

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- UST's ended narrowly mixed-to-weaker on Tuesday despite the well-received 20Y bond auction metrics with the front-end steadier ahead of the FOMC meeting. Receiving flows for longer-end swaps also helped prevent a bigger slide in bond yields. The curve shifted slightly higher as overall benchmark yields ended between 0-1bps higher across; with the UST 2Y yield at 0.22%, whilst the much-watched UST 10Y yield edged slightly higher at 1.32%. The \$24b 20Y bond auction yielded 1.795% (previous auction: 1.85%) on a BTC ratio of 2.36x (previous auction: 2.44x). Usage at the Fed's Overnight Reverse Repo facility which paid a rate of 0.05%, jumped higher to a record ~\$1.24 trillion, surpassing Monday's record of \$1.224 trillion. Expect attention to shift to the FOMC rate decision tonight followed by the preliminary manufacturing and PMI data releases tomorrow.

##### MGS/GIII

- Local govies continued to drift weaker for the week with the MGS belly pressured the most. Overall benchmark yields closed mostly higher between 0-6bps amid a higher secondary market volume of RM3.50b. The 5Y benchmark MGS 11/26 yield edged another 2bps up at 2.81% whilst the 10Y MGS 4/31 edged 1bps higher at 3.36%. Interest was mainly seen in the shorter off-the-run 21-24's. GII sector maintained to form 20% of overall trades. Elsewhere, the country's vaccination drive is seen to be among the most successful in Asia and could provide a boost to the economy as movement restrictions continue to be lifted; thus providing appetite for risk. Expect some attention to shift to the release of August inflation data on Friday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent activity despite a decrease in secondary market volume rose @ RM479m with interest seen along the GG-AA part of the curve. Overall yields closed mixed again, spanning across 29 names. The govt-guaranteed MKD Kenchand and DANA 23's rose 5bps compared to previous-done levels between 2.22-26%. The AAA-rated INFRACAP saw the 4/28 tranche edge 1bps down at 3.58% whilst the The 4/29 tranche declined 12bps to 3.68%. AA-rated UNITAPAH 12/29 jumped 23bps to 3.88% whereas energy-related bonds EDRA saw a slew of tranches totaling RM120m exchange hands. EDRA 34-36's settled unchanged between 4.41-64% whereas both the 7/33 and 1/37 tranches closed 2-5bps lower at 4.26% and 4.69% each. The banking/finance sector saw Alliance Bank 32NC27 move 4bps higher to 3.66%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.83	1
10-yr UST	1.32	1
30-yr UST	1.86	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.38	-1	2.45	2
5-yr	2.81	2	2.81	0
7-yr	3.14	4	3.09	0
10-yr	3.36	1	3.43	0
15-yr	3.77	0	3.94	1
20-yr	4.06	-1	4.16	6
30-yr	4.15	1	4.42	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	0
7-yr	2.87	-1
10-yr	3.13	-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	1.753	492	1.759	20/09/2021	-1
MGS	11/21	1.759	343	1.770	20/09/2021	-1
MGS	03/22	1.760	188	1.750	20/09/2021	1
MGS	03/23	1.925	280	1.945	20/09/2021	-2
MGS	04/23	1.947	213	1.903	17/09/2021	4
MGS	06/24	2.378	243	2.391	20/09/2021	-1
MGS	07/24	2.414	1	2.369	20/09/2021	4
MGS	09/24	2.452	380	2.409	15/09/2021	4
MGS	09/25	2.688	14	2.702	20/09/2021	-1
MGS	04/26	2.712	11	2.682	15/09/2021	3
MGS	07/26	2.809	58	2.766	20/09/2021	4
MGS	11/26	2.810	70	2.787	20/09/2021	2
MGS	05/27	2.963	62	2.909	20/09/2021	5
MGS	06/28	3.135	127	3.095	17/09/2021	4
MGS	08/29	3.304	4	3.206	20/09/2021	10
MGS	04/30	3.289	11	3.338	17/09/2021	-5
MGS	04/31	3.357	194	3.346	20/09/2021	1
MGS	04/33	3.753	23	3.753	17/09/2021	0
MGS	07/34	3.850	34	3.816	20/09/2021	3
MGS	05/35	3.773	40	3.773	17/09/2021	0
MGS	05/40	4.056	1	4.065	20/09/2021	-1
MGS	06/50	4.149	4	4.137	20/09/2021	1
GII	03/22	1.703	1	1.771	13/09/2021	-7
GII	04/22	1.730	12	1.801	20/09/2021	-7
GII	03/23	2.099	10	2.048	07/09/2021	5
GII	07/23	2.025	220	2.023	20/09/2021	0
GII	10/24	2.454	170	2.435	20/09/2021	2
GII	08/25	2.649	6	2.530	10/09/2021	12
GII	03/26	2.808	69	2.806	20/09/2021	0
GII	07/27	3.105	14	3.074	17/09/2021	3
GII	10/28	3.226	10	3.236	17/09/2021	-1
GII	10/30	3.434	70	3.433	20/09/2021	0
GII	07/36	3.935	49	3.926	20/09/2021	1
GII	09/41	4.159	30	4.100	20/09/2021	6
GII	11/49	4.416	40	4.413	17/09/2021	0
			<u>3496</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*	
Johor Corporation	06/22	GG	2.003	20	1.875	23/07/2021	13	22
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.006	25	2.010	03/09/2021	0	22
GovCo Holdings Berhad	09/22	GG	2.088	10	4.040	27/09/2017	-195	31
MKD Kencana Sdn Berhad	02/23	GG	2.258	10	2.211	04/08/2021	5	48
Danainfra Nasional Berhad	05/23	GG	2.221	5	2.175	13/08/2021	5	25
Small Medium Enterprise Development Bank Malaysia B	04/27	GG	3.201	10	3.099	01/07/2021	10	21
Danainfra Nasional Berhad	04/38	GG	4.230	1	4.231	17/09/2021	0	45
Infracap Resources Sdn Berhad	04/28	AAA	3.578	20	3.589	17/09/2021	-1	44
Infracap Resources Sdn Berhad	04/29	AAA	3.679	80	3.796	06/07/2021	-12	43
Sarawak Energy Berhad	04/31	AAA	3.668	30	3.669	08/09/2021	0	31
United Overseas Bank (Malaysia) Berhad	07/28	AA1	2.833	20	3.169	24/03/2021	-34	-31
UniTapah Sdn Berhad	12/29	AA1	3.878	10	3.651	14/07/2020	23	63
IJM Corporation Berhad	06/23	AA3	2.904	20	2.907	20/09/2021	0	93
BGSM Management Sdn Berhad	08/25	AA3	3.141	30	3.253	18/03/2021	-11	48
Edra Energy Sdn Berhad	07/33	AA3	4.261	10	4.309	09/09/2021	-5	90
Edra Energy Sdn Berhad	07/34	AA3	4.409	20	4.409	09/09/2021	0	63
Edra Energy Sdn Berhad	01/35	AA3	4.499	10	4.499	13/09/2021	0	72
Edra Energy Sdn Berhad	07/35	AA3	4.569	50	4.569	13/09/2021	0	79
Edra Energy Sdn Berhad	07/36	AA3	4.639	20	4.639	17/09/2021	0	86
Edra Energy Sdn Berhad	01/37	AA3	4.689	10	4.710	02/09/2021	-2	91
7-Eleven Malaysia Holdings Berhad	06/24	AA-	3.890	1	3.891	10/09/2021	0	150
MMC Corporation Berhad	03/28	AA-	3.931	5	4.619	15/09/2021	-69	79
Quantum Solar Park (Semenanjung) Sdn Berhad	04/32	AA-	4.429	10	4.498	01/09/2021	-7	107
Quantum Solar Park (Semenanjung) Sdn Berhad	04/33	AA-	4.569	20	4.692	05/08/2021	-12	121
Quantum Solar Park (Semenanjung) Sdn Berhad	10/33	AA-	4.618	20	5.139	01/10/2020	-52	126
CIMB Group Holdings Berhad	05/16	A1	3.373	1	3.449	10/09/2021	-8	-69
Tropicana Corporation Berhad	06/25	A+	4.843	1	4.894	15/09/2021	-5	218
Alliance Bank Malaysia Berhad	10/32	A2	3.658	10	3.615	20/09/2021	4	30
Tropicana Corporation Berhad	09/19	A	5.645	1	6.122	14/09/2021	-48	159
				<u>479</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Putrajaya Bina Sdn Bhd	RM1.58 billion Islamic Medium-Term Notes (Sukuk Wakalah) Programme	AAA IS/Stable	Affirmed
Putrajaya Holdings Sdn Bhd	RM370.0 million Sukuk Musharakah Programme (due 2030)	AAA IS/Stable	Affirmed
	RM3.0 billion Sukuk Musharakah Programme (due 2032)	AAA IS/Stable	Affirmed
	RM1.5 billion Sukuk Musharakah Medium-Term Notes (MTN) Programme (due 2033)	AAA IS/Stable	Affirmed
	RM1.0 billion 20-year Sukuk Wakalah Programme (due 2041)	AAA IS/Stable	Affirmed
West Coast Expressway Sdn Bhd's (WCE or the Company)	RM1 bil Guaranteed Sukuk Murabahah Programme (2015/2036)	AAA(bg/fg)/Stable	Reaffirmed

Source: RAM/ MARC

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