

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- UST's sold-off across the curve on Tuesday following the long-weekend as concerns abound over the ever-increasing deluge of both government and corporate bond sales that exceeded expectations. The curve shifted higher as overall benchmark yields rose between 1-5bps across with the UST 2Y yield edging 1bps up at 0.20%, whilst the much-watched UST 10Y jumped 5bps higher at 1.37%. The Treasury's \$58b 3Y note auction was considered to have garnered strong demand with BTC cover of 2.45x (previous 6 auction average: 2.48x) and awarded at 0.447%. Meanwhile in the corporate bond space, 21 issuers raised at least \$30b of debt sales in one of the most busiest days by deal count. The FOMC may not be expected to make an announcement this September with regards to asset tapering following the weak jobs report for August. Expect some attention on upcoming bond auctions involving the reopenings of 10Y tomorrow and 30Y on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.20	1
5-yr UST	0.82	4
10-yr UST	1.37	5
30-yr UST	1.99	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.33	2	2.37	1
5-yr	2.69	2	2.67	3
7-yr	3.04	1	3.05	2
10-yr	3.22	0	3.31	1
15-yr	3.69	0	3.88	2
20-yr	4.02	5	4.16	0
30-yr	4.18	1	4.41	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.36	0
5-yr	2.65	1
7-yr	2.85	1
10-yr	3.08	-1

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

##### MGS/GII

- Local govies continued to drift weaker for the 2<sup>nd</sup> consecutive session on Tuesday ahead of the MPC meeting. Overall benchmark yields closed between 0-5bps higher amid the continuing tepid secondary market volume of RM1.36b. The 5Y benchmark MGS 11/26 yield edged 2bps up at 2.69% whilst the 10Y MGS 4/31 was untraded, etched at 3.22%. Interest was mainly seen in the shorter off-the-run GII 23's, 26-27's and benchmark 5Y MGS. The GII sector rose to form 52% of overall trades. Expect attention to shift to the MPC meeting tomorrow to determine the OPR for which we are maintaining our unchanged call.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent activity on Tuesday amid a slight pullback in secondary market volume @ RM485m. Interest was seen mainly across the GG to single-A part of the curve as overall yields closed mixed, spanning across 31 names. Govt-guaranteed space was dominated by trades in DANA. The 2027-2035 tranches spiked 1-37bps compared to previous-done levels between 3.20-95% whereas the 4/38 tranche closed 3bps lower at 4.19%. AAA-rated SEB 1/27 edged 1bps lower at 3.20%. The AA-space saw energy-related bonds BGSM 12/27 ease 12bps lower at 3.48%. EDRA 7/33 settled unchanged at 4.39% whereas EDRA 7/34 moved 11bps lower to 4.49%. The banking/finance sector saw MAYBANK 2117NC24 perps decline 7bps at 3.28% on R70m worth of trades whilst the 31NC26 bonds closed at 3.34-35% levels.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.711	1	1.733	06/09/2021	-2
MGS	08/22	1.658	6	1.712	03/09/2021	-5
MGS	04/23	1.883	53	1.843	03/09/2021	4
MGS	06/24	2.331	80	2.313	06/09/2021	2
MGS	04/26	2.671	20	2.718	06/09/2021	-5
MGS	07/26	2.693	24	2.705	06/09/2021	-1
MGS	11/26	2.685	360	2.668	06/09/2021	2
MGS	06/28	3.041	1	3.033	06/09/2021	1
MGS	08/29	3.195	72	3.169	06/09/2021	3
MGS	06/31	3.283	30	3.261	06/09/2021	2
MGS	07/34	3.773	4	3.761	06/09/2021	1
MGS	04/37	3.875	1	3.892	02/09/2021	-2
MGS	07/48	4.319	1	4.334	06/09/2021	-1
MGS	06/50	4.180	1	4.174	06/09/2021	1
GII	03/23	2.048	170	2.062	06/09/2021	-1
GII	05/23	1.948	60	1.922	03/09/2021	3
GII	10/24	2.365	50	2.356	06/09/2021	1
GII	03/26	2.666	30	2.635	06/09/2021	3
GII	09/26	2.789	120	2.776	03/09/2021	1
GII	07/27	3.060	100	3.023	02/09/2021	4
GII	09/27	3.058	40	3.034	03/09/2021	2
GII	10/28	3.153	60	3.134	06/09/2021	2
GII	09/30	3.355	30	3.346	03/09/2021	1
GII	10/30	3.313	8	3.305	06/09/2021	1
GII	11/34	3.875	2	3.915	03/09/2021	-4
GII	07/36	3.875	21	3.856	03/09/2021	2
GII	09/41	4.162	10	4.156	06/09/2021	1
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.417	30	2.416	01/09/2021	0	10
Prasarana Malaysia Berhad	09/24	GG	2.423	20	2.469	30/06/2021	-5	10
Danainfra Nasional Berhad	11/27	GG	3.198	20	3.159	30/06/2021	4	27
Prasarana Malaysia Berhad	09/28	GG	3.362	5	2.889	13/01/2021	47	32
Danainfra Nasional Berhad	11/29	GG	3.428	10	3.338	07/07/2021	9	27
Danainfra Nasional Berhad	11/30	GG	3.487	10	3.118	12/01/2021	37	28
Danainfra Nasional Berhad	05/31	GG	3.518	30	3.509	02/09/2021	1	30
Danainfra Nasional Berhad	09/35	GG	3.951	20	3.611	26/01/2021	34	26
Perbadanan Tabung Pendidikan Tinggi Nasional	03/36	GG	3.999	15	4.048	12/08/2021	-5	31
Danainfra Nasional Berhad	04/38	GG	4.190	30	4.219	25/08/2021	-3	50
Danainfra Nasional Berhad	09/40	GG	4.301	10	3.649	21/10/2020	65	31
Putrajaya Holdings Sdn Berhad	07/23	AAA	2.428	10	2.447	05/07/2021	-2	50
Sarawak Energy Berhad	01/27	AAA	3.199	10	3.210	23/08/2021	-1	52
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.690	15	3.858	09/06/2021	-17	48
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.788	10	3.809	02/09/2021	-2	57
Encorp Systembilit Sdn Berhad	05/26	AA1	3.099	10	3.860	08/04/2020	-76	42
Sabah Credit Corporation	11/28	AA1	3.752	10	3.718	06/08/2021	3	71
Genting RMTN Berhad	11/29	AA1	4.701	1	4.774	05/07/2021	-7	154
Malayan Banking Berhad	01/31	AA1	3.336	10	3.331	19/08/2021	0	13
Malayan Banking Berhad	08/31	AA1	3.345	10	-	-	-	13
Imtiaz Sukuk II Berhad	04/28	AA2	3.549	10	3.709	16/06/2021	-16	51
BGSM Management Sdn Berhad	12/27	AA3	3.480	15	3.600	15/06/2021	-12	56
Mumtaz Rakyat Sukuk Berhad	06/31	AA3	3.667	40	3.665	24/08/2021	0	45
Edra Energy Sdn Berhad	07/33	AA3	4.391	10	4.389	02/09/2021	0	117
Edra Energy Sdn Berhad	07/34	AA3	4.491	10	4.598	06/08/2021	-11	80
Malayan Banking Berhad	02/17	AA3	3.277	70	3.346	25/08/2021	-7	-71
Bank Islam Malaysia Berhad	10/30	A1	3.486	10	3.589	17/06/2021	-10	28
Tropicana Corporation Berhad	10/25	A+	4.832	1	5.505	03/09/2021	-67	228
WCT Holdings Berhad	09/19	A	5.238	23	5.288	01/03/2021	-5	125
UEM Edgenta Berhad	04/22	AA-	2.565	10	2.626	02/09/2021	-6	80
TG Excellence Berhad	02/20	AA-	3.640	1	4.364	06/09/2021	-72	-35
				<u>485</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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