

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended mostly little changed again on Wednesday amid the release of FOMC minutes which indicated an apparent lack of urgency on asset tapering anytime soon. Overall benchmark yields ended mostly mixed-to-lower i.e. between 0-2bps. Both the UST 2Y and 10Y yields again closed almost unchanged at 0.22% and 1.26% respectively. Meanwhile, the \$27b 20Y auction which was supposed to benefit from a reduced-sized auction saw strong bidding metrics on a cover of 2.44x (previous auction: 2.33x) and awarded at 1.85% (previous auction: 1.89%). The FOMC minutes showed policy makers discussed but no decisions were made regarding future adjustments to asset purchases. Nevertheless the minutes implied that a formal decision is likely during the November-December period. Asset purchases are also to be viewed separately from rate hikes. Meanwhile, expect attention to shift to the jobless claims data for period ending 14th of August.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.77	0
10-yr UST	1.26	0
30-yr UST	1.90	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	-2	2.36	1
5-yr	2.68	1	2.67	0
7-yr	3.06	2	3.06	0
10-yr	3.24	3	3.36	2
15-yr	3.85	4	3.93	0
20-yr	4.13	3	4.21	0
30-yr	4.30	7	4.51	16

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.35	1
5-yr	2.63	2
7-yr	2.84	0
10-yr	3.05	0

Source: Bloomberg

MGS/GII

- Local govies which paused its weakening trajectory a day earlier, continued to slide on Wednesday with the long-ends pressured the most as the curve bear-steepened. Overall benchmark yields closed between 0-16bps higher as trading activity remained muted amid sustained secondary market volume of RM1.84b. The 5Y benchmark MGS 11/26 yield edged 1bps higher at 2.68% whilst the 10Y benchmark MGS 4/31 yield rose 3bps at 3.24%. Interest was mainly seen in the shorter off-the-run 21's and also benchmark 5Y MGS, 20Y GII. The GII sector fell to form 36% of overall trades. Meanwhile, expect another quiet session as the nation awaits the announcement of the new Prime Minister by the King.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw solid investor interest on Wednesday with activity seen across the GG to single-A part of the curve amid a doubling of secondary market volume @ RM645m. Overall yields closed mostly higher, spanning across 25 names. Govt-guaranteed JKSB made it to the top of the traded list with RM185m in total transacted amounts; with the 2025-2026 tranches edging 0-1bps up compared to previous-done levels between 2.62-87%. AAA-rated toll-operator PLUS 31 declined 9bps to 3.60% whilst TELEKOM 10/28 rose 3bps instead to 3.28%. The AA-space was dominated with a slew of energy-related bonds i.e. EDRA which saw the 2024-2030 tranches pressured as yields spiked 30-53bps between 3.42-4.34% levels. The banking/finance sector however was relatively quiet.

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	1.675	1	1.689	16/08/2021	-1
MGS 11/21	1.750	152	1.771	17/08/2021	-2
MGS 08/22	1.764	14	1.727	17/08/2021	4
MGS 03/23	1.907	167	1.904	17/08/2021	0
MGS 04/23	1.930	30	1.930	16/08/2021	0
MGS 06/24	2.316	81	2.331	17/08/2021	-2
MGS 07/24	2.358	4	2.345	17/08/2021	1
MGS 09/24	2.382	1	2.383	17/08/2021	0
MGS 07/26	2.704	18	2.711	17/08/2021	-1
MGS 11/26	2.675	198	2.667	17/08/2021	1
MGS 11/27	2.944	9	2.919	17/08/2021	2
MGS 06/28	3.061	31	3.046	17/08/2021	2
MGS 08/29	3.192	7	3.179	16/08/2021	1
MGS 04/30	3.242	1	3.282	16/08/2021	-4
MGS 04/31	3.244	95	3.214	17/08/2021	3
MGS 06/31	3.356	2	3.299	13/08/2021	6
MGS 04/33	3.758	5	3.737	17/08/2021	2
MGS 07/34	3.818	88	3.828	17/08/2021	-1
MGS 05/35	3.848	23	3.810	16/08/2021	4
MGS 04/37	3.983	30	3.861	17/08/2021	12
MGS 06/38	4.085	26	4.152	16/08/2021	-7
MGS 05/40	4.127	200	4.095	17/08/2021	3
MGS 07/48	4.514	1	4.440	17/08/2021	7
MGS 06/50	4.299	1	4.225	17/08/2021	7
GII 08/21	1.780	110	1.797	17/08/2021	-2
GII 04/22	1.743	2	1.779	17/08/2021	-4
GII 05/23	1.955	110	1.951	17/08/2021	0
GII 11/23	2.082	50	2.084	17/08/2021	0
GII 08/24	2.350	40	2.376	12/08/2021	-3
GII 10/24	2.363	10	2.356	17/08/2021	1
GII 03/26	2.673	20	2.678	17/08/2021	0
GII 09/27	3.064	2	3.061	16/08/2021	0
GII 10/28	3.172	230	3.145	17/08/2021	3
GII 10/30	3.362	40	3.337	17/08/2021	2
GII 09/39	4.279	40	4.299	13/08/2021	-2
GII 05/47	4.392	1	4.520	12/08/2021	-13
GII 11/49	4.512	4	4.350	17/08/2021	16
		<u>1841</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*
Jambatan Kedua Sdn Berhad	05/25	GG	2.620	100	2.620	06/07/2021	0	7
Jambatan Kedua Sdn Berhad	07/26	GG	2.870	85	2.861	03/08/2021	1	19
Prasarana Malaysia Berhad	08/26	GG	2.881	40	2.877	14/07/2021	0	21
Danainfra Nasional Berhad	05/31	GG	3.590	20	3.561	19/05/2021	3	36
Cagamas Berhad	04/22	AAA	2.063	45	2.232	27/04/2021	-17	28
Cagamas Berhad	04/22	AAA	2.068	25	1.893	22/10/2020	18	28
Telekom Malaysia Berhad	10/28	AAA	3.280	10	3.247	06/08/2021	3	22
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.597	30	3.689	04/08/2021	-9	40
Pengurusan Air SPV Berhad	10/34	AAA	4.110	10	4.120	06/08/2021	-1	29
BGSM Management Sdn Berhad	12/23	AA3	2.811	10	2.932	24/06/2021	-12	86
Tanjung Bin Energy Sdn Berhad	09/24	AA3	3.421	20	3.125	21/07/2021	30	109
Tanjung Bin Energy Sdn Berhad	03/27	AA3	3.980	10	-	-	-	106
Tanjung Bin Energy Sdn Berhad	03/28	AA3	4.110	10	3.581	21/05/2021	53	105
Tanjung Bin Energy Sdn Berhad	09/28	AA3	4.161	20	3.664	21/05/2021	50	111
Tanjung Bin Energy Sdn Berhad	03/29	AA3	4.221	20	3.790	30/04/2021	43	106
Tanjung Bin Energy Sdn Berhad	09/29	AA3	4.291	30	3.774	26/07/2021	52	113
Tanjung Bin Energy Sdn Berhad	03/30	AA3	4.341	10	-	-	-	114
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.441	50	4.198	04/08/2021	24	121
MMC Corporation Berhad	11/25	AA-	3.604	30	3.627	02/08/2021	-2	106
MMC Corporation Berhad	11/27	AA-	3.958	30	3.958	04/08/2021	0	104
MMC Corporation Berhad	03/28	AA-	4.108	10	4.110	04/08/2021	0	105
Pelabuhan Tanjung Pelepas Sdn Berhad	06/30	AA-	3.957	10	3.340	02/11/2020	62	76
DRB-Hicom Berhad	12/22	A+	3.696	15	3.716	26/07/2021	-2	191
Eco World Capital Assets Berhad	08/24	-	5.321	2	5.322	17/08/2021	0	299
Eco World Capital Services Berhad	03/26	-	5.044	2	5.050	17/08/2021	-1	237
				<u>645</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tadua Energy Sdn Bhd	RM250 mil SRI Sukuk Programme (2017/2033)	AA3/Stable	Reaffirmed

Source: RAM/ MARC

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