

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw prior day's strength tapering off on Thursday, arising from the tepid bidding metrics for the 30Y auction coupled with a spike in July Producer Price Index i.e. PPI. The curve edged higher as overall benchmark yields ended marginally up between 0-2bps. The UST 2Y yield closed almost unchanged at 0.22% whilst the much-watched UST 10Y nudged 1bps up 1.34%. The Treasury wrapped up the week's bond sales with new issuance of \$27b 30Y auction that was awarded at 2.04% (previous 2.00%) on a BTC ratio of 2.21x (6 previous auction average: 2.26x). Meanwhile 3 more Fed officials have indicated the time to taper asset purchases is approaching as the recovery which is underway may necessitate a transition from extraordinary monetary policy accommodation to more neutral settings. Elsewhere, a record high of \$1.09 trillion was seen flowing into the Fed's overnight reverse repo facility.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.82	2
10-yr UST	1.34	1
30-yr UST	2.00	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	-4	2.35	0
5-yr	2.68	-1	2.65	-2
7-yr	3.05	0	3.11	0
10-yr	3.24	1	3.36	-1
15-yr	3.80	0	3.92	-2
20-yr	4.06	-6	4.23	0
30-yr	4.30	0	4.31	-9

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.96	-1
3-yr	2.38	-2
5-yr	2.65	-2
7-yr	2.86	-2
10-yr	3.07	-4

Source: Bloomberg

MGS/GII

- Local govies reversed inherent weakness seen prior day with MGS closing mixed whilst GII fared better in Thursday's session. Overall benchmark yields closed between -9 to +1bps amid a slight increase in secondary market volume @ RM2.76b. The 5Y benchmark MGS 11/26 yield edged 1bps lower at 2.68% whilst the 10Y benchmark MGS 4/31 inched 1bps higher at 3.24%. Interest was mainly seen in the shorter off-the-run 21-23's, 29's and also benchmark 5Y, 10Y MGS. GII sector maintained to form 39% of overall trades. Expect all eyes on the release of 2Q2021 GDP data today as the Governor and Chief Statistician co-chair a virtual joint press conference.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to be active on Thursday with interest seen across the GG to single-A part of the curve amid a further rise in secondary market volume at RM655m. Overall yields closed mostly mixed-to-lower, spanning across 30 names. DANA 5/32 rose 10bps compared to previous-done levels at 3.72% whilst PTPTN 3/36 made its debut trade at 4.05%; 12bps below its coupon. AAA-rated bonds formed bulk of transactions. PLUS 24 declined 8bps at 2.59% whereas PLUS 29 and 33 eased 5bps each to 3.34% and 3.89%. AA-rated energy-related bonds EDRA 31 and 37-38's notched RM110m worth of trades; closing 1-20bps lower at 4.21% and 4.76-79% levels respectively. The banking/finance sector saw MAYBANK 30NC25 end 6bps up at 3.24% whilst Bank ISLAM 28NC23 edged 2bps lower at 3.18%.

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 09/21	1.751	9	1.759	09/08/2021	-1
MGS 11/21	1.757	210	1.754	11/08/2021	0
MGS 03/22	1.748	225	1.748	11/08/2021	0
MGS 08/22	1.810	14	1.706	11/08/2021	10
MGS 03/23	1.912	254	1.939	11/08/2021	-3
MGS 04/23	1.926	17	1.920	09/08/2021	1
MGS 08/23	1.933	9	1.961	06/08/2021	-3
MGS 06/24	2.320	31	2.363	11/08/2021	-4
MGS 07/24	2.346	111	2.332	09/08/2021	1
MGS 09/24	2.361	31	2.375	11/08/2021	-1
MGS 03/25	2.529	20	2.506	11/08/2021	2
MGS 09/25	2.611	5	2.624	11/08/2021	-1
MGS 07/26	2.692	6	2.681	11/08/2021	1
MGS 11/26	2.681	201	2.695	11/08/2021	-1
MGS 05/27	2.879	21	2.916	11/08/2021	-4
MGS 11/27	2.935	9	2.964	11/08/2021	-3
MGS 06/28	3.047	82	3.044	11/08/2021	0
MGS 08/29	3.178	76	3.206	11/08/2021	-3
MGS 04/30	3.257	2	3.195	11/08/2021	6
MGS 04/31	3.241	161	3.232	11/08/2021	1
MGS 11/33	3.797	22	3.797	11/08/2021	0
MGS 07/34	3.793	1	3.833	11/08/2021	-4
MGS 05/35	3.799	5	3.796	11/08/2021	0
MGS 04/37	3.901	6	3.871	06/08/2021	3
MGS 05/40	4.056	22	4.111	11/08/2021	-5
MGS 07/48	4.480	10	4.387	05/08/2021	9
MGS 06/50	4.295	131	4.293	11/08/2021	0
GII 08/21	1.792	200	1.780	06/08/2021	1
GII 03/22	1.781	20	1.785	11/08/2021	0
GII 04/22	1.787	10	1.674	05/08/2021	11
GII 11/23	2.082	100	1.986	03/08/2021	10
GII 08/24	2.376	55	2.324	04/08/2021	5
GII 10/24	2.355	41	2.355	11/08/2021	0
GII 08/25	2.540	10	2.544	19/07/2021	0
GII 03/26	2.650	102	2.668	11/08/2021	-2
GII 07/27	3.023	4	2.979	04/08/2021	4
GII 09/27	3.106	97	3.106	11/08/2021	0
GII 07/29	3.280	220	3.229	04/08/2021	5
GII 10/30	3.361	97	3.375	11/08/2021	-1
GII 06/33	3.753	50	3.769	11/08/2021	-2
GII 08/33	3.785	50	3.750	11/08/2021	4
GII 07/36	3.924	3	3.947	11/08/2021	-2
GII 05/47	4.520	10	4.621	11/08/2021	-10
GII 11/49	4.305	2	4.395	09/08/2021	-9
		<u>2764</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	05/32	GG	3.719	20	3.620	22/07/2021	10	47
Perbadanan Tabung Pendidikan Tinggi Nasional	03/36	GG	4.048	30	-	-	-	24
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.281	1	2.291	15/07/2021	-1	50
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.586	30	2.668	30/06/2021	-8	63
Infracap Resources Sdn Berhad	04/24	AAA	2.807	40	2.860	16/07/2021	-5	48
Sarawak Energy Berhad	07/24	AAA	2.764	10	2.833	13/07/2021	-7	44
Aman Sukuk Berhad	05/26	AAA	2.999	30	2.893	01/03/2021	11	32
Sarawak Energy Berhad	01/27	AAA	3.216	10	3.307	21/07/2021	-9	53
Glacier Assets Berhad	03/27	AAA	3.677	10	-	-	-	76
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.602	50	3.639	28/07/2021	-4	54
Glacier Assets Berhad	03/28	AAA	3.838	10	-	-	-	78
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.339	20	3.388	05/08/2021	-5	28
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.389	30	3.449	28/07/2021	-6	23
Danum Capital Berhad	05/30	AAA	3.540	5	3.540	11/08/2021	0	33
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	3.938	50	4.020	16/07/2021	-8	69
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.888	20	3.939	27/07/2021	-5	64
Sarawak Energy Berhad	06/35	AAA	4.169	10	4.441	10/06/2021	-27	36
Tenaga Nasional Berhad	08/38	AAA	4.281	10	4.229	04/08/2021	5	47
YTL Power International Berhad	03/23	AA1	3.090	20	3.642	05/08/2021	-55	114
Sabah Development Bank Berhad	07/24	AA1	3.839	9	4.041	11/08/2021	-20	152
Public Bank Berhad	12/29	AA1	3.037	50	3.240	27/04/2021	-20	-12
Malayan Banking Berhad	10/30	AA1	3.237	10	3.178	06/05/2021	6	3
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.148	1	5.213	09/08/2021	-7	320
Jimah East Power Sdn Berhad	06/23	AA-	2.958	20	2.928	11/01/2021	3	101
Edra Energy Sdn Berhad	07/31	AA3	4.211	10	4.412	28/06/2021	-20	96
Edra Energy Sdn Berhad	01/37	AA3	4.759	10	4.800	19/07/2021	-4	95
Edra Energy Sdn Berhad	07/37	AA3	4.779	30	4.793	04/08/2021	-1	97
Edra Energy Sdn Berhad	01/38	AA3	4.789	60	4.811	04/08/2021	-2	98
Quantum Solar Park (Semenanjung) Sdn Berhad	10/24	AA-	3.548	10	3.725	11/05/2021	-18	122
Southern Power Generation Sdn Berhad	04/27	AA-	3.448	5	3.469	29/07/2021	-2	53
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	4.139	10	4.852	26/06/2020	-71	98
Quantum Solar Park (Semenanjung) Sdn Berhad	04/35	AA-	4.879	10	5.289	27/07/2020	-41	107
Bank Islam Malaysia Berhad	11/28	A1	3.181	10	3.197	06/08/2021	-2	12
CIMB Group Holdings Berhad	05/16	A1	3.235	1	3.374	09/08/2021	-14	-84
Tropicana Corporation Berhad	10/25	A+	4.899	1	5.353	04/08/2021	-45	234
Eco World Capital Services Berhad	03/26	-	5.451	1	5.450	04/08/2021	0	277
YNH Property Berhad	08/19	-	6.345	1	6.107	11/08/2021	24	227
LBS Bina Group Berhad	03/20	-	6.490	2	6.491	09/08/2021	0	242
				<u>655</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Pertanian Malaysia Berhad (Agrobank)	Financial institution (FI) rating	AAA	Assigned
	Proposed RM1.0 billion Islamic Medium-Term Notes Programme	AAA-IS/Stable	Assigned

Source: RAM/ MARC

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