

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended richer on Thursday, influenced partly by the record low yield for the 10Y TIPS auction and also higher-than-expected new claims for jobless benefits for week ended 17<sup>th</sup> July. The curve shifted lower with overall benchmark yields declining between 1-2bps across. Both the UST 2Y and 10Y yields edged 1bps lower at 0.20% and 1.28% respectively. The Treasury's \$16b 10Y TIPS bond sale notched mixed but mostly decent results and awarded at a new record low of -1.016%, breaking the all-time low of -0.987% from the last issuance in January. BTC ratio was strong at 2.50x. The Treasury also revealed it plans to sell \$60b of 2Y, \$6b of 5Y and \$62b of 7Y bonds next week. Volatility and volumes are seen easing as market participants await next week's FOMC meeting. Expect some attention tonight to shift to the release of Markit US manufacturing and services data for July.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.20	-1
5-yr UST	0.72	-2
10-yr UST	1.28	-1
30-yr UST	1.92	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	0	2.28	1
5-yr	2.53	6	2.61	3
7-yr	2.93	0	2.94	1
10-yr	3.12	-10	3.23	3
15-yr	3.71	6	3.90	3
20-yr	3.95	0	4.19	1
30-yr	4.15	0	4.40	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	0
3-yr	2.31	3
5-yr	2.56	4
7-yr	2.79	0
10-yr	3.00	2

Source: Bloomberg

##### MGS/GII

- On Thursday, local govies ended closed mostly weaker on profit-taking activities. Overall benchmark yields closed between 0-6bps save for the 10Y MGS amid the halving of secondary market volume @ RM2.36b. The new 5Y benchmark i.e. MGS 11/26 which replaced the MGS 9/25, settled at 2.62% post-auction whilst the 10Y MGS 4/31 rallied 10bps instead at 3.12%, a level last seen in mid-April. Interest was mainly seen in the off-the-run 21-23's, benchmark 5Y MGS/GII, and also 15Y GII. GII maintained momentum to form ~42% of overall trades. The fresh auction reopening of 5Y MGS saw muted bidding metrics with a BTC ratio of only 1.505x and awarded at 2.616%. Elsewhere, vaccination rates were seen gathering further momentum with ~15% of population fully inoculated with ~32% having at least one dose. Expect attention to shift to the release of July inflation data today.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor activity improve on Thursday amid a slight uptick in secondary market volume @ RM550m. Overall yields closed mostly mixed, spanning across 23 names in total. Govt-guaranteed PTPTN 12/24 which saw the largest trade transacted totaling RM210m, edged 1bps lower compared to previous-done levels at 2.49%. AAA-rated toll-operator PLUS 32 continued to trade again albeit 3bps lower at 3.84% whilst DIGI 9/29 moved 6bps lower at 3.49%. Construction and property-related WCT 10/23 edged 1bps up at 4.17% whereas UEM Sunrise 2/26 rallied 10bps at 4.34%. Meanwhile, the banking space was relatively quiet with several odd-lot trades seen in names like Sabah Development Bank and MBSB.

#### 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	1.738	151	1.720	21/07/2021	2
MGS 11/21	1.700	191	1.731	21/07/2021	-3
MGS 03/22	1.795	36	1.730	21/07/2021	6
MGS 09/22	1.770	110	1.753	21/07/2021	2
MGS 03/23	1.916	126	1.900	21/07/2021	2
MGS 09/24	2.308	6	2.313	21/07/2021	-1
MGS 09/25	2.526	60	2.469	21/07/2021	6
MGS 11/26	2.619	531	2.560	21/07/2021	6
MGS 11/27	2.916	5	2.879	21/07/2021	4
MGS 06/28	2.930	3	2.931	21/07/2021	0
MGS 08/29	3.136	20	3.129	21/07/2021	1
MGS 04/31	3.122	75	3.099	21/07/2021	2
MGS 04/33	3.671	3	3.633	21/07/2021	4
MGS 07/34	3.787	1	3.751	21/07/2021	4
MGS 05/35	3.714	38	3.650	21/07/2021	6
MGS 04/37	3.843	2	3.840	21/07/2021	0
MGS 06/38	3.954	22	3.966	21/07/2021	-1
MGS 03/46	4.337	1	4.286	21/07/2021	5
GII 04/22	1.770	50	1.770	19/07/2021	0
GII 07/23	1.997	10	1.952	16/07/2021	5
GII 05/24	2.238	34	2.171	21/07/2021	7
GII 08/24	2.303	110	2.240	21/07/2021	6
GII 10/24	2.282	96	2.269	21/07/2021	1
GII 10/25	2.568	20	2.571	21/07/2021	0
GII 03/26	2.607	210	2.577	21/07/2021	3
GII 09/27	2.941	92	2.929	21/07/2021	1
GII 10/28	3.069	40	3.033	21/07/2021	4
GII 12/28	3.097	3	3.151	14/06/2021	-5
GII 10/30	3.227	10	3.200	21/07/2021	3
GII 06/33	3.709	64	3.709	21/07/2021	0
GII 08/33	3.656	3	3.656	21/07/2021	0
GII 11/34	3.887	40	3.890	21/07/2021	0
GII 10/35	3.945	10	3.954	21/07/2021	-1
GII 07/36	3.895	170	3.863	21/07/2021	3
GII 09/39	4.174	1	4.228	21/07/2021	-5
GII 09/41	4.190	2	4.180	21/07/2021	1
GII 11/49	4.399	20	4.393	21/07/2021	1
		<u>2363</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	1.881	15	1.895	12/07/2021	-1	11
Jambatan Kedua Sdn Berhad	07/23	GG	2.158	10	2.149	21/07/2021	1	23
Prasarana Malaysia Berhad	09/24	GG	2.401	60	2.231	12/10/2020	17	16
Perbadanan Tabung Pendidikan Tinggi Nasional	12/24	GG	2.492	210	2.499	06/07/2021	-1	25
DanaInfra Nasional Berhad	03/32	GG	3.600	35	3.619	16/07/2021	-2	47
DanaInfra Nasional Berhad	05/32	GG	3.620	35	3.619	16/07/2021	0	49
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.489	20	3.550	09/07/2021	-6	42
Putrajaya Bina Sdn Berhad	05/31	AAA	3.709	10	3.829	17/06/2021	-12	58
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.839	20	3.869	21/07/2021	-3	71
YTL Power International Berhad	06/22	AA1	2.924	20	2.849	09/07/2021	7	115
Batu Kawan Berhad	06/23	AA1	2.599	5	2.601	07/07/2021	0	67
Sabah Development Bank Berhad	04/24	AA1	4.376	1	3.830	24/06/2021	55	214
GENM Capital Berhad	03/32	AA1	4.779	1	4.893	21/07/2021	-11	165
Celcom Networks Sdn Berhad	08/22	AA+	2.399	20	2.748	19/03/2021	-35	62
Kimanis Power Sdn Berhad	08/24	AA	2.952	20	2.898	25/01/2021	5	71
Edra Energy Sdn Berhad	07/26	AA3	3.595	15	3.689	16/07/2021	-9	98
Press Metal Aluminium Holdings Berhad	10/26	AA3	4.087	10	4.169	30/06/2021	-8	147
WCT Holdings Berhad	10/23	AA-	4.167	20	4.158	10/05/2021	1	224
UEM Sunrise Berhad	02/26	AA-	4.343	20	4.442	22/06/2021	-10	173
TG Excellence Berhad	02/20	AA-	4.261	1	3.478	16/07/2021	78	29
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.308	2	4.241	15/07/2021	7	118
Eco World International Berhad	04/23	-	5.402	1	4.478	01/07/2021	92	347
AEON Credit Service (M) Berhad	12/14	-	4.739	1	4.466	14/01/2021	27	77
				550				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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