

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries were pressured especially from the belly onwards on Tuesday with price action somewhat muted as interest was centred mostly in futures activity. Investors continued to adopt 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. The curve shifted higher as overall benchmark yields ended between 0-5bps higher. The UST 2Y yield ended almost unchanged at 0.22% whilst the much-watched UST 10Y rose 4bps at 1.30% instead. The \$60b 2Y auction saw solid demand on a cover of 2.65x (6 previous auction average: 2.51x) and awarded at 0.242% (6 previous auction average: 0.177%). Expect some attention tomorrow on the jobless claims report as at 21<sup>st</sup> August followed by the upcoming Fed Chair Powell's speech on Friday which may provide clues on the Fed's plan on bond purchases going forward.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.80	3
10-yr UST	1.30	4
30-yr UST	1.92	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	-1	2.36	0
5-yr	2.69	2	2.64	0
7-yr	3.06	1	3.06	0
10-yr	3.23	0	3.34	-2
15-yr	3.81	1	3.91	-2
20-yr	4.10	23	4.22	-3
30-yr	4.25	7	4.41	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.37	1
5-yr	2.64	1
7-yr	2.85	0
10-yr	3.06	1

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 again on Tuesday with MGS slightly pressured whilst the GII sector was mostly richer especially extending out from 10Y. Overall benchmark yields closed between -3 to +2bps (save for the adjustment in skewed odd-lot trades prior day in the 20Y, 30Y MGS) amid the spike in secondary market volume @ RM4.50b. The 5Y benchmark MGS 11/26 yield edged 2bps higher at 2.69% whilst the 10Y benchmark MGS 4/31 yield closed within 1bps higher at 3.23%. Interest was mainly seen in the shorter off-the-run 21-23's, 29's and also 5Y MGS. The GII sector decreased its market share to form 35% of overall trades. Elsewhere, we have the release of July data for CPI today followed by the trade numbers on Friday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space registered another strong session on Tuesday with interest across the GG to single-A part of the curve. Overall yields closed mostly higher, spanning across 27 names amid the jump in secondary market volume to RM1.11b. Govt-guaranteed PRASA and LPPSA 22's settled unchanged compared to previous-done levels at 2.01% levels whilst PR1MA 10/24 traded back-to-back again; closing 3bps lower instead at 2.61% on substantial volume of RM400m. AAA-rated PLUS 30 edged 2bps lower at 3.50% whereas TNB 8/30 moved 25bps lower at 3.52%. AA-rated energy-related bonds TG BIN Energy saw the 8/26 and 3/31 tranches spike 15-24bps at 3.39% and 4.22% each whilst the 3/32 tranche eased 8bps instead at 4.36%. The banking/finance sector saw Hong Leong Financial Group 29NC24 edge 2bps lower at 3.10% on total transacted amounts of RM40m.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.755	117	1.748	23/08/2021	1
MGS	11/21	1.730	260	1.730	23/08/2021	0
MGS	03/22	1.680	23	1.701	20/08/2021	-2
MGS	08/22	1.711	232	1.788	23/08/2021	-8
MGS	09/22	1.694	1	1.744	23/08/2021	-5
MGS	03/23	1.886	339	1.901	23/08/2021	-2
MGS	04/23	1.883	661	1.940	23/08/2021	-6
MGS	08/23	1.984	150	1.962	23/08/2021	2
MGS	06/24	2.338	66	2.354	23/08/2021	-2
MGS	07/24	2.369	25	2.335	23/08/2021	3
MGS	09/24	2.389	2	2.391	23/08/2021	0
MGS	03/25	2.513	29	2.512	20/08/2021	0
MGS	09/25	2.583	5	2.571	23/08/2021	1
MGS	04/26	2.656	16	2.671	18/08/2021	-1
MGS	07/26	2.707	10	2.691	23/08/2021	2
MGS	11/26	2.689	254	2.669	23/08/2021	2
MGS	11/27	2.968	18	2.980	20/08/2021	-1
MGS	06/28	3.060	16	3.053	23/08/2021	1
MGS	08/29	3.181	540	3.194	23/08/2021	-1
MGS	04/30	3.317	111	3.346	23/08/2021	-3
MGS	04/31	3.228	5	3.222	23/08/2021	1
MGS	06/31	3.366	1	3.367	23/08/2021	0
MGS	04/33	3.737	2	3.742	23/08/2021	0
MGS	07/34	3.813	22	3.850	23/08/2021	-4
MGS	05/35	3.812	2	3.802	23/08/2021	1
MGS	05/40	4.103	10	3.870	23/08/2021	23
MGS	06/50	4.247	16	4.173	23/08/2021	7
GII	03/22	1.743	274	1.790	20/08/2021	-5
GII	04/22	1.780	214	1.772	20/08/2021	1
GII	07/22	1.800	30	1.805	23/08/2021	0
GII	11/22	1.808	30	1.820	23/08/2021	-1
GII	05/23	1.944	209	1.982	23/08/2021	-4
GII	11/23	2.077	100	2.091	23/08/2021	-1
GII	08/24	2.372	10	2.366	19/08/2021	1
GII	10/24	2.364	118	2.362	23/08/2021	0
GII	08/25	2.530	1	2.526	16/08/2021	0
GII	03/26	2.642	2	2.645	23/08/2021	0
GII	09/26	2.786	200	2.784	23/08/2021	0
GII	10/28	3.157	1	3.162	23/08/2021	0
GII	07/29	3.259	61	3.260	19/08/2021	0
GII	10/30	3.337	176	3.359	23/08/2021	-2
GII	07/36	3.911	76	3.929	23/08/2021	-2
GII	08/37	4.192	60	4.192	19/08/2021	0
GII	09/41	4.224	10	4.251	23/08/2021	-3
GII	11/49	4.410	1	4.400	20/08/2021	1
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.039	80	2.117	03/06/2021	-8	26
Prasarana Malaysia Berhad	09/22	GG	2.008	60	2.012	20/08/2021	0	23
Lembaga Pembiayaan Perumahan Sektor Awam	09/22	GG	2.007	70	2.012	23/08/2021	0	23
PR1MA Corporation Malaysia	10/24	GG	2.609	400	2.639	23/08/2021	-3	27
Sarawak Energy Berhad	07/24	AAA	2.716	10	2.759	13/08/2021	-4	38
Glacier Assets Berhad	03/27	AAA	3.687	10	3.677	12/08/2021	1	77
Glacier Assets Berhad	03/28	AAA	3.848	10	3.838	12/08/2021	1	79
Infracap Resources Sdn Berhad	04/28	AAA	3.486	40	3.518	17/08/2021	-3	43
Pengurusan Air SPV Berhad	08/28	AAA	3.640	80	-	-	-	58
Aquasar Capital Sdn Berhad	07/29	AAA	3.459	10	4.667	14/11/2018	-121	30
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.499	15	3.519	05/08/2021	-2	34
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/30	AAA	3.620	5	3.640	19/08/2021	-2	40
Tenaga Nasional Berhad	08/30	AAA	3.515	20	3.762	07/05/2021	-25	30
Sarawak Energy Berhad	04/31	AAA	3.681	40	3.709	19/08/2021	-3	45
Sarawak Energy Berhad	12/32	AAA	3.849	10	3.879	19/08/2021	-3	62
Pengurusan Air SPV Berhad	10/34	AAA	4.090	5	4.110	18/08/2021	-2	29
Sepang Bay Power Corporation Sdn Berhad	07/23	AA1	2.643	10	2.946	01/04/2021	-30	69
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/23	AA1	3.016	20	2.859	23/02/2021	16	106
Sepang Bay Power Corporation Sdn Berhad	07/24	AA1	2.864	10	4.669	12/05/2015	-181	53
Sabah Development Bank Berhad	07/24	AA1	3.737	2	3.737	23/08/2021	0	140
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.455	1	3.456	05/08/2021	0	24
TRIpIc Medical Sdn Berhad	10/34	AA1	4.339	20	4.811	13/04/2021	-47	54
Tanjung Bin Power Sdn Berhad	08/26	AA2	3.387	30	3.149	09/12/2020	24	70
Hong Leong Financial Group Berhad	06/29	AA2	3.097	40	3.122	11/08/2021	-2	-6
Sime Darby Plantation Berhad (fka Sime Darby Plantation)	03/16	AA	3.362	5	3.381	19/08/2021	-2	-73
Gamuda Berhad	11/29	AA3	3.888	5	3.908	05/08/2021	-2	73
Tanjung Bin Energy Sdn Berhad	03/31	AA3	4.219	10	4.070	30/04/2021	15	99
Mumtaz Rakyat Sukuk Berhad	06/31	AA3	3.665	10	3.678	06/08/2021	-1	44
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.360	20	4.441	18/08/2021	-8	113
MMC Corporation Berhad	03/28	AA-	3.975	10	4.108	18/08/2021	-13	92
CIMB Group Holdings Berhad	05/16	A1	3.433	1	3.972	11/08/2021	-54	-66
Hong Leong Financial Group Berhad	11/17	A1	3.204	1	3.709	16/08/2021	-51	-89
TSH Sukuk Ijarah Sdn Berhad	03/22	A+	4.579	20	4.714	01/10/2018	-14	280
Tropicana Corporation Berhad	06/25	A+	5.307	1	5.308	19/08/2021	0	275
Tropicana Corporation Berhad	04/26	A+	5.448	1	5.304	15/04/2021	14	276
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	3.943	20	4.266	11/08/2021	-32	216
IJM Land Berhad	03/19	A2	4.577	1	4.540	23/08/2021	4	48
IJM Land Berhad	03/19	A2	4.840	1	4.841	19/08/2021	0	75
Tropicana Corporation Berhad	04/28	A+	5.636	1	5.538	15/04/2021	10	258
Cypark Renewable Energy Sdn Berhad	09/20	-	5.803	4	6.323	21/12/2020	-52	171
Eco World Capital Assets Berhad	08/24	-	5.324	2	5.321	18/08/2021	0	299
				<u>1109</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Alpha Circle Sdn Bhd	RM140 million Senior Sukuk Musharakah	From BBB- IS/Negative to BB- IS/Negative	Downgraded
	RM55 million Junior Sukuk Musharakah	From BB-IS/Negative to B-IS/Negative	Downgraded
Pac Lease Berhad	CP/MTN Programme of up to RM1.0 billion (2017/2024)	AA3/Stable/P1	Reaffirmed
United Overseas Bank (Malaysia) Bhd	Financial institution ratings	AAA/Stable/P1	Reaffirmed
	RM8 bil Medium Term Notes Programme: Senior Notes Tier-2 Subordinated Notes	AAA/Stable AA1/Stable	Reaffirmed Reaffirmed

Source: RAM/ MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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