

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries extended the bear-steepening move on Wednesday with the longer-ends underperforming despite the decent 5Y auction. 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 5bps at 1.34% instead. The \$61b 5Y auction tailed despite decent demand on a cover of 2.65x (in line with the average for previous six) whilst being awarded at 0.831% (12bps above the equivalent July auction). Meanwhile, investors are seen looking forward to the Fed's high profile annual Jackson Hole Symposium commencing tonight which may provide clues on the Fed's plan with regards to bond purchases going forward. Also, expect some attention on the \$61b 7Y note auction tonight which concludes this week's sales.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.82	2
10-yr UST	1.34	5
30-yr UST	1.95	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.35	1	2.37	0
5-yr	2.70	1	2.60	-4
7-yr	3.07	1	3.06	0
10-yr	3.24	1	3.34	0
15-yr	3.80	-1	3.90	-1
20-yr	4.10	-1	4.23	0
30-yr	4.23	-2	4.42	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.37	0
5-yr	2.65	1
7-yr	2.85	0
10-yr	3.06	0

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- Local govies closed mixed on Wednesday with MGS curve flatter with the loner-ends richer taking cue from the moderation in July inflation data. The GII sector however mostly saw little deviation from prior day's close. Overall benchmark yields closed mixed between -4 to +1bps amid a drop in secondary market volume @ RM2.65b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields edged 1bps up at 2.70% and 3.24% each. Interest was mainly seen in the shorter off-the-run 21's, 28's and also 3Y MGS. The GII sector decreased its market share to form 29% of overall trades. The reopening of 3Y MGS 6/24 saw decent bidding metrics despite the unusually large issuance of RM5.0b with BTC ratio registering 1.95x and awarded at 2.355%. On the data front we have the release of July trade numbers tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space registered strong investor interest on Wednesday with interest across the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 38 names amid a pull-back in secondary market volume to RM787m. Govt-guaranteed PTPTN and DANA 23's settled 1-3bps higher compared to previous-done levels between 2.17-24%, whilst SME 4/25 rose 3bps to 2.78%. AAA-rated SEB 31-32's edged 1-2bps lower between 3.67-83% levels whilst Sime Darby plantation 2116NC26 perps inched 1bps higher at 3.37%. The short-tenured AA-rated energy-related bonds BGSM 10/21 saw RM200m exchange hands; moving 22bps lower at 2.32%. The banking/finance sector saw AmBank 3/22 decline 14bps to 2.60% whereas MAYBANK 2117NC24 perps closed unchanged at 3.35%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.743	131	1.755	24/08/2021	-1
MGS	11/21	1.729	403	1.730	24/08/2021	0
MGS	03/22	1.692	2	1.680	24/08/2021	1
MGS	08/22	1.710	22	1.711	24/08/2021	0
MGS	09/22	1.729	21	1.694	24/08/2021	4
MGS	03/23	1.864	6	1.886	24/08/2021	-2
MGS	04/23	1.883	13	1.883	24/08/2021	0
MGS	08/23	1.964	4	1.984	24/08/2021	-2
MGS	06/24	2.345	798	2.338	24/08/2021	1
MGS	09/24	2.414	1	2.389	24/08/2021	3
MGS	09/25	2.579	10	2.583	24/08/2021	0
MGS	07/26	2.713	3	2.707	24/08/2021	1
MGS	11/26	2.698	167	2.689	24/08/2021	1
MGS	03/27	2.891	2	2.880	13/08/2021	1
MGS	05/27	2.955	7	2.945	23/08/2021	1
MGS	11/27	2.971	1	2.968	24/08/2021	0
MGS	06/28	3.066	1	3.060	24/08/2021	1
MGS	08/29	3.187	43	3.181	24/08/2021	1
MGS	04/30	3.317	58	3.317	24/08/2021	0
MGS	04/31	3.240	120	3.228	24/08/2021	1
MGS	06/31	3.330	1	3.366	24/08/2021	-4
MGS	05/35	3.798	20	3.812	24/08/2021	-1
MGS	05/40	4.097	16	4.103	24/08/2021	-1
MGS	09/43	4.357	1	4.294	24/08/2021	6
MGS	06/50	4.225	42	4.247	24/08/2021	-2
GII	10/21	1.898	80	1.923	11/08/2021	-3
GII	03/22	1.770	30	1.743	24/08/2021	3
GII	04/22	1.775	130	1.780	24/08/2021	-1
GII	07/22	1.791	70	1.800	24/08/2021	-1
GII	10/24	2.366	100	2.364	24/08/2021	0
GII	03/26	2.603	1	2.642	24/08/2021	-4
GII	10/28	3.164	150	3.157	24/08/2021	1
GII	07/29	3.273	80	3.259	24/08/2021	1
GII	10/30	3.339	65	3.337	24/08/2021	0
GII	07/36	3.902	30	3.911	24/08/2021	-1
GII	09/41	4.228	5	4.224	24/08/2021	0
GII	11/49	4.416	20	4.410	24/08/2021	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*	
Lembaga Pembiayaan Perumahan Sektor Awam	09/22	GG	1.992	20	2.007	24/08/2021	-2	21
Perbadanan Tabung Pendidikan Tinggi Nasional	02/23	GG	2.172	20	2.163	19/08/2021	1	22
Danainfra Nasional Berhad	10/23	GG	2.238	35	2.205	30/07/2021	3	28
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.420	15	2.369	09/07/2021	5	8
PR1MA Corporation Malaysia	10/24	GG	2.598	30	2.609	24/08/2021	-1	25
Prasarana Malaysia Berhad	03/25	GG	2.721	20	2.535	15/07/2021	19	17
Small Medium Enterprise Development Bank Malaysia B	04/25	GG	2.776	40	2.746	02/08/2021	3	22
Danainfra Nasional Berhad	05/28	GG	3.228	40	-	-	-	17
Danainfra Nasional Berhad	10/33	GG	3.820	20	3.411	05/01/2021	41	59
Danainfra Nasional Berhad	04/38	GG	4.219	15	4.189	04/08/2021	3	42
Perbadanan Tabung Pendidikan Tinggi Nasional	07/41	GG	4.358	20	4.501	03/05/2021	-14	26
Cagamas Berhad	05/23	AAA	2.262	10	2.328	17/08/2021	-7	31
Infracap Resources Sdn Berhad	04/24	AAA	2.786	10	2.807	12/08/2021	-2	44
Telekom Malaysia Berhad	10/28	AAA	3.279	10	3.283	20/08/2021	0	22
Manjung Island Energy Berhad	11/29	AAA	3.487	10	3.620	09/06/2021	-13	33
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.509	10	3.499	24/08/2021	1	35
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak	08/30	AAA	3.600	5	3.620	24/08/2021	-2	38
Sarawak Energy Berhad	04/31	AAA	3.670	5	3.681	24/08/2021	-1	44
Infracap Resources Sdn Berhad	04/32	AAA	3.958	20	4.019	13/08/2021	-6	72
Sarawak Energy Berhad	12/32	AAA	3.834	20	3.849	24/08/2021	-2	60
Pengurusan Air SPV Berhad	10/34	AAA	4.102	20	4.090	24/08/2021	1	30
Sabah Development Bank Berhad	07/24	AA1	3.689	1	3.737	24/08/2021	-5	134
GENM Capital Berhad	07/28	AA1	4.672	1	4.589	23/08/2021	8	161
Sime Darby Property Berhad	12/25	AA+	3.230	5	3.281	23/08/2021	-5	68
OSK Rated Bond Sdn Berhad	04/28	AA	3.978	10	4.048	23/07/2021	-7	92
Sime Darby Plantation Berhad (fka Sime Darby Plantatio	03/16	AA	3.370	60	3.362	24/08/2021	1	-73
BGSM Management Sdn Berhad	10/21	AA3	2.323	200	2.545	19/10/2020	-22	54
AmBank Islamic Berhad	03/22	AA3	2.601	20	2.744	09/06/2021	-14	82
Perbadanan Kemajuan Negeri Selangor	11/22	AA3	3.083	20	3.221	21/07/2021	-14	130
Edra Energy Sdn Berhad	07/37	AA3	4.770	20	4.779	12/08/2021	-1	97
Malayan Banking Berhad	02/17	AA3	3.346	40	3.348	16/08/2021	0	-75
Dialog Group Berhad	11/20	A1	4.386	1	4.338	23/08/2021	5	29
Tropicana Corporation Berhad	10/23	A+	5.199	1	4.459	16/08/2021	74	324
Tropicana Corporation Berhad	10/25	A+	5.404	1	5.355	24/08/2021	5	285
Quill Retail Malls Sdn Berhad	03/24	A2	14.010	10	8.500	13/12/2019	551	1167
Tropicana Corporation Berhad	06/25	A+	5.359	1	5.307	24/08/2021	5	281
Alliance Islamic Bank Berhad	03/19	BBB1	3.957	1	4.182	20/08/2021	-23	-14
YNH Property Berhad	08/19	-	6.809	1	6.312	16/08/2021	50	271
				<u>787</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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