

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- UST's ended stronger on Wednesday following the solid demand for the 10Y auction whilst buyers largely ignored the looming threat of default linked to the reinstatement of the the nation's debt ceiling. The release of the Beige Book which showed lacklustre economic growth in the US also gave bonds a boost. The curve flattened as overall benchmark yields declined between 1-3bps across with the UST 2Y yield almost unchanged at 0.19%, whilst the much-watched UST 10Y yield closed 3bps lower at 1.34%. The Treasury's \$38b 10Y bond auction garnered strong demand on a BTC ratio of 2.59x (previous 6 auction average: 2.47x) and drew at 1.338% (previous 6 auction average:1.516x). Meanwhile the corporate bond slate saw 15 new bond sales as the push to sell debt continued. However the impact on USTs were more muted. Expect some attention on the initial jobless claims as at 4th September followed by the auction reopening of 30Y long bond on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.81	-1
10-yr UST	1.34	-3
30-yr UST	1.96	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	1	2.37	0
5-yr	2.69	0	2.66	-1
7-yr	3.06	2	3.07	2
10-yr	3.22	0	3.32	0
15-yr	3.73	4	3.87	0
20-yr	4.01	-1	4.16	0
30-yr	4.11	-7	4.41	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.37	1
5-yr	2.65	0
7-yr	2.86	0
10-yr	3.08	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govvnies continued to drift mostly weaker for the 3rd consecutive session on Wednesday as traders and investors preferred to stay on the sideline just ahead of the MPC meeting. Overall benchmark yields closed mostly mixed-to-higher between -1 to +4bps save for the odd-lot trades in the 30Y; amid the further drop in secondary market volume to a mere RM696m. The 5Y benchmark MGS 11/26 yield closed within 1bps up at 2.69% whilst the 10Y MGS 4/31 was unchanged at 3.22%. Interest was thinly spread with some interest seen in the shorter off-the-run 21's and also benchmark 7Y MGS/GII. The GII sector fell to form 33% of overall trades. Expect attention to shift to the all-important MPC meeting today to determine the OPR for which we are maintaining our unchanged call at 1.75%.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space however witnessed strong activity on Wednesday amid a jump in secondary market volume @ RM827m. Interest was again seen mainly across the GG to single-A part of the curve as overall yields closed mixed, spanning across 40 names. Govt-guaranteed DANA 11/27 edged 1bps lower compared to previous-done levels at 3.19% whereas the 10/28 tranche jumped 10bps to 3.36% on substantial trades totalling RM130m. AAA-rated SEB 27-28's settled unchanged between 3.67-84% whilst the 11/28 tranche edged 1bps up at 3.43%. The AA-space rated EDRA record a slew of tranches with the 2031-2035 tranches moving 3-13bps lower between 4.16-4.55%. PUBLIC 29NC24 closed unchanged at 3.04% whilst HLF 29NC24 bonds edged 1bps lower at 3.09%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.760	85	1.711	07/09/2021	5
MGS	03/22	1.656	6	1.801	02/09/2021	-15
MGS	09/22	1.695	5	1.692	03/09/2021	0
MGS	03/23	1.861	4	1.862	03/09/2021	0
MGS	04/23	1.827	4	1.883	07/09/2021	-6
MGS	08/23	1.929	6	1.945	03/09/2021	-2
MGS	06/24	2.342	15	2.331	07/09/2021	1
MGS	07/24	2.399	11	2.342	06/09/2021	6
MGS	09/24	2.392	15	2.389	06/09/2021	0
MGS	03/25	2.485	13	2.507	06/09/2021	-2
MGS	09/25	2.593	44	2.566	06/09/2021	3
MGS	11/26	2.688	38	2.685	07/09/2021	0
MGS	05/27	2.922	2	2.905	03/09/2021	2
MGS	11/27	2.946	1	2.955	06/09/2021	-1
MGS	06/28	3.057	70	3.041	07/09/2021	2
MGS	08/29	3.191	5	3.195	07/09/2021	0
MGS	04/31	3.215	43	3.217	06/09/2021	0
MGS	06/31	3.274	20	3.283	07/09/2021	-1
MGS	11/33	3.734	11	3.728	03/09/2021	1
MGS	05/35	3.728	55	3.692	06/09/2021	4
MGS	05/40	4.011	4	4.024	07/09/2021	-1
MGS	06/50	4.106	11	4.180	07/09/2021	-7
GII	03/22	1.750	10	1.656	03/09/2021	9
GII	03/26	2.656	10	2.666	07/09/2021	-1
GII	09/26	2.799	9	2.789	07/09/2021	1
GII	07/27	3.068	40	3.060	07/09/2021	1
GII	09/27	3.066	57	3.058	07/09/2021	1
GII	10/28	3.155	30	3.153	07/09/2021	0
GII	10/30	3.317	44	3.313	07/09/2021	0
GII	08/33	3.781	1	3.778	03/09/2021	0
GII	07/36	3.870	22	3.875	07/09/2021	0
GII	08/37	4.124	7	4.192	24/08/2021	-7
			<u>696</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*
DanaInfra Nasional Berhad	11/27	GG	3.190	30	3.198	07/09/2021	-1	26
DanaInfra Nasional Berhad	10/28	GG	3.358	130	3.259	27/05/2021	10	31
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	3.355	30	2.941	16/02/2021	41	31
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.080	5	4.109	02/08/2021	-3	37
DanaInfra Nasional Berhad	05/41	GG	4.321	10	4.359	04/08/2021	-4	32
Prasarana Malaysia Berhad	08/41	GG	4.353	0	-	-	-	35
Prasarana Malaysia Berhad	09/42	GG	4.359	5	4.389	26/08/2021	-3	36
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.460	5	4.511	03/08/2021	-5	46
Pengurusan Air SPV Berhad	02/24	AAA	2.829	60	2.636	11/08/2021	19	90
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/26	AAA	3.102	10	3.070	27/08/2021	3	41
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.020	10	2.947	29/07/2021	7	33
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.612	55	3.602	12/08/2021	1	56
Sarawak Energy Berhad	11/28	AAA	3.428	10	3.440	26/08/2021	-1	38
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.670	20	3.690	07/09/2021	-2	46
Sarawak Energy Berhad	04/31	AAA	3.669	20	3.665	06/09/2021	0	44
Sarawak Energy Berhad	12/32	AAA	3.839	10	3.840	01/09/2021	0	61
Tenaga Nasional Berhad	08/33	AAA	3.919	50	3.893	03/09/2021	3	69
Sabah Development Bank Berhad	07/24	AA1	3.680	2	3.635	03/09/2021	5	135
Public Bank Berhad	12/29	AA1	3.036	50	3.037	12/08/2021	0	-13
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.506	1	3.455	24/08/2021	5	30
Malayan Banking Berhad	08/31	AA1	3.347	10	3.345	07/09/2021	0	12
RHB Bank Berhad	10/25	AA2	3.132	40	3.244	16/03/2021	-11	57
Hong Leong Financial Group Berhad	06/29	AA2	3.087	20	3.097	24/08/2021	-1	-8
Sunway Treasury Sukuk Sdn Berhad	09/24	AA-	3.510	100	-	-	-	118
Fortune Premiere Sdn Berhad	09/25	AA	3.475	10	3.451	23/08/2021	2	91
Edra Energy Sdn Berhad	01/27	AA3	3.599	10	4.116	25/03/2021	-52	91
Edra Energy Sdn Berhad	01/28	AA3	3.760	10	3.751	19/08/2021	1	83
Pelabuhan Tanjung Pelepas Sdn Berhad	08/27	AA-	3.572	20	3.864	01/04/2021	-29	64
IJM Corporation Berhad	04/29	AA3	3.892	5	3.979	23/07/2021	-9	73
Hong Leong Assurance Berhad	01/30	AA3	3.547	20	3.000	28/10/2020	55	38
Edra Energy Sdn Berhad	07/31	AA3	4.159	10	4.211	12/08/2021	-5	93
Edra Energy Sdn Berhad	01/34	AA3	4.399	20	4.529	20/08/2021	-13	117
Edra Energy Sdn Berhad	07/34	AA3	4.459	10	4.491	07/09/2021	-3	75
Edra Energy Sdn Berhad	01/35	AA3	4.549	10	4.629	23/08/2021	-8	84
CIMB Group Holdings Berhad	05/16	A1	3.282	1	3.433	24/08/2021	-15	-72
Tropicana Corporation Berhad	06/23	A+	4.319	2	4.323	06/09/2021	0	239
Tropicana Corporation Berhad	10/25	A+	4.929	2	4.832	07/09/2021	10	236
Affin Bank Berhad	07/18	A3	3.528	2	4.307	02/09/2021	-78	-47
Eco World Capital Assets Berhad	08/24	-	4.983	4	5.345	06/09/2021	-36	266
DRB-Hicom Berhad	12/24	A+	3.976	10	3.976	01/09/2021	0	165
				<u>827</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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