

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries were again confined to a narrow trading range on Monday with investors and traders adopting a wait-and-see stance ahead of the Fed's high profile annual Jackson Hole symposium this week between 26-28<sup>th</sup> August. Current expectations on announcement of QE taper seems to have dissipated for now; hence providing some support to both equities and bonds. The curve was almost unchanged as overall benchmark yields ended broadly within 1bps of last Friday's close. Both the UST 2Y and the much-watched UST 10Y yields closed almost unchanged at 0.23% and 1.25% respectively. Given the risks of the pandemic to the economy, investors may be inclined to re-adjust their expectations around the timing of the asset tapering; with all eyes on the upcoming Fed Chair Powell's speech on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.23	0
5-yr UST	0.77	-1
10-yr UST	1.25	0
30-yr UST	1.87	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.35	1	2.36	0
5-yr	2.67	-2	2.65	-3
7-yr	3.05	0	3.06	0
10-yr	3.22	0	3.36	1
15-yr	3.80	-2	3.93	2
20-yr	3.87	-25	4.25	4
30-yr	4.17	-7	4.40	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	1
3-yr	2.36	1
5-yr	2.63	3
7-yr	2.85	0
10-yr	3.05	2

Source: Bloomberg

##### Upcoming Government Bond Tender

Reopening of RM5.0b 3Y MGS 6/24 on Wednesday, 25<sup>th</sup> August 2021

##### MGS/GII

- Local govies closed mixed on Monday with MGS slightly better bid whilst the GII sector was seen pressured on the longer ends. Overall benchmark yields closed between -3 to +4bps (save for the odd-lot trades in the 20Y, 30Y MGS) with trading activity doubling amid secondary market volume of RM2.46b. The 5Y benchmark MGS 11/26 yield edged 2bps lower at 2.67% whilst the 10Y benchmark MGS 4/31 yield closed unchanged at 3.22%. Interest was mainly seen in the shorter off-the-run 21's, 24's, 28's and also 3Y GII. The GII sector decreased its market share to form 45% of overall trades. Meanwhile, we have the release of July data for both CPI tomorrow followed by trade numbers on Friday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to register strong interest across the GG-AA part of the curve on Monday, amid a slight decrease in secondary market volume of RM771m. Overall yields closed mostly higher, spanning across 27 names. Govt-guaranteed PR1MA 10/24 spiked 47bps compared to previous-done levels at 2.64% whilst the longer-end DANA 5/32 and 2/49 tranches eased 3-6bps at 3.67% and 4.52% respectively. AAA-rated DIGI and INFRACAP 22's settled 0-1bps up between 2.06-35%. AA-rated ANIH 11/23 which last traded in March this year, declined 17bps to 2.96% whilst SIME Darby Property 12/25 ended 7bps higher at 3.28%. The banking/finance sector saw MBSB 31NC26 again trade but however closing unchanged this time round at 4.05% on substantial volume of RM50m.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.748	392	1.750	19/08/2021	0
MGS	11/21	1.730	509	1.771	20/08/2021	-4
MGS	08/22	1.788	81	1.738	19/08/2021	5
MGS	09/22	1.744	41	1.816	18/08/2021	-7
MGS	03/23	1.901	55	1.907	18/08/2021	-1
MGS	04/23	1.940	5	1.930	18/08/2021	1
MGS	08/23	1.962	9	1.992	20/08/2021	-3
MGS	06/24	2.354	9	2.338	19/08/2021	2
MGS	07/24	2.335	4	2.345	20/08/2021	-1
MGS	09/24	2.391	5	2.395	20/08/2021	0
MGS	09/25	2.571	1	2.572	20/08/2021	0
MGS	07/26	2.691	11	2.704	18/08/2021	-1
MGS	11/26	2.669	20	2.692	20/08/2021	-2
MGS	05/27	2.945	29	2.927	20/08/2021	2
MGS	06/28	3.053	27	3.048	20/08/2021	0
MGS	08/29	3.194	24	3.191	20/08/2021	0
MGS	04/30	3.346	40	3.350	20/08/2021	0
MGS	04/31	3.222	2	3.221	20/08/2021	0
MGS	06/31	3.367	2	3.367	19/08/2021	0
MGS	04/33	3.742	6	3.750	20/08/2021	-1
MGS	07/34	3.850	7	3.859	20/08/2021	-1
MGS	05/35	3.802	64	3.822	20/08/2021	-2
MGS	04/37	3.966	2	3.964	20/08/2021	0
GII	08/21	1.542	30	1.720	20/08/2021	-18
GII	07/22	1.805	50	1.782	19/08/2021	2
GII	11/22	1.820	51	1.855	05/08/2021	-3
GII	11/22	1.820	10	1.956	27/05/2021	-14
GII	05/23	1.982	5	1.954	20/08/2021	3
GII	11/23	2.091	5	2.073	20/08/2021	2
GII	05/24	2.352	330	2.350	09/08/2021	0
GII	10/24	2.362	150	2.362	20/08/2021	0
GII	03/26	2.645	50	2.673	18/08/2021	-3
GII	09/26	2.784	120	2.779	20/08/2021	0
GII	10/28	3.162	191	3.161	19/08/2021	0
GII	10/30	3.359	57	3.350	20/08/2021	1
GII	11/34	3.890	1	3.890	16/08/2021	0
GII	07/36	3.929	7	3.911	20/08/2021	2
GII	09/39	4.229	1	4.279	18/08/2021	-5
GII	09/41	4.251	60	4.213	17/08/2021	4
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## 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*	
Lembaga Pembiayaan Perumahan Sektor Awam	09/22	GG	2.012	100	4.020	23/10/2018	-201	23
Danainfra Nasional Berhad	02/23	GG	2.159	30	2.011	01/03/2021	15	37
Prasarana Malaysia Berhad	08/23	GG	2.289	40	2.236	29/07/2021	5	34
PR1MA Corporation Malaysia	10/24	GG	2.639	300	2.170	18/08/2020	47	29
Prasarana Malaysia Berhad	08/26	GG	2.898	20	2.881	18/08/2021	2	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	2.961	15	2.900	17/08/2021	6	28
Danainfra Nasional Berhad	05/32	GG	3.667	40	3.729	16/08/2021	-6	44
Danainfra Nasional Berhad	02/49	GG	4.520	15	4.550	05/08/2021	-3	43
Cagamas Berhad	02/22	AAA	1.940	10	-	-	-	16
Cagamas Berhad	03/22	AAA	1.979	10	-	-	-	19
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.059	10	2.059	20/08/2021	0	27
Infracap Resources Sdn Berhad	04/22	AAA	2.351	10	2.359	03/08/2021	-1	57
Sarawak Energy Berhad	01/27	AAA	3.210	20	3.222	20/08/2021	-1	53
Sarawak Energy Berhad	06/30	AAA	3.610	10	3.800	22/06/2021	-19	40
Sabah Development Bank Berhad	07/24	AA1	3.737	5	3.738	20/08/2021	0	139
Sabah Development Bank Berhad	07/26	AA1	4.176	3	4.177	06/08/2021	0	150
Sime Darby Property Berhad	12/25	AA+	3.281	15	3.214	05/08/2021	7	73
Fortune Premiere Sdn Berhad	09/23	AA	3.024	10	3.060	27/07/2021	-4	107
Anih Berhad	11/23	AA	2.959	40	3.124	18/03/2021	-17	101
Fortune Premiere Sdn Berhad	09/25	AA	3.451	10	3.429	30/07/2021	2	90
Edra Energy Sdn Berhad	01/35	AA3	4.629	2	4.662	04/08/2021	-3	82
Guan Chong Berhad	12/27	AA-	4.039	2	4.048	28/07/2021	-1	112
UMW Holdings Berhad	04/18	A1	4.228	1	4.227	19/08/2021	0	14
IJM Land Berhad	03/19	A2	4.540	1	4.446	17/08/2021	9	45
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.048	50	4.051	20/08/2021	0	82
Tropicana Corporation Berhad	06/23	A+	5.214	2	4.339	17/08/2021	88	326
DRB-Hicom Berhad	12/29	A+	4.889	2	4.804	20/08/2021	9	173
				<u>771</u>				

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

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

Source: RAM/ MARC

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