

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- UST's ended stronger on Monday due to risk-aversion theme over US fiscal uncertainties concerning large tax hikes and also mounting concerns from the fallout of China's real estate sector. Receiving flows for swaps also helped provided support for bonds. The curve flattened as overall benchmark yields ended between 1-5bps lower across; with the UST 2Y yield edging 1bps down at 0.22%, whilst the much-watched UST 10Y rallied 5bps to 1.31%. Elsewhere, 3-month bill auctions continued to attract strong bids from investors who believed that these instruments would be free from the risk of a potential US default. Usage at the Fed's Reverse Repo facility jumped to a record ~\$1.22 trillion on 20th September. Expect attention to shift to the FOMC rate decision for cues on the timing of asset-tapering, followed by the preliminary manufacturing and PMI data releases this Thursday.

MGS/GIII

- Local govies continued to drift weaker for the 3rd consecutive session with the curve shifting higher as vaccination efforts continue to ramp-up. Overall benchmark yields closed mostly higher between 0-4bps (save for the odd-lot trade in the 20Y GII) amid a similar secondary market volume of RM3.04b. The 5Y benchmark MGS 11/26 yield edged further up by 2bps at 2.79% whilst the 10Y MGS 4/31 rose 3bps higher at 3.35%. Interest was mainly seen in the shorter off-the-run 21's, 23's and also benchmark 6Y MGS/GII. The GII sector fell to form 20% of overall trades. Elsewhere, Asian markets like China, Korea and Japan saw lighter liquidity as markets were closed for Mid-Autumn festivities until Tuesday. On the local front, we have the August inflation data release this Friday.

Corp Bonds/Sukuk

- Activity ramped-up within the Corporate Bonds/Sukuk space on Monday as secondary market volume rose to RM669m with interest seen along the GG to single-A part of the curve. Overall yields closed mixed, spanning across 22 names. The govt-guaranteed space saw TPSB 11/22 (which last traded in June this year) decline 8bps compared to previous-done levels at 2.05% whilst DANA 5/41 closed unchanged at 4.35%. The AA-space saw construction outfit IJM 6/23 also decline 8bps to 2.91% whilst UEM Sunrise 3/24 jumped 4bps to 3.90% levels. In the single-A category, TSH saw a slew of tranches exchange hands. TSH 21-22's rallied sharply on yields between 3.11-31% on substantial trades totaling RM240m whereas the 2023 tranches fell 24-31bps at 3.85-97%. The banking/finance sector saw AmBank Islamic 3/22 ease 3bps to 2.57% whilst CIMB Thai 29NC24 edged 1bps lower at 3.46%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	-1
5-yr UST	0.83	-4
10-yr UST	1.31	-5
30-yr UST	1.85	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.39	3	2.44	1
5-yr	2.79	2	2.81	4
7-yr	3.10	0	3.09	2
10-yr	3.35	3	3.43	1
15-yr	3.77	0	3.93	1
20-yr	4.07	3	4.10	-5
30-yr	4.14	0	4.41	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.97	1
3-yr	2.42	0
5-yr	2.72	-1
7-yr	2.88	0
10-yr	3.15	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	1.759	280	1.804	17/09/2021	-5
MGS	11/21	1.770	183	1.775	17/09/2021	0
MGS	03/22	1.750	1	1.750	15/09/2021	0
MGS	08/22	1.790	20	1.757	17/09/2021	3
MGS	09/22	1.790	20	1.792	15/09/2021	0
MGS	03/23	1.945	271	1.883	17/09/2021	6
MGS	08/23	1.872	466	1.972	17/09/2021	-10
MGS	06/24	2.391	74	2.359	17/09/2021	3
MGS	07/24	2.369	18	2.417	15/09/2021	-5
MGS	09/25	2.702	31	2.622	17/09/2021	8
MGS	07/26	2.766	4	2.692	17/09/2021	7
MGS	11/26	2.787	759	2.771	17/09/2021	2
MGS	11/27	2.993	9	3.011	17/09/2021	-2
MGS	08/29	3.206	1	3.235	17/09/2021	-3
MGS	04/31	3.346	151	3.320	17/09/2021	3
MGS	06/31	3.367	1	3.350	17/09/2021	2
MGS	07/34	3.816	53	3.824	17/09/2021	-1
MGS	05/40	4.065	94	4.033	17/09/2021	3
MGS	06/50	4.137	1	4.137	17/09/2021	0
GII	04/22	1.801	10	1.779	15/09/2021	2
GII	05/23	1.960	2	1.920	14/09/2021	4
GII	07/23	2.023	70	2.010	17/09/2021	1
GII	08/24	2.419	80	2.334	02/09/2021	9
GII	10/24	2.435	40	2.422	17/09/2021	1
GII	03/26	2.806	240	2.764	17/09/2021	4
GII	09/27	3.092	12	3.076	15/09/2021	2
GII	09/30	3.459	30	3.355	07/09/2021	10
GII	10/30	3.433	91	3.426	17/09/2021	1
GII	07/36	3.926	30	3.917	17/09/2021	1
			<u>3043</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Turus Pesawat Sdn Berhad	11/22	GG	2.052	20	2.131	16/06/2021	-8	27
Danainfra Nasional Berhad	05/41	GG	4.351	10	4.349	17/09/2021	0	31
Rantau Abang Capital Berhad	10/22	AAA	2.303	6	2.338	02/07/2021	-4	52
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	2.276	10	2.275	13/09/2021	0	49
Sabah Development Bank Berhad	04/24	AA1	3.964	20	3.988	16/08/2021	-2	160
Imtiaz Sukuk II Berhad	05/22	AA2	2.484	10	2.637	16/06/2021	-15	70
Imtiaz Sukuk II Berhad	04/28	AA2	3.568	10	3.549	07/09/2021	2	46
AmBank Islamic Berhad	03/22	AA3	2.570	30	2.601	25/08/2021	-3	79
IJM Corporation Berhad	06/23	AA3	2.907	60	2.982	17/08/2021	-8	94
Bandar Serai Development Sdn Berhad	08/23	AA3	2.975	20	3.177	05/05/2021	-20	101
CIMB Thai Bank Public Company Limited	07/29	AA3	3.455	10	3.465	03/09/2021	-1	24
reNIKOLA Solar Sdn Berhad	05/38	AA3	5.242	15	-	-	-	147
UEM Sunrise Berhad	03/24	AA-	3.898	10	3.862	16/08/2021	4	153
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	3.108	210	3.943	24/08/2021	-84	133
TSH Sukuk Ijarah Sdn Berhad	03/22	A+	3.305	30	4.165	24/08/2021	-86	152
TSH Sukuk Ijarah Sdn Berhad	04/23	A+	3.850	60	4.164	29/03/2021	-31	188
TSH Sukuk Ijarah Sdn Berhad	06/23	A+	3.969	30	4.206	29/03/2021	-24	200
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.130	100	-	-	-	216
Alliance Bank Malaysia Berhad	10/32	A2	3.615	2	3.649	10/09/2021	-3	27
Alliance Bank Malaysia Berhad	10/35	A2	3.801	1	3.797	14/09/2021	0	3
Affin Bank Berhad	07/18	A3	3.899	1	3.528	08/09/2021	37	-15
Eco World Capital Assets Berhad	08/24	-	4.787	5	5.726	15/09/2021	-94	242
				<u>669</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Kapar Energy Ventures Sdn Bhd	RM790.0 million Sukuk Ijarah	AA+ IS/Negative	Affirmed
BNP Paribas Malaysia Berhad	Long-term financial institution rating	From AA2 to AA1/Stable	Upgraded

Source: RAM/ MARC

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