

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- UST's rebounded modestly on Monday, still rubbing-off from last week's solid strength in the 3Y, 10Y and 30Y auctions. Uncertainties over the COVID-19 variants and expectations that the Fed may not announce a QE tapering next week helped lend a bid to bonds. The curve flattened as overall benchmark yields ended between 0-3bps lower across; with the UST 2Y yield unchanged at 0.19%, whilst the much-watched UST 10Y edged 2bps lower at 1.33%. The US federal budget recorded a narrower deficit of \$2.71 trillion; down ~10% from the \$3.0 trillion deficit over the same period i.e. 11 month of the fiscal year. US yields may likely re-set slightly higher predicated on improvement in labor market and economy as a whole. Nevertheless a higher inflation reading may complicate the Fed's decision on the actual commencement of the asset-tapering exercise. Meanwhile, expect attention to shift to the CPI data release for August tonight.

MGS/GIII

- Local govvies were mostly pressured on Monday, possibly due to after-effects emanating from the sizeable auction issuance announced last Friday for the 10Y MGS. Overall benchmark yields closed mostly higher between 0-2bps (save for the 15 bonds and the odd-lot trade in the long bond), amid the inching up of secondary market volume @ RM2.63b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields edged 1bps up at 2.70% and 3.25% respectively. Interest was mainly seen in the shorter off-the-run 21-22's and 5Y MGS. The GII sector eased slightly to form 29% of overall trades. Expect attention to shift to the 10Y MGS bond auction today.

Corp Bonds/Sukuk

- Activity in the Corporate Bonds/Sukuk space powered up on Monday amid higher secondary market volume of RM854m. Interest was again seen across the GG to single-A part of the curve as overall yields closed mixed-to-lower, spanning across 30 names. The Govt-guaranteed sector was dominated by DANAINFRA bonds. DANA 11/25 declined 11bps to 2.74% compared to previous-done levels whilst the longer-end 5/41 and 2/49 tranches edged 0-2bps lower at 4.32% and 4.45% each. AAA-rated BAKUN Hydo 22 and 30 closed 6bps lower at 2.26% and 3.56% whilst the 23-24's closed mixed on yields at 2.51% and 2.77% respectively. The AA-space saw a slew of energy-related bonds i.e. EDRA exchange hands. EDRA 24's and 25's closed mixed on yields at 3.22% and 3.36%, whilst EDRA 34-38 settled 0-5bps lower between 4.38-78% levels. BGSM 12/27 notched RM80m in nominal trades; closing unchanged at 3.46%. Meanwhile, the banking/finance space saw Sabah Dev Bank 4/23 move 3bps lower at 3.72%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	0
5-yr UST	0.81	-1
10-yr UST	1.33	-2
30-yr UST	1.91	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	1	2.38	0
5-yr	2.70	1	2.62	0
7-yr	3.08	2	3.08	2
10-yr	3.25	1	3.33	0
15-yr	3.68	-4	3.88	-1
20-yr	4.01	2	4.17	1
30-yr	4.16	-1	4.41	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.37	2
5-yr	2.66	2
7-yr	2.85	1
10-yr	3.08	0

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.0b (+RM1.5b private placement)

10Y MGS 4/31 on Tuesday, 14th September, 2021

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.757	410	1.751	09/09/2021	1
MGS	11/21	1.750	470	1.750	10/09/2021	0
MGS	03/22	1.802	49	1.716	10/09/2021	9
MGS	08/22	1.759	50	1.774	10/09/2021	-2
MGS	03/23	1.857	83	1.860	10/09/2021	0
MGS	06/24	2.324	72	2.311	10/09/2021	1
MGS	09/24	2.392	10	2.392	08/09/2021	0
MGS	07/26	2.695	50	2.674	10/09/2021	2
MGS	11/26	2.702	142	2.688	10/09/2021	1
MGS	05/27	2.946	61	2.912	10/09/2021	3
MGS	11/27	2.961	65	2.970	10/09/2021	-1
MGS	06/28	3.075	191	3.056	10/09/2021	2
MGS	08/29	3.196	58	3.201	10/09/2021	0
MGS	04/30	3.254	20	3.248	10/09/2021	1
MGS	04/31	3.250	42	3.243	10/09/2021	1
MGS	11/33	3.747	3	3.734	10/09/2021	1
MGS	07/34	3.780	5	3.773	10/09/2021	1
MGS	05/35	3.683	25	3.724	10/09/2021	-4
MGS	06/38	4.040	9	4.055	09/09/2021	-1
MGS	05/40	4.005	32	3.986	10/09/2021	2
MGS	07/48	4.319	2	4.312	10/09/2021	1
MGS	06/50	4.160	23	4.170	10/09/2021	-1
GII	03/22	1.771	250	1.750	08/09/2021	2
GII	07/22	1.758	40	1.745	02/09/2021	1
GII	10/23	2.014	13	2.011	10/09/2021	0
GII	10/24	2.375	70	2.376	10/09/2021	0
GII	09/26	2.775	60	2.799	08/09/2021	-2
GII	09/27	3.084	5	3.066	08/09/2021	2
GII	10/28	3.169	90	3.149	10/09/2021	2
GII	08/33	3.766	70	3.776	10/09/2021	-1
GII	11/34	3.870	2	3.875	07/09/2021	0
GII	07/36	3.875	63	3.886	10/09/2021	-1
GII	08/37	4.150	80	4.067	09/09/2021	8
GII	09/41	4.172	10	4.161	09/09/2021	1
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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*	
Danalnra Nasional Berhad	11/25	GG	2.744	85	2.850	14/06/2021	-11	17
Danalnra Nasional Berhad	05/31	GG	3.570	30	3.518	07/09/2021	5	32
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.047	50	4.080	08/09/2021	-3	32
Danalnra Nasional Berhad	09/39	GG	4.291	10	3.656	05/05/2020	64	29
Danalnra Nasional Berhad	05/41	GG	4.319	10	4.321	08/09/2021	0	32
Danalnra Nasional Berhad	02/49	GG	4.449	25	4.469	10/09/2021	-2	45
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/22	AAA	2.259	85	2.322	01/07/2021	-6	48
Putrajaya Bina Sdn Berhad	03/23	AAA	2.372	15	3.126	11/02/2020	-75	44
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/23	AAA	2.509	35	2.670	03/05/2021	-16	58
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/24	AAA	2.771	50	2.747	10/09/2021	2	44
Putrajaya Bina Sdn Berhad	09/24	AAA	2.709	10	2.705	14/07/2021	0	38
Putrajaya Bina Sdn Berhad	03/25	AAA	2.820	65	2.589	02/09/2020	23	25
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/30	AAA	3.558	60	3.613	06/09/2021	-6	33
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	2.275	10	2.414	10/06/2021	-14	50
Sabah Development Bank Berhad	04/23	AA1	3.719	10	3.751	30/08/2021	-3	179
YTL Power International Berhad	10/24	AA1	3.538	10	3.794	05/07/2021	-26	121
Anih Berhad	11/27	AA	3.656	20	3.641	06/09/2021	2	72
Edra Energy Sdn Berhad	07/24	AA3	3.216	10	3.457	29/06/2021	-24	89
Edra Energy Sdn Berhad	07/25	AA3	3.358	10	3.375	27/08/2021	-2	79
BGSM Management Sdn Berhad	12/27	AA3	3.462	80	3.459	09/09/2021	0	52
WCT Holdings Berhad	05/22	AA-	3.691	20	3.765	03/08/2021	-7	191
Quantum Solar Park (Semenanjung) Sdn Berhad	10/34	AA-	4.728	10	5.211	11/09/2020	-48	101
Edra Energy Sdn Berhad	01/34	AA3	4.379	20	4.379	09/09/2021	0	113
Edra Energy Sdn Berhad	01/35	AA3	4.499	10	4.549	08/09/2021	-5	78
Edra Energy Sdn Berhad	07/35	AA3	4.569	10	4.601	02/09/2021	-3	85
Edra Energy Sdn Berhad	07/37	AA3	4.740	50	4.770	25/08/2021	-3	102
Edra Energy Sdn Berhad	01/38	AA3	4.779	50	4.789	12/08/2021	-1	106
Tropicana Corporation Berhad	06/23	A+	4.688	1	4.318	10/09/2021	37	276
Eco World Capital Assets Berhad	08/24	-	4.795	2	4.796	10/09/2021	0	247
YNH Property Berhad	08/19	-	6.295	2	6.545	10/09/2021	-25	230
				<u>854</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Notable Vision Sdn Bhd	Medium-Term Notes (MTNs) issued under the RM750 mil MTN Programme		
	Class A Senior MTNs	AAA/Stable	Reaffirmed
	Class B Junior MTNs	B2/Stable	Reaffirmed
	Class C Junior MTNs	C3/Stable	Reaffirmed
Pengurusan Air Selangor Sdn Bhd	Islamic Medium-Term Notes Programme of up to RM10 bil in nominal value and Islamic Commercial Papers Programme of up to RM10 bil in nominal value	AAA/Stable and P1	Reaffirmed
Deutsche Bank (Malaysia) Berhad	Financial institution ratings.	AA1/Stable/P1	Reaffirmed

Source: RAM/ MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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