

Global Markets Research

Fixed Income

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.21 | 1 |
| 5-yr UST | 0.77 | 4 |
| 10-yr UST | 1.30 | 7 |
| 30-yr UST | 1.95 | 8 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.30 | 3 | 2.33 | 2 |
| 5-yr | 2.63 | 1 | 2.64 | 3 |
| 7-yr | 3.02 | 2 | 3.05 | 4 |
| 10-yr | 3.23 | 4 | 3.31 | 1 |
| 15-yr | 3.73 | 4 | 3.91 | 3 |
| 20-yr | 4.01 | 3 | 4.23 | 1 |
| 30-yr | 4.24 | -4 | 4.46 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 1.95 | 1 |
| 3-yr | 2.34 | 2 |
| 5-yr | 2.60 | 3 |
| 7-yr | 2.84 | 1 |
| 10-yr | 3.05 | 5 |

Source: Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were sold off last Friday after better than expected gain in non-farm payroll and fall in unemployment rate dented demand for safer government bonds. Conversely, improved risk appetite pushed the Dow and S&P500 to yet another record highs. The UST curve bear steepened, with the long end yields rising 7-8bps whilst the 2Y note yields clinched only a tiny gain to 0.21%. This spurred expectations that the Fed could be making another step closer to announcing QE tapering where markets anticipate further clues from the Jackson Hole Symposium on 26-28 August. Next week's CPI reading from the US will be closely scrutinized for the inflationary outlook which is one of the key barometers for timing of the Fed's next move. In addition, the UST space will also be dominated by \$126bn of auctions comprising \$58bn 3Y, \$41bn 10Y and \$27bn 30Y bond sales.

MGS/GII

- Local govies saw renewed selling pressure on Friday, with yields rising 1-4bps across both the MGS and GII curves, save for the 30Y long bonds. Secondary market volume slipped further to a two-week low of RM1.98bn on Friday, from RM2.25bn the preceding day, as uncertainties surrounding the pandemic and the political front continued to weigh on investor sentiments. The 5Y benchmark MGS 11/26 yield edged 1bp up at 2.63% whilst the 10Y MGS 4/31 yield climbed 4bps higher to 3.23%. The shorter off-the-run 21-23's continued to attract some interests but the bulk of the attention were on benchmarks 3Y and 5Y MGS, as well as 7Y and 10Y GII. The GII sector rose further to form 41% of overall trades. Expect markets to trade on quiet note today ahead of a Malaysian public holiday tomorrow. Overall sentiments are expected to be cautious as 2Q GDP reading and revised macro forecasts are due for a Friday release.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw more modest trading activities on Friday with interest seen mainly across the AAA-AA part of the curve amid a lower secondary market volume of RM691m (prior: RM886m). No GG bonds were traded during the day. Overall yields closed mostly flat-to-lower, spanning across 43 names with focus on telco, energy and banking names. AA2-rated MAHB'12/14 stole the limelight with RM80m changed hands flat at 4.427%. In the AAA-rated space, Toyota Capital '2/23, PLUS '1/27, Telekom '10/28 and SEB '7/29 saw RM40m done each, with yields settling between -24 to +2bps. Bank Islam '11/28 led in the banking space, with RM50m dealt 4bps inner at 3.197%. Puncak Wangi '11/21 and Zamarrad '7/22 made their debut at 2.731% and 3.070% respectively.

Daily Trades : Government Bond

| Securities | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yyyy) | Chg (bp) |
|------------|-------------|--------------|--------------|----------------------------------|----------|
| MGS 09/21 | 1.764 | 21 | 1.749 | 04/08/2021 | 1 |
| MGS 11/21 | 1.761 | 150 | 1.771 | 05/08/2021 | -1 |
| MGS 03/22 | 1.750 | 66 | 1.751 | 05/08/2021 | 0 |
| MGS 09/22 | 1.724 | 5 | 1.696 | 04/08/2021 | 3 |
| MGS 03/23 | 1.925 | 120 | 1.903 | 05/08/2021 | 2 |
| MGS 08/23 | 1.961 | 1 | 1.960 | 03/08/2021 | 0 |
| MGS 06/24 | 2.300 | 192 | 2.274 | 05/08/2021 | 3 |
| MGS 07/24 | 2.318 | 21 | 2.322 | 05/08/2021 | 0 |
| MGS 09/24 | 2.359 | 25 | 2.294 | 05/08/2021 | 6 |
| MGS 03/25 | 2.511 | 16 | 2.417 | 05/08/2021 | 9 |
| MGS 09/25 | 2.557 | 41 | 2.546 | 05/08/2021 | 1 |
| MGS 07/26 | 2.702 | 30 | 2.668 | 05/08/2021 | 3 |
| MGS 11/26 | 2.629 | 190 | 2.618 | 05/08/2021 | 1 |
| MGS 05/27 | 2.860 | 0 | 2.854 | 04/08/2021 | 1 |
| MGS 06/28 | 3.016 | 5 | 3.001 | 05/08/2021 | 2 |
| MGS 08/29 | 3.159 | 68 | 3.135 | 05/08/2021 | 2 |
| MGS 04/31 | 3.225 | 2 | 3.188 | 05/08/2021 | 4 |
| MGS 07/34 | 3.828 | 76 | 3.788 | 05/08/2021 | 4 |
| MGS 05/35 | 3.731 | 80 | 3.694 | 05/08/2021 | 4 |
| MGS 04/37 | 3.871 | 5 | 3.842 | 05/08/2021 | 3 |
| MGS 06/38 | 3.920 | 0 | 3.945 | 04/08/2021 | -2 |
| MGS 05/40 | 4.008 | 41 | 3.979 | 05/08/2021 | 3 |
| MGS 03/46 | 4.337 | 1 | 4.337 | 05/08/2021 | 0 |
| MGS 06/50 | 4.240 | 7 | 4.277 | 05/08/2021 | -4 |
| GII 08/21 | 1.780 | 100 | 1.775 | 05/08/2021 | 1 |
| GII 03/22 | 1.839 | 11 | 1.790 | 05/08/2021 | 5 |
| GII 05/23 | 1.971 | 10 | 1.997 | 04/08/2021 | -3 |
| GII 10/24 | 2.333 | 70 | 2.314 | 05/08/2021 | 2 |
| GII 03/26 | 2.642 | 82 | 2.614 | 05/08/2021 | 3 |
| GII 09/27 | 3.053 | 210 | 3.017 | 05/08/2021 | 4 |
| GII 10/30 | 3.307 | 305 | 3.293 | 05/08/2021 | 1 |
| GII 11/34 | 3.891 | 10 | 3.877 | 03/08/2021 | 1 |
| GII 07/36 | 3.910 | 1 | 3.882 | 05/08/2021 | 3 |
| GII 09/41 | 4.226 | 16 | 4.213 | 05/08/2021 | 1 |
| | | <u>1977</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* |
|---|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Puncak Wangi Sdn Berhad | 11/21 | AAA | 2.731 | 20 | - | - | - | 96 |
| Zamarad Assets Berhad | 07/22 | AAA | 3.070 | 10 | - | - | - | 130 |
| Toyota Capital Malaysia Sdn Berhad | 02/23 | AAA | 2.797 | 40 | 3.034 | 23/03/2021 | -24 | 86 |
| DiGi Telecommunications Sdn Berhad | 04/24 | AAA | 2.495 | 20 | 2.353 | 24/02/2021 | 14 | 21 |
| Projek Lebuhraya Usahasama Berhad | 01/27 | AAA | 3.120 | 40 | 3.188 | 28/07/2021 | -7 | 49 |
| Pengurusan Air Selangor Sdn Berhad | 12/27 | AAA | 3.319 | 10 | 3.468 | 08/07/2021 | -15 | 47 |
| Infracap Resources Sdn Berhad | 04/28 | AAA | 3.518 | 20 | 3.570 | 27/07/2021 | -5 | 52 |
| Pengurusan Air SPV Berhad | 04/28 | AAA | 3.349 | 20 | 3.349 | 26/07/2021 | 0 | 35 |
| Telekom Malaysia Berhad | 10/28 | AAA | 3.247 | 40 | 3.278 | 03/08/2021 | -3 | 25 |
| Manjung Island Energy Berhad | 11/28 | AAA | 3.328 | 10 | 3.460 | 08/07/2021 | -13 | 33 |
| Sarawak Energy Berhad | 07/29 | AAA | 3.541 | 40 | 3.520 | 04/08/2021 | 2 | 42 |
| Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Bhd) | 08/31 | AAA | 3.776 | 30 | 3.760 | 05/08/2021 | 2 | 58 |
| Pengurusan Air SPV Berhad | 10/34 | AAA | 4.120 | 5 | 4.177 | 26/07/2021 | -6 | 41 |
| Celcom Networks Sdn Berhad | 10/21 | AA+ | 2.054 | 10 | 2.233 | 23/06/2021 | -18 | 28 |
| Celcom Networks Sdn Berhad | 08/22 | AA+ | 2.277 | 20 | 2.283 | 29/07/2021 | -1 | 50 |
| Batu Kawan Berhad | 06/23 | AA1 | 2.576 | 3 | 2.599 | 22/07/2021 | -2 | 64 |
| Sabah Development Bank Berhad | 07/24 | AA1 | 3.842 | 2 | 3.843 | 05/08/2021 | 0 | 155 |
| GENM Capital Berhad | 08/25 | AA1 | 4.069 | 0 | 4.757 | 02/08/2021 | -69 | 157 |
| Sabah Development Bank Berhad | 07/26 | AA1 | 4.177 | 0 | 4.177 | 05/08/2021 | 0 | 154 |
| Public Bank Berhad | 04/27 | AA1 | 2.665 | 10 | 2.722 | 24/06/2021 | -6 | -19 |
| GENM Capital Berhad | 07/28 | AA1 | 4.592 | 0 | 4.593 | 05/08/2021 | 0 | 160 |
| Sabah Credit Corporation | 11/28 | AA1 | 3.718 | 10 | 3.718 | 02/08/2021 | 0 | 72 |
| Public Islamic Bank Berhad | 10/29 | AA1 | 2.978 | 20 | 3.016 | 16/07/2021 | -4 | -15 |
| CIMB Group Holdings Berhad | 11/27 | AA | 2.783 | 10 | 2.856 | 21/06/2021 | -7 | -7 |
| Benih Restu Berhad | 06/25 | AA2 | 3.110 | 5 | 3.201 | 23/06/2021 | -9 | 61 |
| TNB Western Energy Berhad | 01/30 | AA2 | 3.584 | 10 | 3.749 | 18/06/2021 | -17 | 46 |
| Malaysia Airport Holdings Berhad | 12/14 | AA2 | 4.427 | 80 | 4.427 | 05/08/2021 | 0 | 41 |
| UiTM Solar Power Dua Sdn Berhad | 03/22 | AA- | 3.064 | 3 | - | - | 306 | 129 |
| Malakoff Power Berhad | 12/27 | AA- | 3.528 | 30 | 3.978 | 08/10/2019 | -45 | 68 |
| TG Excellence Berhad | 02/20 | AA- | 3.647 | 1 | 4.311 | 05/08/2021 | -66 | -37 |
| Tadau Energy Sdn Berhad | 07/22 | AA3 | 3.084 | 5 | 3.162 | 23/09/2020 | -8 | 131 |
| BGSM Management Sdn Berhad | 03/26 | AA3 | 3.207 | 50 | 3.228 | 04/08/2021 | -2 | 57 |
| Press Metal Aluminium Holdings Berhad | 10/26 | AA3 | 4.013 | 20 | 4.018 | 05/08/2021 | 0 | 138 |
| RHB Bank Berhad | 09/27 | AA3 | 2.736 | 15 | 2.791 | 16/07/2021 | -5 | -12 |
| Murmtaz Rakyat Sukuk Berhad | 06/31 | AA3 | 3.678 | 10 | 3.776 | 28/06/2021 | -10 | 49 |
| Edra Energy Sdn Berhad | 07/34 | AA3 | 4.598 | 10 | 4.619 | 04/08/2021 | -2 | 88 |
| Edra Energy Sdn Berhad | 07/35 | AA3 | 4.679 | 10 | 4.708 | 30/07/2021 | -3 | 96 |
| Bank Islam Malaysia Berhad | 11/28 | A1 | 3.197 | 50 | 3.238 | 16/07/2021 | -4 | 20 |
| Dialog Group Berhad | 11/20 | A1 | 4.188 | 0 | 3.903 | 30/07/2021 | 29 | 17 |
| Affin Bank Berhad | 07/18 | A3 | 4.190 | 1 | 3.899 | 03/08/2021 | 29 | 18 |
| YNH Property Berhad | 08/19 | - | 6.808 | 1 | 6.809 | 04/08/2021 | 0 | 279 |
| Eco World International Berhad | 10/21 | - | 5.018 | 1 | 4.750 | 05/07/2021 | 27 | - |
| Eco World Capital Assets Berhad | 08/24 | - | 4.797 | 0 | 5.322 | 05/08/2021 | -53 | - |
| | | | | <u>691</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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