

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries caught a strong bid on Wednesday rubbing-off from a surprisingly solid 10Y auction, emanating from the belief that inflation is peaking. The curve shifted lower as overall benchmark yields declined between 0-2bps. Both the UST 2Y and 10Y yields edged 2bps lower at at 0.22% and 1.33% respectively. The \$41b 10Y auction was awarded at 1.34% on a BTC ratio of 2.65x; the highest since May 2020 (6 previous auction average: 2.47x). Meanwhile the Fedspeak event saw Dallas Fed President Kaplan state that he wanted the Fed to announce tapering plans in September and begin the gradual windown in purchases the following month. Expect attention to shift to jobless claims report as at 7th August followed by upcoming 30Y auction.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	-2
5-yr UST	0.81	-2
10-yr UST	1.33	-2
30-yr UST	2.00	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.36	6	2.36	2
5-yr	2.70	1	2.67	2
7-yr	3.04	3	3.11	4
10-yr	3.23	1	3.38	3
15-yr	3.80	2	3.95	4
20-yr	4.11	11	4.23	0
30-yr	4.29	-5	4.40	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	0
3-yr	2.40	4
5-yr	2.67	4
7-yr	2.88	2
10-yr	3.11	6

Source: Bloomberg

MGS/GII

- Local govies which saw an increase in trading activity, however ended weaker with sellers tuning up the heat on Wednesday. Overall benchmark yields closed between 0-11bps higher (save for the 30Y MGS), amid a three-fold increase in secondary market volume @ RM2.55b. Both the 5Y benchmark MGS 11/26 10Y and MGS 4/31 yields edged 1bps higher at 2.70% and 3.23% respectively. Some interest was seen in the shorter off-the-run 22's, 28's and also benchmark 3Y, 10Y GII. GII sector rose to form 40% of overall trades. Expect all eyes on the release of 2Q2021 GDP data tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investors return to the secondary market on Wednesday with interest seen mainly across the GG to single-A part of the curve amid a spike in secondary market volume to RM553m. Overall yields closed mixed, spanning across 30 names. DANA dominated the GG-space with a slew of tranches exchanging hands. DANA 8/23 rose 6bps compared to previous-done levels at 2.22% whilst the 4/33 and 11/42 tranches rallied 13-32bps at 3.74% and 4.40% each. Investors were also seen transacting the longer-end 2045-2047 tranches which saw yields rise between 4.50-5.4% levels. AAA-rated PASB 23-24's closed 15-22bps lower between 2.37-6.4% whilst CAGAMAS 10/33 declined 18bps to 3.89%. AA-rated energy-related bonds EDRA 27-28's moved 8bps lower each to between 3.82-9.1%. TSH 12/21 (rated A1) saw RM100m in total transacted amounts; spiking 45bps to 4.27%.

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	1.754	14	1.643	09/08/2021	11
MGS 03/22	1.748	186	1.750	06/08/2021	0
MGS 03/23	1.939	55	1.941	09/08/2021	0
MGS 06/24	2.363	59	2.306	09/08/2021	6
MGS 09/24	2.375	31	2.364	09/08/2021	1
MGS 03/25	2.506	23	2.511	06/08/2021	-1
MGS 09/25	2.624	92	2.617	09/08/2021	1
MGS 04/26	2.675	23	2.657	04/08/2021	2
MGS 07/26	2.681	10	2.702	06/08/2021	-2
MGS 11/26	2.695	169	2.689	09/08/2021	1
MGS 05/27	2.916	59	2.935	09/08/2021	-2
MGS 11/27	2.964	22	2.882	05/08/2021	8
MGS 06/28	3.044	412	3.016	06/08/2021	3
MGS 08/29	3.206	24	3.159	06/08/2021	5
MGS 04/31	3.232	41	3.225	09/08/2021	1
MGS 04/33	3.742	40	3.716	09/08/2021	3
MGS 11/33	3.797	33	3.773	09/08/2021	2
MGS 07/34	3.833	13	3.828	06/08/2021	1
MGS 05/35	3.796	68	3.776	09/08/2021	2
MGS 05/40	4.111	65	4.001	09/08/2021	11
MGS 09/43	4.320	10	4.254	04/08/2021	7
MGS 06/50	4.293	72	4.341	09/08/2021	-5
GII 10/21	1.923	60	2.000	23/03/2021	-8
GII 03/22	1.785	10	1.839	06/08/2021	-5
GII 10/23	1.966	2	2.002	16/07/2021	-4
GII 10/24	2.355	265	2.333	06/08/2021	2
GII 03/26	2.668	60	2.646	09/08/2021	2
GII 09/27	3.106	175	3.070	09/08/2021	4
GII 10/30	3.375	365	3.344	09/08/2021	3
GII 06/33	3.769	30	3.720	05/08/2021	5
GII 08/33	3.750	1	3.729	05/08/2021	2
GII 07/36	3.947	2	3.910	06/08/2021	4
GII 08/37	3.944	30	4.078	03/08/2021	-13
GII 09/39	4.220	11	4.271	05/08/2021	-5
GII 05/47	4.621	20	4.399	29/07/2021	22
		<u>2551</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	08/23	GG	2.220	50	2.162	13/07/2021	6	25
Prasarana Malaysia Berhad	03/24	GG	2.367	50	2.600	11/05/2021	-23	4
Danainfra Nasional Berhad	04/33	GG	3.739	40	3.870	11/06/2021	-13	48
Danainfra Nasional Berhad	11/42	GG	4.400	10	4.719	29/03/2021	-32	33
Danainfra Nasional Berhad	11/45	GG	4.494	20	4.123	15/02/2021	37	43
Danainfra Nasional Berhad	11/47	GG	4.535	5	4.521	03/08/2021	1	47
Pengurusan Air SPV Berhad	02/23	AAA	2.371	10	2.594	27/05/2021	-22	58
Pengurusan Air SPV Berhad	02/24	AAA	2.634	20	2.789	24/06/2021	-16	67
Pengurusan Air SPV Berhad	02/24	AAA	2.636	20	2.789	24/06/2021	-15	31
Bank Pembangunan Malaysia Berhad	06/26	AAA	3.079	20	3.246	14/06/2021	-17	40
Projek Lebuhraya Usahasama Berhad	01/27	AAA	3.100	10	3.120	06/08/2021	-2	42
DiGi Telecommunications Sdn Berhad	04/27	AAA	3.040	10	2.747	09/02/2021	29	14
Pengurusan Air SPV Berhad	06/27	AAA	3.230	5	3.233	28/07/2021	0	33
Pengurusan Air SPV Berhad	02/29	AAA	3.451	2	3.609	09/06/2021	-16	29
Danum Capital Berhad	05/30	AAA	3.540	2	3.578	28/07/2021	-4	33
Cagamas Berhad	10/33	AAA	3.893	20	4.068	23/06/2021	-18	64
Sarawak Energy Berhad	08/35	AAA	4.214	10	4.519	29/06/2021	-31	40
Sabah Development Bank Berhad	07/24	AA1	4.041	4	3.841	09/08/2021	20	172
Sabah Credit Corporation	06/26	AA1	3.372	20	3.488	29/04/2020	-12	69
Agroto Business (M) Sdn Berhad	08/26	AA1	4.759	52	-	-	-	208
Hong Leong Financial Group Berhad	06/29	AA2	3.122	4	3.094	09/08/2021	3	-4
Jimah East Power Sdn Berhad	12/27	AA-	3.818	10	3.895	14/07/2021	-8	92
Jimah East Power Sdn Berhad	06/28	AA-	3.908	10	3.988	15/07/2021	-8	85
Anih Berhad	11/22	AA	2.680	30	2.777	03/06/2021	-10	89
CIMB Group Holdings Berhad	05/16	A1	3.972	2	3.576	27/07/2021	40	-10
UMW Holdings Berhad	04/18	A1	4.228	10	4.298	10/06/2021	-7	16
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	4.266	100	3.818	05/07/2021	45	248
IJM Land Berhad	03/19	A2	4.851	5	4.857	04/05/2021	-1	78
YNH Property Berhad	08/19	-	6.858	1	6.808	06/08/2021	5	279
YNH Property Berhad	08/19	-	6.107	1	6.243	04/08/2021	-14	204
				<u>553</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Gas Malaysia Distribution Sdn Bhd	Islamic Medium-Term Notes (IMTN) programme and Islamic Commercial Papers (ICP) programme with a combined limit of up to RM1.0 billion	AAA-IS/MARC-1IS	Affirmed

Source: RAM/ MARC

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