.727	1	3.704	02/08/2021	2
MGS 07/34	3.822	163	3.828	03/08/2021	-1
MGS 05/35	3.709	152	3.700	03/08/2021	1
MGS 06/38	3.945	2	3.951	03/08/2021	-1
MGS 05/40	3.993	67	3.994	03/08/2021	0
MGS 09/43	4.254	1	4.264	02/08/2021	-1
MGS 03/46	4.378	2	4.355	03/08/2021	2
MGS 07/48	4.384	1	4.344	02/08/2021	4
MGS 06/50	4.280	10	4.194	03/08/2021	9
GII 08/21	1.757	90	1.747	03/08/2021	1
GII 03/22	1.692	2	1.823	03/08/2021	-13
GII 07/22	1.801	1	1.801	03/08/2021	0
GII 05/23	1.997	51	2.002	30/07/2021	0
GII 08/24	2.324	10	2.308	03/08/2021	2
GII 10/24	2.314	225	2.309	03/08/2021	0
GII 03/26	2.613	60	2.607	03/08/2021	1
GII 07/27	2.979	14	2.954	30/07/2021	2
GII 09/27	2.983	10	2.985	03/08/2021	0
GII 07/29	3.229	20	3.244	02/08/2021	-2
GII 10/30	3.289	74	3.278	03/08/2021	1
GII 06/33	3.727	1	3.734	30/07/2021	-1
GII 10/35	3.940	1	3.958	26/07/2021	-2
GII 07/36	3.893	8	3.887	03/08/2021	1
GII 09/39	4.283	90	4.181	03/08/2021	10
GII 09/41	4.198	1	4.213	30/07/2021	-1
		<u>3256</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*
MKD Kencana Sdn Berhad	02/23	GG	2.211	30	2.161	05/07/2021	5	28
Danainfra Nasional Berhad	07/29	GG	3.258	5	3.298	23/07/2021	-4	15
Lembaga Pembiayaan Perumahan Sektor Awam	03/31	GG	3.502	50	3.578	11/06/2021	-8	32
Danainfra Nasional Berhad	05/37	GG	4.159	1	4.531	25/03/2021	-37	45
Danainfra Nasional Berhad	04/38	GG	4.189	10	4.310	04/05/2021	-12	48
Danainfra Nasional Berhad	05/41	GG	4.359	30	-	-	-	36
Mercedes-Benz Services Malaysia Sdn Berhad	05/22	AAA	2.331	10	2.418	04/02/2021	-9	56
Toyota Capital Malaysia Sdn Berhad	02/25	AAA	3.347	10	3.348	21/04/2021	0	86
Aman Sukuk Berhad	02/26	AAA	2.957	10	2.626	08/09/2020	33	34
Aman Sukuk Berhad	10/26	AAA	3.058	30	3.099	23/07/2021	-4	44
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.408	15	3.548	07/07/2021	-14	43
Sarawak Energy Berhad	07/29	AAA	3.520	5	3.539	03/08/2021	-2	41
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/30	AAA	3.609	10	3.639	29/07/2021	-3	45
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.689	20	3.794	21/07/2021	-11	53
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	3.781	5	3.801	27/07/2021	-2	60
Manjung Island Energy Berhad	11/31	AAA	3.738	40	3.751	30/07/2021	-1	56
Tenaga Nasional Berhad	08/33	AAA	3.850	30	3.879	03/08/2021	-3	67
Sarawak Energy Berhad	04/36	AAA	4.320	1	4.319	29/07/2021	0	61
Tenaga Nasional Berhad	08/38	AAA	4.229	10	4.259	12/07/2021	-3	52
Sepang Bay Power Corporation Sdn Berhad	07/22	AA1	2.352	20	2.424	15/07/2021	-7	58
Sabah Development Bank Berhad	07/24	AA1	4.044	5	4.041	03/08/2021	0	176
Sepang Bay Power Corporation Sdn Berhad	07/26	AA1	3.249	20	3.668	23/03/2021	-42	63
YTL Corporation Berhad	06/34	AA1	4.700	1	4.700	12/07/2021	0	99
Malaysia Airport Holdings Berhad	12/14	AA2	4.357	25	4.325	27/07/2021	3	36
Fortune Premiere Sdn Berhad	03/23	AA	2.957	4	3.167	13/04/2021	-21	103
BGSM Management Sdn Berhad	03/26	AA3	3.228	20	3.345	26/04/2021	-12	61
Edra Energy Sdn Berhad	07/26	AA3	3.532	20	3.575	23/07/2021	-4	92
MMC Corporation Berhad	03/28	AA-	4.110	15	4.108	27/07/2021	0	113
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.198	30	4.038	27/07/2021	16	102
Edra Energy Sdn Berhad	07/34	AA3	4.619	10	4.618	30/07/2021	0	91
Edra Energy Sdn Berhad	01/35	AA3	4.662	10	4.779	06/05/2021	-12	96
Edra Energy Sdn Berhad	07/37	AA3	4.793	10	4.819	27/07/2021	-3	109
Edra Energy Sdn Berhad	01/38	AA3	4.811	10	4.810	02/08/2021	0	111
SAJ Capital Sdn Berhad	01/22	AA-	2.595	3	2.631	03/08/2021	-4	82
Jimah East Power Sdn Berhad	06/24	AA-	3.205	5	3.009	11/01/2021	20	93
UEM Sunrise Berhad	10/25	AA-	4.246	2	4.338	14/07/2021	-9	176
Quantum Solar Park (Semenanjung) Sdn Berhad	10/27	AA-	3.968	5	3.970	03/08/2021	0	112
MMC Corporation Berhad	11/27	AA-	3.958	15	3.958	02/08/2021	0	111
Quantum Solar Park (Semenanjung) Sdn Berhad	04/28	AA-	4.037	5	4.040	03/08/2021	0	106
UiTM Solar Power Dua Sdn Berhad	03/31	AA-	4.579	10	4.580	03/08/2021	0	140
DRB-Hicom Berhad	12/24	A+	3.986	10	3.989	03/08/2021	0	171
Tropicana Corporation Berhad	06/25	A+	5.306	1	4.895	02/08/2021	41	282
Tropicana Corporation Berhad	10/25	A+	5.353	1	4.999	26/07/2021	35	287
DRB-Hicom Berhad	12/26	A+	4.259	3	4.738	02/08/2021	-48	164
DRB-Hicom Berhad	08/28	A+	4.730	3	-	-	-	175
Eco World International Berhad	04/23	-	4.570	1	5.321	30/07/2021	-75	264
AEON Credit Service (M) Berhad	12/14	-	4.160	1	4.739	22/07/2021	-58	16
YNH Property Berhad	08/19	-	6.809	1	6.809	03/08/2021	0	281
YNH Property Berhad	08/19	-	6.243	1	6.723	03/08/2021	-48	225
LBS Bina Group Berhad	03/20	-	6.809	2	6.809	03/08/2021	0	281
				<u>589</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
KIP REIT Capital Sdn Bhd	2019-Issue 1 MTN RM210 mil Class A Medium Term Notes under its RM2.0 bil perpetual MTN Programme	AAA/Stable	Reaffirmed

Source: RAM/ MARC

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