

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended weaker on Thursday as weekly data on jobless benefit claims fell and investors await with optimism about Friday's July jobs report. Another contributing factor to the pullback was the strong corporate dollar issuance slate. Overall benchmark yields rose between 2-5bps with the UST 2Y yield edging up 2bps at 0.20% and the much-watched UST 10Y moved 4bps higher at 1.22%. The fall in in jobless benefit claims came as the US trade deficit climbed to an all-time high of 6.7% in June. Investors appetite for Treasury bills waned on Thursday as investors begun to get cautious on October maturities as the debt ceiling becomes a potential issue around that period. Meanwhile, expect attention to shift to the all-important July jobs report this Friday followed by upcoming auctions involving \$126b in total sales next week.

##### MGS/GII

- Local govies saw some recovery on Thursday, with MGS better-bid (save for the belly) following a decent 30Y MGS auction whilst GII ended generally unchanged-to-weaker. Overall benchmark yields closed between -2 to +3bps save amid a drop in secondary market volume @ RM2.25b. The 5Y benchmark MGS 11/26 yield edged 1bps down at 2.62% whilst the 10Y MGS 4/31 moved 2bps higher at 3.19%. Interest was mainly seen in the shorter off-the-run 21-23's and also benchmark 3Y MGS, 7Y GII. The GII sector rose to form 31% of overall trades. The auction involving the reopening of 30Y MGS saw robust bidding metrics as BTC notched 2.28x whilst being awarded at 4.289%. Investors have been lured towards the longer-dated bonds causing the 5s10s spreads to tighten due to the raging virus outbreak of late. Meanwhile, expect range-like movements in the absence of market-moving data and news.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw a ramp-up in activity on Thursday with interest seen mainly across the GG-AA part of the curve amid a higher secondary market volume of RM886m. Overall yields closed mostly mixed-to-lower, spanning across 34 names. Govt-guaranteed MRL 7/36 notched its debut trade at 4.04%, 8bps below its coupon of 4.12%. DANA 10/23 spiked compared to previous-done levels at 2.25% whilst the long-end 2/49 tranche declined 10bps instead to 4.55%. AAA-rated DANUM ended 4bps higher at 2.88% whilst toll-operator PLUS 29-30's eased 2-6bps between 3.39-52%. AA-rated PRESS METAL 24 and 26 rallied 6-27bps to 3.71% and 4.02% each. Meanwhile the banking/finance sector saw RHB Islamic 29NC24 edged 2bps lower at 3.14%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.20	2
5-yr UST	0.72	5
10-yr UST	1.22	4
30-yr UST	1.86	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.27	-1	2.31	0
5-yr	2.62	-1	2.61	0
7-yr	3.00	1	3.02	3
10-yr	3.19	2	3.29	0
15-yr	3.69	-2	3.88	-1
20-yr	3.98	-1	4.21	1
30-yr	4.28	0	4.46	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.31	0
5-yr	2.56	0
7-yr	2.83	1
10-yr	3.00	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 11/21	1.771	100	1.629	04/08/2021	14
MGS 03/22	1.751	99	1.752	04/08/2021	0
MGS 03/23	1.903	139	1.893	04/08/2021	1
MGS 04/23	1.873	12	1.888	04/08/2021	-1
MGS 06/24	2.274	270	2.281	04/08/2021	-1
MGS 07/24	2.322	84	2.316	04/08/2021	1
MGS 09/24	2.294	1	2.323	04/08/2021	-3
MGS 03/25	2.417	94	2.413	02/08/2021	0
MGS 09/25	2.546	25	2.554	04/08/2021	-1
MGS 07/26	2.668	16	2.658	04/08/2021	1
MGS 11/26	2.618	144	2.626	04/08/2021	-1
MGS 11/27	2.882	5	2.895	04/08/2021	-1
MGS 06/28	3.001	37	2.994	04/08/2021	1
MGS 08/29	3.135	88	3.168	04/08/2021	-3
MGS 04/30	3.209	21	3.210	04/08/2021	0
MGS 04/31	3.188	25	3.169	04/08/2021	2
MGS 06/31	3.313	9	3.296	04/08/2021	2
MGS 07/34	3.788	6	3.822	04/08/2021	-3
MGS 05/35	3.694	37	3.709	04/08/2021	-2
MGS 04/37	3.842	10	3.832	03/08/2021	1
MGS 05/40	3.979	13	3.993	04/08/2021	-1
MGS 07/48	4.387	1	4.384	04/08/2021	0
MGS 06/50	4.277	310	4.280	04/08/2021	0
GII 08/21	1.775	20	1.757	04/08/2021	2
GII 03/22	1.790	39	1.692	04/08/2021	10
GII 04/22	1.674	16	1.773	04/08/2021	-10
GII 07/22	1.791	15	1.801	04/08/2021	-1
GII 11/22	1.855	1	1.817	02/08/2021	4
GII 04/23	2.161	20	2.148	29/06/2021	1
GII 10/24	2.314	32	2.314	04/08/2021	0
GII 03/26	2.614	30	2.613	04/08/2021	0
GII 09/27	3.017	162	2.983	04/08/2021	3
GII 08/28	3.063	40	3.014	16/07/2021	5
GII 10/28	3.090	40	3.054	02/08/2021	4
GII 10/30	3.293	120	3.289	04/08/2021	0
GII 06/33	3.720	80	3.727	04/08/2021	-1
GII 08/33	3.729	6	3.737	28/07/2021	-1
GII 07/36	3.882	28	3.893	04/08/2021	-1
GII 09/39	4.271	44	4.283	04/08/2021	-1
GII 09/41	4.213	10	4.198	04/08/2021	1
		<u>2250</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	07/23	GG	2.212	15	2.149	21/07/2021	6	28
Danainfra Nasional Berhad	10/23	GG	2.248	60	2.030	06/11/2020	22	32
Malaysia Rail Link Sdn Berhad	07/36	GG	4.039	40	-	-	-	33
Danainfra Nasional Berhad	02/49	GG	4.550	10	4.649	08/06/2021	-10	55
Aman Sukuk Berhad	10/21	AAA	2.028	5	2.138	08/02/2021	-11	26
Cagamas Berhad	11/21	AAA	1.984	5	2.149	11/12/2020	-17	21
Al Dzahab Assets Berhad	09/23	AAA	3.322	2	4.697	02/05/2019	-138	139
Danum Capital Berhad	05/25	AAA	2.879	40	2.837	15/07/2021	4	39
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.388	15	3.408	04/08/2021	-2	41
EKVE Sdn Berhad	01/29	AAA	3.530	4	3.729	07/05/2021	-20	55
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.519	20	3.579	03/08/2021	-6	41
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	3.760	5	3.781	04/08/2021	-2	58
Sarawak Energy Berhad	11/33	AAA	3.989	10	4.069	03/08/2021	-8	81
TNB Northern Energy Berhad	11/34	AAA	4.023	10	4.284	20/05/2021	-26	32
Danum Capital Berhad	02/35	AAA	4.121	10	4.129	03/08/2021	-1	42
YTL Power International Berhad	03/23	AA1	3.642	230	3.095	14/06/2021	55	171
Sabah Development Bank Berhad	07/24	AA1	3.843	5	4.044	04/08/2021	-20	156
Sabah Development Bank Berhad	07/26	AA1	4.177	1	4.374	03/08/2021	-20	156
Public Islamic Bank Berhad	08/27	AA1	2.638	10	2.798	20/04/2021	-16	-21
Malayan Banking Berhad	01/29	AA1	2.811	5	2.745	26/07/2021	7	-17
Kuala Lumpur Kepong Berhad	09/29	AA1	3.590	40	3.610	30/07/2021	-2	48
Sime Darby Property Berhad	12/25	AA+	3.214	10	3.477	25/03/2021	-26	73
Malaysia Airport Holdings Berhad	12/14	AA2	4.427	120	4.357	04/08/2021	7	43
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.378	10	3.437	12/07/2021	-6	145
Bermaz Auto Berhad	12/23	AA3	3.257	10	3.266	10/03/2021	-1	133
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.713	20	3.969	24/05/2021	-26	143
Press Metal Aluminium Holdings Berhad	10/26	AA3	4.018	20	4.087	22/07/2021	-7	140
Tadau Energy Sdn Berhad	07/27	AA3	4.001	4	4.090	28/06/2021	-9	115
RHB Islamic Bank Berhad	05/29	AA3	3.138	20	3.163	09/07/2021	-2	3
Gamuda Berhad	11/29	AA3	3.908	30	4.099	06/05/2021	-19	80
Quantum Solar Park (Semenanjung) Sdn Berhad	04/31	AA-	4.429	10	4.448	21/07/2021	-2	125
Quantum Solar Park (Semenanjung) Sdn Berhad	10/32	AA-	4.639	10	5.080	09/02/2021	-44	146
Quantum Solar Park (Semenanjung) Sdn Berhad	04/33	AA-	4.692	20	5.049	11/08/2020	-36	151
TSH Sukuk Murabahah Sdn Berhad	08/26	A+	5.500	60			550	288
				<u>886</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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