

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- UST's ended weaker on Wednesday, with the belly pressured the most after a report showing US retail sales for August exceeded expectations by rising 0.7% m/m. The curve shifted higher as overall benchmark yields ended between 1-5bps higher across; with the UST 2Y yield edging 1bps up at 0.22%, whilst the much-watched UST 10Y rose 4bps to 1.34%. Foreign holdings of US government debt rose to its highest ever in July by \$46.2b to \$7.54 trillion (the 4<sup>th</sup> consecutive monthly rise). The two largest holders i.e. China and Japan saw their respective holdings increase to ~\$1.07 trillion and \$1.31 trillion each. Recent US bond auctions reveal solid foreign appetite. Meanwhile, investors continue to look for further clues from US economic data as to the timing and implementation of the asset-tapering exercise. The data front meanwhile remains light for tonight.

##### MGS/GII

- Local govies saw larger moves in the shorter-end GII along with the longer-end MGS on Wednesday, in a session that lacked fresh leads following the government's push for parliament legislation to increase funding for COVID-related expenses as mentioned earlier in the week. Overall benchmark yields closed mostly mixed between -3 to +7bps amid a jump in secondary market volume of RM3.99b. The 5Y benchmark MGS 11/26 yield jumped 4bps higher at 2.74% whilst the 10Y MGS 4/31 settled almost unchanged at 3.30%. Interest was mainly seen in the shorter off-the-run 21's, 23's and benchmark 10Y MGS, 15Y GII. The GII sector fell to form a mere 19% of overall trades. Some optimism for longer-term bonds may be expected as the economy is seen recovering in stages due to aggressive vaccine rollouts. Premiums are seen on the curve, which may also see slight flattening going forward.

##### Corp Bonds/Sukuk

- Activity in the Corporate Bonds/Sukuk space surprisingly tapered off on Wednesday ahead of the holiday-shortened week due to the Malaysia Day celebrations. Secondary market volume dropped to RM328m with interest seen along the GG-AA part of the curve. Overall yields closed mixed, spanning across 31 names. Govt-guaranteed PR1MA 10/24 traded again but closed unchanged compared to previous-done levels at 2.55% whilst PRASA 2/31 rose 10bps to 3.53%. AAA-rated SEB 24-25's ended 0-1bps lower between 2.71-92%. The AA-space saw toll-operator ANIH 11/27 rise 4bps at 3.69% whilst UITM Solar 26-28's closed unchanged between 3.96-4.30%. UNITAPAH 6/26 which last traded in June 2017 saw yields fall sharply to 3.28%. Meanwhile, the banking/finance space was relatively quiet.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	1
5-yr UST	0.84	4
10-yr UST	1.34	4
30-yr UST	1.89	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	0	2.41	4
5-yr	2.74	4	2.73	3
7-yr	3.09	0	3.08	-1
10-yr	3.30	0	3.38	1
15-yr	3.75	1	3.89	-2
20-yr	4.01	-3	4.19	0
30-yr	4.18	7	4.40	-1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.40	1
5-yr	2.68	0
7-yr	2.87	0
10-yr	3.10	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	09/21	1.768	779	1.749	14/09/2021	2
MGS	11/21	1.775	196	1.764	14/09/2021	1
MGS	03/22	1.750	110	1.762	14/09/2021	-1
MGS	08/22	1.760	60	1.759	13/09/2021	0
MGS	09/22	1.792	50	1.759	14/09/2021	3
MGS	03/23	1.849	82	1.886	14/09/2021	-4
MGS	04/23	1.906	240	1.871	14/09/2021	3
MGS	08/23	1.990	100	1.982	14/09/2021	1
MGS	06/24	2.337	52	2.329	14/09/2021	1
MGS	07/24	2.417	21	2.380	14/09/2021	4
MGS	09/24	2.409	4	2.391	14/09/2021	2
MGS	09/25	2.606	52	2.615	14/09/2021	-1
MGS	11/26	2.735	24	2.697	14/09/2021	4
MGS	05/27	2.928	2	2.929	14/09/2021	0
MGS	11/27	2.985	92	2.983	14/09/2021	0
MGS	06/28	3.086	98	3.087	14/09/2021	0
MGS	08/29	3.228	16	3.207	14/09/2021	2
MGS	04/31	3.296	864	3.300	14/09/2021	0
MGS	06/31	3.385	10	3.283	10/09/2021	10
MGS	04/33	3.737	10	3.737	14/09/2021	0
MGS	11/33	3.770	6	3.747	13/09/2021	2
MGS	07/34	3.798	93	3.789	14/09/2021	1
MGS	05/35	3.750	80	3.737	14/09/2021	1
MGS	04/37	3.913	7	3.865	14/09/2021	5
MGS	06/38	4.082	15	4.040	13/09/2021	4
MGS	05/40	4.013	104	4.045	14/09/2021	-3
MGS	07/48	4.289	22	4.309	14/09/2021	-2
MGS	06/50	4.180	35	4.106	14/09/2021	7
GII	04/22	1.779	10	1.767	14/09/2021	1
GII	07/22	1.770	10	1.758	13/09/2021	1
GII	11/23	2.008	160	2.007	09/09/2021	0
GII	10/24	2.413	40	2.375	13/09/2021	4
GII	03/26	2.733	130	2.700	14/09/2021	3
GII	07/27	3.072	10	3.073	14/09/2021	0
GII	09/27	3.076	58	3.084	14/09/2021	-1
GII	10/28	3.174	21	3.192	14/09/2021	-2
GII	10/30	3.375	100	3.368	14/09/2021	1
GII	07/36	3.892	43	3.908	14/09/2021	-2
GII	09/41	4.194	180	4.194	14/09/2021	0
GII	11/49	4.404	2	4.413	06/09/2021	-1
			<u>3988</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*	
PR1MA Corporation Malaysia	10/24	GG	2.550	15	2.545	14/09/2021	0	23
Prasarana Malaysia Berhad	02/31	GG	3.528	20	3.429	03/08/2021	10	31
Danainfra Nasional Berhad	04/35	GG	3.960	5	4.151	16/04/2021	-19	24
Prasarana Malaysia Berhad	08/36	GG	4.079	1	-	-	-	35
Gulf Investment Corporation G.S.C	06/22	AAA	2.581	20	2.807	15/04/2021	-23	81
Malaysia Steel Works (KL) Berhad	11/23	AAA	3.084	5	3.093	14/09/2021	-1	115
Sarawak Energy Berhad	07/24	AAA	2.707	10	2.716	24/08/2021	-1	38
Suria KLCC Sdn Berhad	12/24	AAA	2.816	10	2.847	30/06/2021	-3	49
Sarawak Energy Berhad	08/25	AAA	2.918	30	2.916	14/09/2021	0	35
Pengurusan Air SPV Berhad	09/30	AAA	3.719	10	3.889	05/05/2021	-17	50
Genting Capital Berhad	06/22	AA1	3.812	10	3.824	25/03/2020	-1	204
UniTapah Sdn Berhad	06/26	AA1	3.280	10	4.721	22/06/2017	-144	60
Tanjung Bin Power Sdn Berhad	08/22	AA2	2.519	18	2.542	02/09/2021	-2	75
UMW Holdings Berhad	10/23	AA2	2.845	1	2.945	12/05/2021	-10	91
Fortune Premiere Sdn Berhad	03/23	AA	2.920	10	2.927	27/08/2021	-1	115
Fortune Premiere Sdn Berhad	09/25	AA	3.469	20	3.475	08/09/2021	-1	90
Anih Berhad	11/27	AA	3.694	20	3.656	13/09/2021	4	76
WCT Holdings Berhad	10/21	AA-	3.448	10	3.546	14/09/2021	-10	167
Malaysian Resources Corporation Berhad	04/22	AA-	3.407	10	3.428	14/09/2021	-2	163
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.570	10	3.594	14/09/2021	-2	180
Gamuda Land (T12) Sdn Berhad	08/25	AA3	3.609	20	3.623	20/08/2021	-1	104
UiTM Solar Power Dua Sdn Berhad	03/26	AA-	3.960	5	3.962	14/09/2021	0	139
Pelabuhan Tanjung Pelepas Sdn Berhad	04/26	AA-	3.368	20	3.479	10/06/2021	-11	68
UiTM Solar Power Dua Sdn Berhad	03/27	AA-	4.058	5	4.060	14/09/2021	0	137
UiTM Solar Power Dua Sdn Berhad	03/28	AA-	4.300	5	4.302	14/09/2021	0	137
MMC Corporation Berhad	03/28	AA-	4.619	1	3.908	10/09/2021	71	157
Malakoff Power Berhad	12/31	AA-	4.749	6	3.684	07/01/2021	107	152
Eco World Capital Assets Berhad	08/24	-	5.726	1	4.793	14/09/2021	93	340
Tropicana Corporation Berhad	06/23	A+	4.641	1	4.639	14/09/2021	0	271
Tropicana Corporation Berhad	06/25	A+	4.894	1	4.863	09/09/2021	3	233
Konsortium KAJV Sdn Bhd	05/25	AA-	4.679	20	-	-	-	211
				<u>328</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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