

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US financial markets were closed on Monday to celebrate Labor Day. However UST futures are seen edging lower from the Asian open. Meanwhile, the UST index notched total YTD returns of -1.53% with option-adjusted duration at ~7.1 years. Elsewhere US LIBOR declined to a new low @ 0.1146% as the glut of cash kept pressure on rates. Expect some attention on upcoming auctions involving the reopenings of 3Y on Wednesday, 10Y on Thursday and 30Y on Friday totaling \$120b.

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	1	2.36	0
5-yr	2.67	0	2.63	-1
7-yr	3.03	1	3.03	0
10-yr	3.22	3	3.31	1
15-yr	3.69	1	3.86	0
20-yr	3.97	2	4.16	1
30-yr	4.17	1	4.41	8

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.36	0
5-yr	2.64	1
7-yr	2.85	0
10-yr	3.09	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies succumbed to some profit-taking activities on Monday, following the strong moves seen last week. Overall benchmark yields closed between 0-8bps higher amid a sharp fall in secondary market volume @ RM1.15b. The 5Y benchmark MGS 11/26 yield closed unchanged at 2.67% whilst the 10Y MGS 4/31 yield moved 3bps higher at 3.22%. Interest was mainly seen in the shorter off-the-run GII 23's and benchmark 's and benchmark 7Y and 10Y MGS. The GII sector maintained to form 43% of overall trades. Elsewhere, the country's vaccine program has gained significant progress; putting a fuller reopening in reach soon. Expect attention to shift to the MPC meeting on Thursday, 9th of September, to determine the Overnight Policy Rate for which we are maintaining our unchanged call in OPR at present.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space maintained decent activity on Monday with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly mixed, spanning across 29 names, amid a rise in secondary market volume to RM582m. Govt-guaranteed DANA 4/22 and 4/33 ended 5-8bps lower compared to previous-done levels at 1.94% and 3.66% respectively. AAA-rated TNB saw the 8/33 tranche close unchanged at 4.22% whilst BAKUN 8/30 edged 1bps up at 3.61%. The AA-space saw toll-operator ANIH chalk RM80m worth of trades with the 2025-2027 tranches settling 1-3bps higher between 3.33-64% levels. PKNS 11/21 traded again, moving 5bps lower to 2.74%. Meanwhile the banking/finance sector saw RHB Islamic 29NC24 decline 4bps at 3.10% whilst CIMB Thai 28NC23 ended unchanged at 3.19%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.733	12	1.708	03/09/2021	3
MGS	06/24	2.313	40	2.307	03/09/2021	1
MGS	07/24	2.342	20	2.376	03/09/2021	-3
MGS	09/24	2.389	10	2.392	03/09/2021	0
MGS	09/25	2.566	3	2.559	03/09/2021	1
MGS	04/26	2.718	14	2.676	01/09/2021	4
MGS	07/26	2.705	1	2.700	03/09/2021	0
MGS	11/26	2.668	70	2.668	03/09/2021	0
MGS	06/28	3.033	163	3.025	03/09/2021	1
MGS	08/29	3.169	1	3.174	03/09/2021	0
MGS	04/30	3.230	1	3.252	03/09/2021	-2
MGS	04/31	3.217	31	3.186	03/09/2021	3
MGS	06/31	3.261	215	3.296	01/09/2021	-3
MGS	04/33	3.686	1	3.700	03/09/2021	-1
MGS	07/34	3.761	1	3.788	03/09/2021	-3
MGS	05/35	3.692	7	3.685	03/09/2021	1
MGS	06/38	4.030	1	4.079	03/09/2021	-5
MGS	05/40	3.973	66	3.955	03/09/2021	2
MGS	09/43	4.234	1	4.220	02/09/2021	1
MGS	07/48	4.334	2	4.343	03/09/2021	-1
MGS	06/50	4.174	4	4.168	03/09/2021	1
GII	03/23	2.062	200	2.081	02/09/2021	-2
GII	04/23	2.060	90	2.161	05/08/2021	-10
GII	10/24	2.356	10	2.351	03/09/2021	0
GII	03/26	2.635	62	2.640	03/09/2021	-1
GII	10/28	3.134	46	3.134	03/09/2021	0
GII	10/30	3.305	10	3.297	03/09/2021	1
GII	06/33	3.759	1	3.757	03/09/2021	0
GII	09/41	4.156	70	4.146	03/09/2021	1
GII	11/49	4.413	1	4.335	02/09/2021	8
			1152			

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	04/22	GG	1.935	15	1.990	18/06/2021	-5	17
Danainfra Nasional Berhad	04/33	GG	3.657	30	3.739	11/08/2021	-8	46
Pengurusan Air SPV Berhad	04/28	AAA	3.569	10	3.382	20/08/2021	19	54
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.357	20	3.339	12/08/2021	2	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Sdn Berhad)	08/30	AAA	3.613	30	3.601	27/08/2021	1	42
EKVE Sdn Berhad	01/31	AAA	3.779	3	4.066	06/11/2019	-29	59
Sarawak Energy Berhad	04/31	AAA	3.665	10	3.670	25/08/2021	0	47
Sarawak Energy Berhad	04/36	AAA	4.220	2	4.219	02/09/2021	0	54
Tenaga Nasional Berhad	08/37	AAA	4.219	30	4.220	03/09/2021	0	54
YTL Power International Berhad	03/23	AA1	3.228	30	3.093	19/08/2021	14	130
YTL Power International Berhad	05/27	AA1	4.461	140	4.021	01/09/2021	44	154
YTL Power International Berhad	08/28	AA1	4.197	70	4.058	02/08/2021	14	117
UMW Holdings Berhad	10/26	AA2	3.396	10	3.466	12/07/2021	-7	72
Anih Berhad	11/25	AA	3.325	20	3.303	01/09/2021	2	78
Anih Berhad	11/26	AA	3.484	10	3.475	15/07/2021	1	81
Anih Berhad	11/27	AA	3.641	50	3.608	03/08/2021	3	72
Perbadanan Kemajuan Negeri Selangor	11/21	AA3	2.739	40	2.789	03/09/2021	-5	97
UEM Sunrise Berhad	09/23	AA-	3.745	10	3.746	30/08/2021	0	182
Bumitama Agri Ltd	07/26	AA3	3.406	10	3.469	16/07/2021	-6	73
CIMB Thai Bank Public Company Limited	03/28	AA3	3.191	10	3.190	08/02/2021	0	16
RHB Islamic Bank Berhad	05/29	AA3	3.097	10	3.135	09/08/2021	-4	-6
Edra Energy Sdn Berhad	07/32	AA3	4.289	2	4.289	26/08/2021	0	109
MMC Corporation Berhad	04/23	AA-	2.996	4	3.628	26/04/2021	-63	107
UEM Sunrise Berhad	05/23	AA-	3.663	10	3.802	19/05/2021	-14	174
Hong Leong Financial Group Berhad	11/17	A1	4.819	1	3.679	27/07/2021	114	85
Tropicana Corporation Berhad	04/26	A+	5.145	2	5.601	03/09/2021	-46	247
Affin Islamic Bank Berhad	10/17	A3	3.939	2	3.921	20/08/2021	2	-3
Eco World Capital Assets Berhad	08/24	-	5.345	1	5.574	03/09/2021	-23	303
YNH Property Berhad	08/19	-	6.682	1	6.675	03/09/2021	1	271
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Islamic Development Bank (IsDB)	Financial institution (FI) rating	AAA/MARC-1/Stable	Affirmed
Tadamun Services Berhad, a trust established by IsDB	Sukuk Wakalah programme of up to RM400 million	AAA-IS/Stable	Affirmed
Widad Concession Sdn Bhd; (wholly-owned by Widad Group Berhad)	Proposed RM310 mil Sukuk Wakalah Facility	AA1/Stable	Assigned

Source: RAM/ MARC

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