

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- UST's lost ground on Friday influenced partly due to the higher-than-expected rise in producer prices for August in the US. Bond movements unwound prior day's bull-flattening move arising from the strong 30Y bond auction. The curve shifted higher as overall benchmark yields rose between 0-4bps across with the UST 2Y yield almost unchanged at 0.19%, whilst the much-watched UST 10Y jumped 4bps higher at 1.34%. Investor demand for Treasury auctions last week may be seen to provide reassurances and allay fears over the imminent asset tapering exercise by the Fed in the near future. Elsewhere some pressure is expected on bonds this week as a heavy corporate bond issuance slate kicks-in. Meanwhile, expect attention to shift to the CPI data release for August tomorrow.

MGS/GII

- Local govies closed mixed on improving volumes last Friday; little influenced by economic data release that saw y/y declines in industrial production in July. Overall benchmark yields closed mixed between -3 to +3bps; amid the jump in secondary market volume @ RM2.47b. The 5Y benchmark MGS 11/26 yield edged 1bps up at 2.69% whilst the 10Y MGS 4/31 yield rose 3bps at 3.24%. Trades were thinly spread with interest mainly seen in the shorter off-the-run 21's, 23's, 27's and 29's. The GII sector rose to form 32% of overall trades. Meanwhile, there are no economic data releases for this week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent activity last Friday amid lower secondary market volume @ RM542m. Interest was again seen mainly across the GG to single-A part of the curve as overall yields closed mixed-to-lower, spanning across 29 names. The longer-end Govt-guaranteed DANA 3/45 and 2/49 moved 3-4bps lower compared to previous-done levels between 4.42-47%. AAA-rated PETROLEUM Sarawak 3/31 closed 4bps lower at 3.86% whilst BAKUN Hydro 8/24 spiked 25bps instead to 2.75% levels. The AA-space saw MMC Corp 27-28's settle unchanged between 3.79-91%. Meanwhile, the banking/finance space saw ALLIANCE 32NC27 decline 20bps to 3.65% whilst PUBLIC Islamic 27NC22 eased 5bps at 2.61%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.82	3
10-yr UST	1.34	4
30-yr UST	1.93	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.31	-1	2.38	2
5-yr	2.69	1	2.62	-3
7-yr	3.06	1	3.07	0
10-yr	3.24	3	3.33	2
15-yr	3.72	0	3.89	-2
20-yr	3.99	-1	4.16	0
30-yr	4.17	0	4.41	0

* Market indicative levels

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

Source: Bloomberg

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	1.750	283	1.750	09/09/2021	0
MGS	03/22	1.716	9	1.750	09/09/2021	-3
MGS	08/22	1.774	4	1.750	09/09/2021	2
MGS	09/22	1.760	6	1.695	08/09/2021	6
MGS	03/23	1.860	420	1.849	09/09/2021	1
MGS	04/23	1.868	312	1.858	09/09/2021	1
MGS	08/23	1.924	6	1.929	08/09/2021	-1
MGS	06/24	2.311	93	2.323	09/09/2021	-1
MGS	07/24	2.343	5	2.380	09/09/2021	-4
MGS	09/25	2.579	29	2.574	09/09/2021	1
MGS	04/26	2.644	5	2.678	09/09/2021	-3
MGS	07/26	2.674	3	2.673	09/09/2021	0
MGS	11/26	2.688	35	2.680	09/09/2021	1
MGS	05/27	2.912	21	2.927	09/09/2021	-2
MGS	11/27	2.970	30	2.958	09/09/2021	1
MGS	06/28	3.056	88	3.047	09/09/2021	1
MGS	08/29	3.201	53	3.194	09/09/2021	1
MGS	04/30	3.248	20	3.247	09/09/2021	0
MGS	04/31	3.243	20	3.216	09/09/2021	3
MGS	06/31	3.283	12	3.272	09/09/2021	1
MGS	04/33	3.715	21	3.684	09/09/2021	3
MGS	11/33	3.734	6	3.749	09/09/2021	-2
MGS	07/34	3.773	65	3.760	09/09/2021	1
MGS	05/35	3.724	18	3.728	09/09/2021	0
MGS	04/37	3.882	65	3.875	07/09/2021	1
MGS	05/40	3.986	48	3.992	09/09/2021	-1
MGS	07/48	4.312	1	4.324	09/09/2021	-1
MGS	06/50	4.170	5	4.167	09/09/2021	0
GII	10/23	2.011	20	2.018	09/09/2021	-1
GII	10/24	2.376	7	2.354	09/09/2021	2
GII	08/25	2.530	2	2.518	03/09/2021	1
GII	03/26	2.615	11	2.650	09/09/2021	-3
GII	07/27	3.075	200	3.059	09/09/2021	2
GII	10/28	3.149	40	3.157	09/09/2021	-1
GII	07/29	3.281	281	3.254	09/09/2021	3
GII	10/30	3.330	106	3.313	09/09/2021	2
GII	08/33	3.776	90	3.781	08/09/2021	-1
GII	10/35	3.942	4	3.906	30/08/2021	4
GII	07/36	3.886	30	3.905	09/09/2021	-2
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing		Vol (RM mil)	Previous		Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
		YTM			YTM				
Danainfra Nasional Berhad	02/23	GG	2.124	20	2.159		23/08/2021	-3	35
Prasarana Malaysia Berhad	02/23	GG	2.124	20	2.058		15/07/2021	7	35
Prasarana Malaysia Berhad	09/24	GG	2.423	15	2.423		07/09/2021	0	10
Prasarana Malaysia Berhad	12/27	GG	3.259	40	3.195		09/09/2021	6	33
Danainfra Nasional Berhad	05/37	GG	4.170	5	4.159		04/08/2021	1	45
Prasarana Malaysia Berhad	03/45	GG	4.419	10	4.449		28/07/2021	-3	42
Danainfra Nasional Berhad	02/49	GG	4.469	20	4.510		03/09/2021	-4	47
Telekom Malaysia Berhad	06/22	AAA	2.218	10	2.276		01/07/2021	-6	44
Manjung Island Energy Berhad	11/22	AAA	2.320	5	2.357		03/06/2021	-4	55
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/24	AAA	2.747	50	2.496		16/02/2021	25	42
Manjung Island Energy Berhad	11/25	AAA	2.892	10	2.921		15/07/2021	-3	33
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.598	20	3.612		08/09/2021	-1	54
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.675	20	3.675		09/09/2021	0	46
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	3.861	80	3.901		27/08/2021	-4	63
Danum Capital Berhad	02/34	AAA	3.978	20	4.049		30/07/2021	-7	74
Northern Gateway Infrastructure Sdn Berhad	08/23	AA1	2.680	10	4.504		24/10/2018	-182	75
Sabah Development Bank Berhad	07/26	AA1	4.447	0	4.024		08/09/2021	42	176
Public Islamic Bank Berhad	08/27	AA1	2.611	20	2.662		09/09/2021	-5	-32
Celcom Networks Sdn Berhad	08/22	AA+	2.293	1	2.277		06/08/2021	2	52
CIMB Group Holdings Berhad	05/16	A1	3.449	21	3.282		08/09/2021	17	-55
Tropicana Corporation Berhad	06/23	A+	4.318	1	5.270		09/09/2021	-95	239
DRB-Hicom Berhad	08/31	A+	4.991	1				499	176
Alliance Bank Malaysia Berhad	10/32	A2	3.649	40	3.851		18/08/2021	-20	42
Eco World Capital Assets Berhad	08/24	-	4.796	3	4.983		08/09/2021	-19	247
YNH Property Berhad	08/19	-	6.402	1	6.682		06/09/2021	-28	241
YNH Property Berhad	08/19	-	6.545	1	6.209		26/08/2021	34	255
DRB-Hicom Berhad	08/30	A+	4.927	8	5.010		27/08/2020	-8	171
MMC Corporation Berhad	11/27	AA-	3.788	40	3.785		01/09/2021	0	86
MMC Corporation Berhad	03/28	AA-	3.908	50	3.907		03/09/2021	0	85
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
International General Insurance Co Ltd (IGI)	Insurer financial strength rating)	AA+/Stable	Affirmed
Indera Persada Sdn Bhd	RM280 mil Fixed Rate Serial Bonds (2013/2028)	AA1/Stable	Reaffirmed
Hanwha Q CELLS Malaysia Sdn Bhd	Proposed RM150 mil Guaranteed Medium-Term Notes (2021/2024)	AAA(FG)/Stable	Assigned

Source: RAM/ MARC

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