

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs saw a tug-of-war with the short end pressured due to debt default and inflation worries whilst the longer-ends were well-supported as concerns over growth remain within the current landscape. The curve ended flatter with overall benchmark yields ending mixed between -2 to +1bps. The UST 2Y yield edged 1bps up at 0.30% whilst the much-watched UST 10Y was also little-changed, closing 1bps lower instead at 1.51%. Elsewhere, volatility in T-bills eased following the agreement by Senate Republican leader to allow for the temporary deal to raise the debt ceiling. Meanwhile investors continue to engage actively in the Fed's Reverse Repo facility as an alternative to T-Bills. Moving forward, investors will await further updates on the Debt Issuance Suspension Period ending 18th of October. Meanwhile investors will be closely watching to see if the better-than-expected private sector employment report from ADP will be bettered by the all-important jobs data release for September tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.30	1
5-yr UST	0.98	1
10-yr UST	1.51	-1
30-yr UST	2.07	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.43	0	2.56	3
5-yr	2.95	3	3.01	7
7-yr	3.44	10	3.27	1
10-yr	3.50	6	3.59	7
15-yr	3.99	8	4.05	6
20-yr	4.15	7	4.21	0
30-yr	4.24	-8	4.51	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	3
3-yr	2.53	5
5-yr	2.86	6
7-yr	3.08	10
10-yr	3.34	11

Source: Bloomberg

MGS/GII

- Local govies slid deeper into negative territory on Wednesday compared to previous sessions, led by aggressive fixed-rate payers in IRS. Overall benchmark yields closed higher between 0-10bps (save for the odd-lot trade in the 30Y MGS), amid a slight increase in secondary market volume @ RM2.39b. The 5Y benchmark MGS 11/26 yield closed 3bps higher at 2.95% whilst the 10Y MGS 4/31 spiked 6bps again to 3.50%. Interest was mainly seen in the longer off-the-run 28's which formed almost 48% of overall volume and also 5Y GII, 10Y MGS. GII trades fell to form ~25% of overall trades. Meanwhile the 7Y MGS 6/28 auction saw muted participation on a relatively large-sized auction of RM4.5b; notching a BTC of 1.598x and awarded at 3.409%.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a drop in investor activity amid the halving of secondary market volume @ RM219m with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 21 names. Govt-guaranteed DANA 11/27 spiked 35bps compared to previous-done levels to 3.54% whilst the 11/35 and 4/38 tranches rose 13-18bps. DANA and PRASA 22's rose 13-18bps at 4.19% and 4.36%. The sole AAA-rated trade consisted of CAGAMAS which declined 13bps at 2.25%. In the AA-space, GENM Cap 26 ended 14bps up at 4.24% whereas OSK Rated Bond 4/31 rose 13bps to 4.31%. Meanwhile the banking/finance space saw AEON Credit 27 close 11bps higher at 3.90% whereas SABAH Development Bank 7/26 spiked 40bps to 4.40%.

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	1.780	64	1.740	04/10/2021	4
MGS	03/23	1.913	6	1.908	05/10/2021	1
MGS	09/24	2.489	20	2.470	05/10/2021	2
MGS	03/25	2.688	40	2.601	05/10/2021	9
MGS	09/25	2.723	32	2.702	05/10/2021	2
MGS	09/26	2.939	4	2.659	04/08/2021	28
MGS	11/26	2.951	75	2.920	05/10/2021	3
MGS	05/27	3.267	20	3.153	05/10/2021	11
MGS	06/28	3.444	1131	3.340	05/10/2021	10
MGS	08/29	3.471	2	3.404	05/10/2021	7
MGS	04/30	3.506	1	3.458	05/10/2021	5
MGS	04/31	3.503	332	3.445	05/10/2021	6
MGS	06/31	3.580	5	3.464	05/10/2021	12
MGS	04/33	3.809	10	3.758	05/10/2021	5
MGS	11/33	3.858	1	3.817	04/10/2021	4
MGS	07/34	4.030	11	3.898	05/10/2021	13
MGS	05/35	3.986	10	3.903	05/10/2021	8
MGS	04/37	4.040	1	3.989	04/10/2021	5
MGS	05/40	4.146	13	4.079	04/10/2021	7
MGS	03/46	4.353	1	4.310	05/10/2021	4
MGS	06/50	4.240	12	4.320	05/10/2021	-8
GII	04/22	1.800	50	1.730	05/10/2021	7
GII	10/24	2.557	90	2.523	05/10/2021	3
GII	03/26	3.011	262	2.946	05/10/2021	6
GII	09/27	3.270	24	3.264	05/10/2021	1
GII	10/28	3.491	30	3.360	05/10/2021	13
GII	10/30	3.589	96	3.517	05/10/2021	7
GII	11/34	4.048	20	3.913	01/10/2021	14
GII	07/36	4.045	2	3.988	01/10/2021	6
GII	08/37	4.105	2	4.147	29/09/2021	-4
GII	09/39	4.308	7	4.269	30/09/2021	4
GII	09/41	4.208	20	4.208	05/10/2021	0
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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*	
Johor Corporation	06/22	GG	1.998	20	2.003	21/09/2021	-1	20
Pengurusan Air SPV Berhad	06/23	GG	2.160	30	2.158	01/10/2021	0	14
Prasarana Malaysia Berhad	03/24	GG	2.490	20	2.367	11/08/2021	12	47
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.529	30	2.417	07/09/2021	11	51
Danainfra Nasional Berhad	11/27	GG	3.541	15	3.190	08/09/2021	35	32
Danainfra Nasional Berhad	11/35	GG	4.189	5	4.010	03/08/2021	18	24
Danainfra Nasional Berhad	04/38	GG	4.359	10	4.230	21/09/2021	13	41
Cagamas Berhad	05/23	AAA	2.249	10	2.381	28/07/2021	-13	23
GENM Capital Berhad	07/23	AA1	4.242	15	4.098	16/08/2021	14	222
Sabah Development Bank Berhad	07/26	AA1	4.401	5	3.997	29/09/2021	40	139
Danajamin Nasional Berhad	10/27	AA1	2.839	20	2.678	01/09/2021	16	-38
Exsim Capital Resources Berhad	07/25	AA3	4.448	2	4.397	16/07/2021	5	172
AEON Credit Service (M) Berhad	02/27	AA3	3.898	10	3.789	28/06/2021	11	89
Northport (Malaysia) Berhad	12/22	AA-	3.194	2	3.220	29/07/2021	-3	140
Tropicana Corporation Berhad	10/23	A+	3.872	1	5.008	05/10/2021	-114	185
Tropicana Corporation Berhad	04/26	A+	5.143	1	5.056	10/09/2021	9	213
OSK Rated Bond Sdn Berhad	04/31	AA	4.314	20	4.189	23/07/2021	13	76
Hong Leong Financial Group Berhad	11/17	A1	3.726	1	3.397	04/10/2021	33	-41
Eco World International Berhad	05/23	-	5.399	1	5.421	24/09/2021	-2	338
Eco World Capital Assets Berhad	08/24	-	5.398	1	5.398	05/10/2021	0	293
Cypark Renewable Energy Sdn Berhad	09/20	-	6.700	1	-	-	-	257
				<u>219</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Gas District Cooling (Putrajaya) Sdn Bhd's (GDC Putrajaya)	RM300 million Al-Bai' Bithaman Ajil Islamic Debt Securities (BaIDS)	AAA IS/Stable	Affirmed
Kenanga Investment Bank Berhad (Kenanga)	Long-term and short-term financial institution (FI) ratings	A+ and MARC-1/Stable	Affirmed
Kenanga Investors Berhad (KIB) Kenanga Islamic Investors Berhad (KIIB)	Investment Manager Rating (IMR)	IMR-2	Affirmed
Central Impression Sdn Bhd's (CISB)	RM75 million Fixed Rate Serial Bonds	AA- /Negative	Affirmed

Source: RAM/ MARC

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