

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- UST's ended sharply higher on Tuesday, following the slowest rise in consumer prices in 7 months that eased expectations that the Fed may delay the announcement of QE tapering next week. The curve flattened as overall benchmark yields ended between 1-5bps lower across; with the UST 2Y yield edging 1bps down at 0.19%, whilst the much-watched UST 10Y yield fell 4bps at 1.29%. The 5s10s spreads narrowed to below 108bps, its lowest in slightly more than a year. With curve-flattening indicating fading inflationary expectations, bonds have been well-bid judging from last week's 10Y and 30Y auctions. In addition to that, the difficulty in pushing new legislations on the \$3.5 trillion tax and spending plans may nip longer-term supply outlook.

##### MGS/GIII

- Local govies continued to trend weaker on Tuesday as the government pushed for legislation to increase funding for COVID-related expenses from RM65b to RM110b. Overall benchmark yields closed mostly higher between 0-9bps (save for the 5Y MGS and odd-lot trade in the long bond), amid a sustained secondary market volume of RM2.66b. The 5Y benchmark MGS 11/26 yield edged 1bps lower at 2.70% whilst the 10Y MGS 4/31 yield jumped 5bps up at 3.30%. Interest was mainly seen in the shorter off-the-run 21-24's. The GII sector maintained to form 28% of overall trades. The 10Y MGS auction saw tepid bidding metrics possibly due to the large total issuance size of RM5.5b comprising of both auction and private placement. BTC ratio notched a mere 1.606x and was awarded at 3.292%.

##### Corp Bonds/Sukuk

- Activity in the Corporate Bonds/Sukuk space maintained strong investor interest on Tuesday despite slight decrease in secondary market volume of RM748m. Interest was seen along the GG-AA part of the curve as overall yields closed mixed, spanning across 30 names. The sole govt-guaranteed trade consisted of PR1MA 10/24 which moved 4bps lower compared to previous-done levels at 2.55%. AAA-rated TOYOTA 7/24 settled unchanged at 3.23% whilst SEB 25 and 29 moved opposite ends to 2.92% and 3.52% instead. The AA-space saw energy-related bonds i.w. KIMANIS 25-26's rally 25-26bps between 3.06-24% whilst TBEI 3/27 declined 12bps to 3.86%. Meanwhile, the banking/finance space was relatively active with MBB 31NC26 edging 1bps lower at 3.31% whereas MBB 2117NC26 perps rose 3bps higher at 3.53%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	-1
5-yr UST	0.79	-2
10-yr UST	1.29	-4
30-yr UST	1.86	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	1	2.38	0
5-yr	2.70	-1	2.70	9
7-yr	3.09	1	3.08	0
10-yr	3.30	5	3.37	4
15-yr	3.74	5	3.91	3
20-yr	4.05	4	4.19	2
30-yr	4.41	-5	4.41	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	1
3-yr	2.39	2
5-yr	2.68	2
7-yr	2.87	2
10-yr	3.10	2

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	09/21	1.749	165	1.757	13/09/2021	-1
MGS	11/21	1.764	95	1.750	13/09/2021	1
MGS	03/22	1.762	358	1.802	13/09/2021	-4
MGS	09/22	1.759	9	1.760	10/09/2021	0
MGS	03/23	1.886	139	1.857	13/09/2021	3
MGS	04/23	1.871	192	1.868	10/09/2021	0
MGS	08/23	1.982	102	1.924	10/09/2021	6
MGS	06/24	2.337	64	2.324	13/09/2021	1
MGS	07/24	2.380	53	2.343	10/09/2021	4
MGS	09/24	2.391	190	2.392	13/09/2021	0
MGS	03/25	2.557	10	2.487	09/09/2021	7
MGS	09/25	2.615	2	2.580	13/09/2021	4
MGS	07/26	2.672	1	2.695	13/09/2021	-2
MGS	11/26	2.697	7	2.702	13/09/2021	0
MGS	05/27	2.929	21	2.946	13/09/2021	-2
MGS	11/27	2.983	11	2.961	13/09/2021	2
MGS	06/28	3.087	55	3.075	13/09/2021	1
MGS	08/29	3.207	20	3.196	13/09/2021	1
MGS	04/31	3.300	184	3.250	13/09/2021	5
MGS	04/33	3.737	30	3.711	13/09/2021	3
MGS	07/34	3.789	34	3.780	13/09/2021	1
MGS	05/35	3.737	30	3.683	13/09/2021	5
MGS	04/37	3.865	2	3.882	10/09/2021	-2
MGS	05/40	4.045	65	4.005	13/09/2021	4
MGS	03/46	4.287	2	4.276	10/09/2021	1
MGS	07/48	4.309	2	4.319	13/09/2021	-1
MGS	06/50	4.106	76	4.160	13/09/2021	-5
GII	04/22	1.767	240	1.702	03/09/2021	6
GII	05/23	1.920	100	1.948	07/09/2021	-3
GII	03/26	2.700	27	2.615	10/09/2021	9
GII	09/26	2.785	110	2.775	13/09/2021	1
GII	07/27	3.073	20	3.075	10/09/2021	0
GII	09/27	3.084	9	3.084	13/09/2021	0
GII	10/28	3.192	69	3.169	13/09/2021	2
GII	07/29	3.293	2	3.281	10/09/2021	1
GII	10/30	3.368	73	3.330	10/09/2021	4
GII	07/36	3.908	30	3.875	13/09/2021	3
GII	09/39	4.302	10	4.227	03/09/2021	7
GII	09/41	4.194	50	4.172	13/09/2021	2
			2658			

## 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*
PR1MA Corporation Malaysia	10/24	GG	2.545	140	2.590	26/08/2021	-4	22
Malaysia Steel Works (KL) Berhad	11/23	AAA	3.093	5	4.117	06/01/2020	-102	116
Infracap Resources Sdn Berhad	04/24	AAA	2.874	10	2.786	25/08/2021	9	55
Toyota Capital Malaysia Sdn Berhad	07/24	AAA	3.226	20	3.228	01/09/2021	0	90
Hanwha Q CELLS Malaysia Sdn Berhad	08/24	AAA	3.035	50	-	-	-	71
Sarawak Energy Berhad	08/25	AAA	2.916	30	2.968	20/08/2021	-5	35
Pengerang LNG (Two) Sdn Berhad	10/26	AAA	2.979	10	2.958	09/08/2021	2	29
Pengurusan Air SPV Berhad	04/28	AAA	3.549	25	3.569	06/09/2021	-2	50
Sarawak Energy Berhad	07/29	AAA	3.519	15	3.507	26/08/2021	1	35
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.179	10	4.218	27/08/2021	-4	45
Tenaga Nasional Berhad	08/40	AAA	4.339	10	4.247	10/09/2021	9	34
Sabah Development Bank Berhad	04/23	AA1	3.706	5	3.719	13/09/2021	-1	177
Malayan Banking Berhad	08/31	AA1	3.307	40	3.316	09/09/2021	-1	7
Tanjung Bin Power Sdn Berhad	08/26	AA2	3.357	5	3.387	24/08/2021	-3	67
Hong Leong Financial Group Berhad	06/29	AA2	3.098	50	3.087	08/09/2021	1	-7
Kimanis Power Sdn Berhad	08/25	AA	3.055	20	3.318	20/04/2021	-26	49
Kimanis Power Sdn Berhad	08/26	AA	3.238	10	3.489	27/04/2021	-25	55
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.594	10	3.981	06/05/2021	-39	182
Tanjung Bin Energy Sdn Berhad	03/27	AA3	3.857	20	3.979	19/08/2021	-12	93
Malayan Banking Berhad	02/17	AA3	3.528	40	3.500	30/07/2021	3	-47
WCT Holdings Berhad	10/21	AA-	3.546	10	3.678	06/07/2021	-13	177
Malaysian Resources Corporation Berhad	04/22	AA-	3.428	10	-	-	-	-
UTM Solar Power Dua Sdn Berhad	03/26	AA-	3.962	5	-	-	-	140
UTM Solar Power Dua Sdn Berhad	03/27	AA-	4.060	5	-	-	-	138
UTM Solar Power Dua Sdn Berhad	03/28	AA-	4.302	5	-	-	-	137
Dialog Group Berhad	11/20	A1	4.544	1	4.386	25/08/2021	16	55
Tropicana Corporation Berhad	06/23	A+	4.639	1	4.688	13/09/2021	-5	271
Alliance Bank Malaysia Berhad	10/35	A2	3.797	1	3.819	09/09/2021	-2	7
Eco World Capital Assets Berhad	08/24	-	4.793	3	4.795	13/09/2021	0	247
Tropicana Corporation Berhad	09/19	-	6.250	183	-	-	-	165
				<u>748</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TNB Northern Energy Berhad	Outstanding sukuk of RM1.35 billion	AAA-IS/Stable	Affirmed

Source: RAM/ MARC

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