

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries refused to end richer at last Friday's close despite the disappointing miss in August NFP that should have added to concerns over both US and global growth. However large revisions to June/July employment along with the significant post-pandemic drop in unemployment to 5.2%, coupled with the 0.6% jump in average hourly wages helped offset those concerns. The curve bear-steepened as overall benchmark yields ended between 0-5bps higher with the UST 2Y yield closing unchanged at 0.19%, whilst the much-watched UST 10Y jumped 4bps higher at 1.32%. Last Friday's jobs report could be a sign that the Delta variant may dent the pace of US economic recovery despite existence of jobs openings. This may delay the Fed's plans to taper its easy monetary policies. Expect focus to shift to the combined \$120b supply of auction involving the reopenings of 3Y on Wednesday, 10Y on Thursday and 30Y on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.78	2
10-yr UST	1.32	4
30-yr UST	1.94	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.31	0	2.35	-1
5-yr	2.67	0	2.64	0
7-yr	3.03	0	3.03	2
10-yr	3.19	-1	3.30	0
15-yr	3.69	-2	3.86	-2
20-yr	3.96	-1	4.15	-1
30-yr	4.17	0	4.34	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.35	-1
5-yr	2.63	-1
7-yr	2.85	0
10-yr	3.09	0

Source: Bloomberg

##### MGS/GII

- Local govies saw no let-up in bids last Friday, closing off the week; influenced partly by lower IRS due to anticipatory moves by traders thinking that a rate cut may be on the cards. Overall benchmark yields closed between 0-2bps lower amid a lower secondary market volume of RM3.37b. The 5Y benchmark MGS 11/26 yield closed within 1bps lower at 2.67% whilst the 10Y MGS 4/31 yield edged 1bps down at 3.19%. Interest was mainly seen in the shorter off-the-run 23's, 28's and benchmark 5Y and 7Y MGS. The GII sector declined to form 41% of overall trades. Expect attention to shift to the MPC meeting on Thursday, 9<sup>th</sup> of September, to determine the Overnight Policy Rate.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space drew lower interest on Friday ahead of the weekend with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly mixed, spanning across 34 names amid a pullback in secondary market volume to RM337m. Govt-guaranteed trades saw wide movements in yields with both DANA 3/32 and 2/49 tranches spiking 89-92bps to 3.62% and 4.51% respectively. However DANA 11/34 moved 3bps lower to 3.88%. AAA-rated TNB saw the 8/33 tranche rally 18bps to 3.89% whilst the 8/37 tranche edged 1bps up at 4.22%. PKNS 11/21 chalked RM40m worth of trades; closing sharply lower on yields at 2.79% whilst energy-related bonds EDRA 25's settled both ends of the spectrum with the 3/25 tranche 36bps higher at 3.51% and the 9/25 tranche settling 29bps lower at 3.63%. EDRA 9/27 jumped 20bps up at 3.90%. Meanwhile the banking/finance sector saw SABAH Dev 22 rise 8bps to 3.40% whilst CIMB Thai 29NC24 fell 83bps to 3.47%.

#### 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	1.708	130	1.777	02/09/2021	-7
MGS	08/22	1.712	3	1.744	02/09/2021	-3
MGS	09/22	1.692	5	1.697	02/09/2021	-1
MGS	03/23	1.862	172	1.820	02/09/2021	4
MGS	04/23	1.843	167	1.866	02/09/2021	-2
MGS	08/23	1.945	2	1.939	02/09/2021	1
MGS	06/24	2.307	131	2.312	02/09/2021	0
MGS	07/24	2.376	10	2.378	01/09/2021	0
MGS	09/24	2.392	1	2.388	02/09/2021	0
MGS	09/25	2.559	4	2.573	02/09/2021	-1
MGS	07/26	2.700	60	2.698	02/09/2021	0
MGS	11/26	2.668	220	2.673	02/09/2021	0
MGS	03/27	2.869	1	2.878	01/09/2021	-1
MGS	05/27	2.905	71	2.905	02/09/2021	0
MGS	11/27	2.952	39	2.941	02/09/2021	1
MGS	06/28	3.025	290	3.026	02/09/2021	0
MGS	08/29	3.174	122	3.191	02/09/2021	-2
MGS	04/30	3.252	3	3.262	30/08/2021	-1
MGS	04/31	3.186	20	3.198	02/09/2021	-1
MGS	04/32	3.477	14	3.477	02/09/2021	0
MGS	04/33	3.700	70	3.701	02/09/2021	0
MGS	11/33	3.728	135	3.774	02/09/2021	-5
MGS	07/34	3.788	5	3.778	02/09/2021	1
MGS	05/35	3.685	145	3.701	02/09/2021	-2
MGS	06/38	4.079	21	4.070	01/09/2021	1
MGS	05/40	3.955	104	3.970	02/09/2021	-2
MGS	03/46	4.241	1	4.363	26/08/2021	-12
MGS	06/50	4.168	43	4.170	02/09/2021	0
GII	03/22	1.656	9	1.750	01/09/2021	-9
GII	04/22	1.702	6	1.738	01/09/2021	-4
GII	05/23	1.922	180	1.924	02/09/2021	0
GII	10/24	2.351	60	2.360	02/09/2021	-1
GII	08/25	2.518	16	2.535	01/09/2021	-2
GII	03/26	2.640	19	2.643	02/09/2021	0
GII	09/26	2.776	20	2.777	02/09/2021	0
GII	09/27	3.034	5	3.014	01/09/2021	2
GII	10/28	3.134	540	3.155	02/09/2021	-2
GII	09/30	3.346	22	3.350	02/09/2021	0
GII	10/30	3.297	172	3.298	02/09/2021	0
GII	06/33	3.757	60	3.775	27/08/2021	-2
GII	08/33	3.778	90	3.800	27/08/2021	-2
GII	07/36	3.856	130	3.875	02/09/2021	-2
GII	09/39	4.227	25	4.193	02/09/2021	3
GII	09/41	4.146	30	4.154	02/09/2021	-1
			<u>3370</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.010	10	4.520	23/08/2021	-251	24
DanaInfra Nasional Berhad	03/32	GG	3.619	10	2.700	01/09/2021	92	43
DanaInfra Nasional Berhad	11/34	GG	3.880	10	3.910	02/09/2021	-3	20
DanaInfra Nasional Berhad	02/49	GG	4.510	30	3.623	27/08/2021	89	55
Zamarad Assets Berhad	11/22	AAA	2.828	10	2.039	24/08/2021	79	106
Toyota Capital Malaysia Sdn Berhad	10/24	AAA	3.292	10	3.408	02/09/2021	-12	98
Cagamas Berhad	11/24	AAA	2.710	11	3.477	02/09/2021	-77	39
Pengurusan Air SPV Berhad	10/29	AAA	3.669	10	3.685	01/09/2021	-2	52
Tenaga Nasional Berhad	08/33	AAA	3.893	20	4.076	25/08/2021	-18	70
Tenaga Nasional Berhad	08/37	AAA	4.220	60	4.209	21/07/2021	1	54
Sabah Development Bank Berhad	05/22	AA1	3.401	20	3.318	02/09/2021	8	163
Sabah Development Bank Berhad	06/23	AA1	3.317	1	4.230	26/08/2021	-91	139
Sabah Development Bank Berhad	07/24	AA1	3.635	1	2.989	06/07/2021	65	132
Perbadanan Kemajuan Negeri Selangor	11/21	AA3	2.789	40	3.869	19/08/2021	-108	102
Tanjung Bin Energy Sdn Berhad	03/25	AA3	3.507	10	3.147	20/05/2021	36	96
Tanjung Bin Energy Sdn Berhad	09/25	AA3	3.627	10	3.918	02/09/2021	-29	108
Tanjung Bin Energy Sdn Berhad	09/27	AA3	3.900	10	3.699	27/08/2021	20	99
CIMB Thai Bank Public Company Limited	07/29	AA3	3.465	10	4.295	26/08/2021	-83	32
Press Metal Aluminium Holdings Berhad	10/29	AA3	4.269	10	2.999	02/03/2021	127	112
UEM Sunrise Berhad	10/21	AA-	3.004	10	-	-	-	124
Southern Power Generation Sdn Berhad	04/26	AA-	3.317	10	3.649	19/08/2021	-33	64
MMC Corporation Berhad	03/28	AA-	3.907	10	3.514	21/05/2021	39	88
Alliance Bank Malaysia Berhad	10/35	A2	3.820	1	3.317	13/07/2021	50	14
Bank Muamalat Malaysia Berhad	11/21	A	2.987	1	3.148	20/08/2021	-16	122
Eco World Capital Assets Berhad	08/24	-	5.574	3	5.574	02/09/2021	0	326
YNH Property Berhad	08/19	-	6.675	1	6.675	02/09/2021	0	271
Tropicana Corporation Berhad	06/25	A+	5.459	1	4.815	02/09/2021	64	291
Tropicana Corporation Berhad	10/25	A+	5.505	1	5.407	30/08/2021	10	296
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/22	AA-	2.992	10	-	-	-	122
				<u>337</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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