

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- UST's extended gains on Thursday following strong demand for the 30Y auction and lower weekly initial jobless claims data which fell to 310k; the lowest in almost 18 months and better than the 335k forecast. The curve flattened as overall benchmark yields declined between 0-6bps across with the UST 2Y yield almost unchanged at 0.19%, whilst the much-watched UST 10Y yield closed 4bps lower at 1.30%. The Treasury's \$24b 30Y bond auction garnered strong demand on a BTC ratio of 2.49x (previous 6 auction average: 2.36x); the highest seen since July 2020 and drew at 1.91% (previous auction: 2.04%). Elsewhere European bonds rallied post ECB's meeting with announcement that bond buying via the Pandemic Emergency Purchase Programme (PEPP) will continue at "moderate pace".

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.79	-2
10-yr UST	1.30	-4
30-yr UST	1.90	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	-2	2.35	-1
5-yr	2.68	-1	2.65	-1
7-yr	3.05	-1	3.07	0
10-yr	3.22	0	3.31	0
15-yr	3.73	0	3.91	4
20-yr	3.99	-2	4.16	0
30-yr	4.17	6	4.41	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.36	-2
5-yr	2.64	-1
7-yr	2.85	0
10-yr	3.08	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies found relief on Thursday post-MPC meeting which saw the OPR remain unchanged, in line with our projection. Overall benchmark yields closed mostly lower i.e. between 0-2bps (save for the 15Y GII and odd-lot trades in the 30Y); amid the doubling of secondary market volume @ RM1.35b. The 5Y benchmark MGS 11/26 yield edged 1bps lower at 2.68% whilst the 10Y MGS 4/31 settled within 1bps up at 3.22%. Trades were thinly spread with interest mainly seen in the shorter off-the-run 21's and benchmark 7Y MGS. The GII sector eased to form 23% of overall trades. Expect some attention to shift to the release of July's Industrial Production data today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space maintained strong activity on Thursday amid a sustained secondary market volume @ RM814m. Interest was again seen mainly across the GG to single-A part of the curve as overall yields closed mixed, despite spanning across only 24 names. Govt-guaranteed DANA 11/28 rose 11bps compared to previous-done levels at 3.38% on RM220m in transacted amounts whereas the longer-end DANA 5/35 rallied 12bps to 3.94%. AAA-rated PUTRAJAYA 24's and 25's saw different fortunes with the former 18bps lower at 2.59% whilst the latter spiked 25bps at 2.60%. The AA-space saw EDRA record a slew of tranches with the 2031-2035 tranches moving 3-13bps lower between 4.16-4.55%. The banking/finance space saw PUBLIC 27NC22 edge 2bps up at 2.66% whilst MAYBANK 31NC26 declined 3bps to 3.32%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.751	11	1.640	02/09/2021	11
MGS	11/21	1.750	219	1.760	08/09/2021	-1
MGS	03/22	1.750	20	1.656	08/09/2021	9
MGS	08/22	1.750	31	1.658	07/09/2021	9
MGS	03/23	1.849	66	1.861	08/09/2021	-1
MGS	04/23	1.858	7	1.827	08/09/2021	3
MGS	10/23	2.018	50	2.080	20/08/2021	-6
MGS	06/24	2.323	20	2.342	08/09/2021	-2
MGS	07/24	2.380	54	2.399	08/09/2021	-2
MGS	03/25	2.487	11	2.485	08/09/2021	0
MGS	09/25	2.574	46	2.593	08/09/2021	-2
MGS	04/26	2.678	25	2.671	07/09/2021	1
MGS	07/26	2.673	7	2.693	07/09/2021	-2
MGS	11/26	2.680	46	2.688	08/09/2021	-1
MGS	03/27	2.861	17	2.869	03/09/2021	-1
MGS	05/27	2.927	30	2.922	08/09/2021	0
MGS	11/27	2.958	63	2.946	08/09/2021	1
MGS	06/28	3.047	147	3.057	08/09/2021	-1
MGS	08/29	3.194	6	3.191	08/09/2021	0
MGS	04/30	3.247	24	3.230	06/09/2021	2
MGS	04/31	3.216	61	3.215	08/09/2021	0
MGS	06/31	3.272	4	3.274	08/09/2021	0
MGS	04/33	3.684	8	3.684	07/09/2021	0
MGS	11/33	3.749	2	3.734	08/09/2021	2
MGS	07/34	3.760	14	3.773	07/09/2021	-1
MGS	05/35	3.728	10	3.728	08/09/2021	0
MGS	06/38	4.055	1	4.030	06/09/2021	2
MGS	05/40	3.992	27	4.011	08/09/2021	-2
MGS	06/50	4.167	5	4.106	08/09/2021	6
GII	10/23	2.018	50	2.080	20/08/2021	-6
GII	11/23	2.007	80	2.047	01/09/2021	-4
GII	10/24	2.354	53	2.365	07/09/2021	-1
GII	03/26	2.650	3	2.656	08/09/2021	-1
GII	07/27	3.059	40	3.068	08/09/2021	-1
GII	10/28	3.157	16	3.155	08/09/2021	0
GII	10/30	3.313	15	3.317	08/09/2021	0
GII	07/36	3.905	30	3.870	08/09/2021	3
GII	08/37	4.067	20	4.124	08/09/2021	-6
GII	09/41	4.161	6	4.162	07/09/2021	0
			<u>1347</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	07/24	GG	2.439	50	2.553	15/06/2021	-11	11
Perbadanan Tabung Pendidikan Tinggi Nasional	12/24	GG	2.552	60	2.490	23/07/2021	6	23
Prasarana Malaysia Berhad	12/27	GG	3.195	30	3.031	29/06/2020	16	27
DanaInfra Nasional Berhad	11/28	GG	3.375	220	3.269	07/07/2021	11	32
Jambatan Kedua Sdn Berhad	05/30	GG	3.507	10	3.049	07/01/2021	46	30
Prasarana Malaysia Berhad	03/34	GG	3.819	25	3.860	27/08/2021	-4	9
DanaInfra Nasional Berhad	05/35	GG	3.938	50	4.059	27/04/2021	-12	21
Putrajaya Holdings Sdn Berhad	04/24	AAA	2.593	20	2.770	25/05/2021	-18	27
Putrajaya Holdings Sdn Berhad	05/25	AAA	2.847	80	2.600	22/09/2020	25	28
Pengurusan Air SPV Berhad	06/26	AAA	3.236	30	3.230	09/04/2021	1	55
Pengurusan Air SPV Berhad	10/26	AAA	3.268	50	3.161	09/07/2021	11	58
Danum Capital Berhad	05/30	AAA	3.580	40	3.540	12/08/2021	4	37
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.675	50	3.670	08/09/2021	0	47
Sabah Development Bank Berhad	07/24	AA1	3.678	3	3.680	08/09/2021	0	135
Public Islamic Bank Berhad	08/27	AA1	2.662	10	2.638	05/08/2021	2	-27
Malayan Banking Berhad	08/31	AA1	3.316	20	3.347	08/09/2021	-3	9
BGSM Management Sdn Berhad	12/27	AA3	3.459	25	3.480	07/09/2021	-2	53
IJM Corporation Berhad	08/28	AA3	3.798	10	3.858	19/08/2021	-6	75
Edra Energy Sdn Berhad	07/33	AA3	4.309	10	4.391	07/09/2021	-8	108
Edra Energy Sdn Berhad	01/34	AA3	4.379	10	4.399	08/09/2021	-2	115
Edra Energy Sdn Berhad	07/34	AA3	4.409	10	4.459	08/09/2021	-5	68
TG Excellence Berhad	02/20	AA-	4.100	1	4.364	08/09/2021	-26	10
				<u>814</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Dua Sdn Bhd	Green Sustainable and Responsible Investment (SRI) Sukuk of RM100.0 million	AA-IS/Stable	Affirmed
Talam Transform Berhad	Outstanding RM40.0 million Settlement Bithaman Ajil Islamic Debt Securities (Settlement BaIDS)	C-IS	Maintained

Source: RAM/ MARC

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