

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs grinded weaker with low price action on Thursday as weekly jobless claims dropped whilst oil gains which drove a rally in equities weighed on Treasuries. The curve steepened with overall benchmark yields ending higher between 1-5bps. The UST 2Y yield edged 1bps up at 0.31% whilst the much-watched UST 10Y spiked 5bps instead to 1.57%; levels last seen earlier in June. Senate leaders came to an agreement pertaining to a temporary deal extension to raise the debt ceiling through December to avert a crisis. The agreement is reputed to increase the limit by ~\$480b, to allow Treasury to continue paying its bills and commitments smoothly until 3<sup>rd</sup> of December. Meanwhile expect investors to turn their attention to the September jobs data release tonight as it could have significant impact on the Fed's plans to commence its asset-tapering exercise.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.31	1
5-yr UST	1.02	4
10-yr UST	1.57	5
30-yr UST	2.13	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.51	8	2.53	-2
5-yr	3.03	8	3.03	2
7-yr	3.45	1	3.27	0
10-yr	3.59	9	3.60	1
15-yr	4.11	12	4.16	11
20-yr	4.24	9	4.30	10
30-yr	4.35	11	4.51	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.55	2
5-yr	2.88	2
7-yr	3.09	1
10-yr	3.39	6

Source: Bloomberg

MGS/GII

- Local govies saw deeper traction into negative territory on Thursday with no let-up especially in MGS weakness, led by continuing fixed-rate payers in IRS. Overall benchmark yields closed higher between 0-12bps (save for the 3Y GII), amid a 50% rise in secondary market volume @ RM3.59b. The 5Y benchmark MGS 11/26 yield jumped 8bps higher to 3.03% whilst the 10Y MGS 4/31 yield spiked 9bps to 3.59%. Interest was mainly seen in the longer off-the-run 21-22's, 28's and also 5Y MGS, 7Y MGS, 10Y MGS, 15Y GII. GII trades eased slightly to form ~21% of overall trades. Meanwhile reports on additional local debt supply concerns coupled with market chatter over a potential rate hike and also the anticipated withdrawal of asset-tapering exercise in US has made MYR bonds investing a challenge.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a drop in investor activity amid the rise of secondary market volume to RM336m with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly mixed-to-higher, spanning across 23 names. Govt-guaranteed PRASA and PTPTN 24's declined 4-9bps compared to previous-done levels at 2.40% and 2.49% each. AAA-rated PLUS and INFRACAP 22's experienced different fortunes with the former closing 7bps lower at 2.16% whilst the latter rose 6bps to 2.41%. In the AA-space, property-based UEM Sunrise 23 moved 5bps lower whereas the 2024 tranche spiked 23bps to 4.22%. SP Setia 6/28 saw yields jump 35bps higher as well to 4.35%. Meanwhile the banking/finance space saw RHB Bank 27NC22 end 6bps higher at 2.79% whilst CIMB Group Holdings 29NC24 moved 4bps up to 3.39% levels.

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	1.753	107	1.780	06/10/2021	-3
MGS	03/22	1.800	165	1.760	05/10/2021	4
MGS	08/22	1.780	50	1.733	06/10/2021	5
MGS	09/22	1.845	158	1.775	06/10/2021	7
MGS	03/23	1.939	53	1.913	06/10/2021	3
MGS	04/23	1.931	14	1.908	04/10/2021	2
MGS	08/23	2.008	5	2.035	06/10/2021	-3
MGS	06/24	2.508	79	2.433	05/10/2021	8
MGS	09/24	2.570	92	2.489	06/10/2021	8
MGS	03/25	2.694	73	2.688	06/10/2021	1
MGS	09/25	2.764	64	2.723	06/10/2021	4
MGS	04/26	2.961	16	2.883	06/10/2021	8
MGS	07/26	3.042	33	2.933	06/10/2021	11
MGS	11/26	3.031	215	2.951	06/10/2021	8
MGS	05/27	3.321	228	3.267	06/10/2021	5
MGS	11/27	3.385	50	3.244	06/10/2021	14
MGS	06/28	3.454	475	3.444	06/10/2021	1
MGS	08/29	3.495	12	3.471	06/10/2021	2
MGS	04/31	3.589	577	3.503	06/10/2021	9
MGS	07/34	4.123	144	4.030	06/10/2021	9
MGS	05/35	4.108	120	3.986	06/10/2021	12
MGS	04/37	4.226	33	4.040	06/10/2021	19
MGS	06/38	4.281	2	4.113	04/10/2021	17
MGS	05/40	4.238	28	4.146	06/10/2021	9
MGS	06/50	4.350	30	4.240	06/10/2021	11
GII	04/22	1.799	140	1.800	06/10/2021	0
GII	05/23	1.985	5	2.073	06/10/2021	-9
GII	07/23	2.064	15	2.036	05/10/2021	3
GII	08/24	2.559	20	2.527	04/10/2021	3
GII	10/24	2.534	30	2.557	06/10/2021	-2
GII	03/26	3.027	180	3.011	06/10/2021	2
GII	10/28	3.444	10	3.491	06/10/2021	-5
GII	07/29	3.607	10	3.423	01/10/2021	18
GII	10/30	3.596	20	3.589	06/10/2021	1
GII	10/35	4.134	65	3.995	30/09/2021	14
GII	07/36	4.159	170	4.045	06/10/2021	11
GII	09/41	4.304	100	4.208	06/10/2021	10
			<u>3587</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*	
Prasarana Malaysia Berhad	03/24	GG	2.401	20	2.490	06/10/2021	-9	36
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.488	30	2.529	06/10/2021	-4	45
Pengurusan Air SPV Berhad	09/25	GG	2.978	5	2.961	27/09/2021	2	22
Lembaga Pembiayaan Perumahan Sektor Awam	02/35	GG	4.190	10	3.580	18/12/2020	61	9
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.163	30	2.235	10/06/2021	-7	36
Infracap Resources Sdn Berhad	04/22	AAA	2.413	30	2.351	23/08/2021	6	61
Pengurusan Air SPV Berhad	04/28	AAA	3.930	10	3.549	14/09/2021	38	47
Northern Gateway Infrastructure Sdn Berhad	08/22	AA1	2.561	10	3.735	04/11/2019	-117	76
Sabah Development Bank Berhad	07/26	AA1	3.923	2	4.401	06/10/2021	-48	90
United Growth Berhad	06/22	AA2	2.485	30	2.481	23/07/2021	0	69
SP Setia Berhad	06/28	AA	4.348	20	4.002	23/09/2021	35	88
CIMB Group Holdings Berhad	09/29	AA	3.387	40	3.346	05/10/2021	4	-12
OSK Rated Bond Sdn Berhad	04/31	AA	4.309	10	4.314	06/10/2021	0	71
UEM Sunrise Berhad	05/23	AA-	3.611	20	3.663	06/09/2021	-5	157
UEM Sunrise Berhad	12/24	AA-	4.218	10	3.988	22/12/2020	23	172
RHB Bank Berhad	09/27	AA3	2.792	30	2.736	06/08/2021	6	-48
Hong Leong Assurance Berhad	12/28	AA3	4.548	10	3.855	08/07/2021	69	108
Tropicana Corporation Berhad	06/25	A+	4.558	2	4.511	06/10/2021	5	180
Tropicana Corporation Berhad	04/26	A+	5.142	1	5.143	06/10/2021	0	212
Tropicana Corporation Berhad	09/19	A	5.284	2	5.594	04/10/2021	-31	106
WCT Holdings Berhad	09/19	A	5.767	10	5.734	04/05/2021	3	155
Eco World Capital Assets Berhad	08/24	-	4.820	4	5.398	06/10/2021	-58	232
Eco World Capital Services Berhad	03/26	-	5.003	1	5.500	14/09/2021	-50	224
				<u>336</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TTM Sukuk Berhad	RM600.0 million Sukuk Murabahah	AAA IS/Stable	Affirmed

Source: RAM/ MARC

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