

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw lack-lustre trading on Monday as investors turned cautious ahead of the upcoming FOMC meeting. Levels were generally range-bound save for the 30Y with bids emerging later in the session as growth uncertainties increased due to the spreading Delta variant of the virus. The curve bear-steepened with overall benchmark yields closing mostly higher between 0-3bps. The UST 2Y yield ended within 1bps lower at 0.20% whilst the much-watched UST 10Y edged 1bps up at 1.29%. The auction of \$60b of 2Y notes was strong; yielding 0.213% (6 previous auction average: 0.162%), on a lower BTC ratio of 2.47x (6 previous auction average: 2.55x). Expect attention to focus on tonight's \$61b 5Y notes auction followed by the upcoming FOMC meeting this Thursday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.20	0
5-yr UST	0.72	1
10-yr UST	1.29	1
30-yr UST	1.94	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.23	0	2.29	0
5-yr	2.61	0	2.59	-1
7-yr	2.96	3	2.96	2
10-yr	3.13	1	3.26	3
15-yr	3.67	0	3.91	0
20-yr	3.98	2	4.16	-2
30-yr	4.14	-1	4.39	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	0
3-yr	2.28	-3
5-yr	2.52	-3
7-yr	2.76	-3
10-yr	2.97	-2

Source: Bloomberg

MGS/GII

- On Monday, local govvies ended mixed with the intermediate tenures seeing slight pressure whilst investors paid attention to the commencement of the first Parliament sitting of the year. Overall benchmark yields closed mixed between -2 to +3bps amid a jump in secondary market volume to RM2.90b. The new 5Y benchmark i.e. MGS 11/26 yield settled within 1bps lower at 2.61% whilst the 10Y MGS 4/31 yield edged 1bps higher at 3.13%. Interest was mainly seen in the off-the-run 21-23's and also benchmark 5Y MGS/GII. The GII sector eased to form ~31% of overall trades. Elsewhere, the Parliament sitting saw the government terminate its current COVID-19 state of emergency effective 1st August. Expect some attention to shift to the release of June trade numbers tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw upbeat activity on Monday with interest mainly seen across the GG-AA part of the curve amid a rise in secondary market volume to RM610m. Overall yields closed mostly mixed-to-lower, spanning across 31 names in total. Govt-guaranteed DANA 10/23 and JKSB 7/31 declined 2-5bps compared to previous-done levels at 2.21% and 3.56% respectively. AAA-rated CAGAMAS 11/24 spiked 36bps instead at 2.74% whereas PLUS 34 and 35 ended moved opposite ends to 4.08% and 4.20% each. Plantation giant KLK saw the 9/22 tranche edge 1bps up at 2.31% whilst the 4/26 tranche moved 6bps lower at 3.15%. Nevertheless, the AA sector was dominated by energy-related bonds i.e. TBEI, EDRA, JEP and MALAKOF which generally saw yields end lower. Meanwhile, the banking space saw MAYBANK 29NC24 decline 3bps at 2.75% whereas AFFIN 27NC22 edged 1bps higher at 3.52%.

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	1.718	105	1.748	23/07/2021	-3
MGS 11/21	1.744	105	1.742	23/07/2021	0
MGS 03/22	1.749	210	1.722	23/07/2021	3
MGS 08/22	1.737	60	1.730	19/07/2021	1
MGS 09/22	1.752	100	1.770	22/07/2021	-2
MGS 03/23	1.898	394	1.925	23/07/2021	-3
MGS 04/23	1.919	1	1.881	23/07/2021	4
MGS 08/23	1.945	1	1.949	22/07/2021	0
MGS 06/24	2.230	75	2.235	23/07/2021	0
MGS 07/24	2.278	1	2.270	23/07/2021	1
MGS 09/24	2.301	20	2.298	23/07/2021	0
MGS 09/25	2.529	141	2.526	23/07/2021	0
MGS 04/26	2.600	4	2.629	15/07/2021	-3
MGS 11/26	2.608	380	2.612	23/07/2021	0
MGS 05/27	2.856	39	2.830	21/07/2021	3
MGS 11/27	2.897	51	2.900	23/07/2021	0
MGS 06/28	2.957	107	2.930	23/07/2021	3
MGS 08/29	3.154	116	3.132	23/07/2021	2
MGS 04/30	3.140	2	3.213	21/07/2021	-7
MGS 04/31	3.130	56	3.122	22/07/2021	1
MGS 04/33	3.643	3	3.671	22/07/2021	-3
MGS 06/38	4.021	6	3.954	22/07/2021	7
MGS 05/40	3.975	12	3.958	23/07/2021	2
MGS 03/46	4.337	5	4.311	23/07/2021	3
MGS 06/50	4.140	2	4.146	22/07/2021	-1
GII 03/22	1.750	10	1.739	16/07/2021	1
GII 04/22	1.734	12	1.770	22/07/2021	-4
GII 07/22	1.675	6	1.754	13/07/2021	-8
GII 05/23	1.945	250	1.947	23/07/2021	0
GII 07/23	1.970	70	1.968	23/07/2021	0
GII 05/24	2.263	10	2.198	23/07/2021	6
GII 10/24	2.289	90	2.293	23/07/2021	0
GII 03/26	2.591	200	2.606	23/07/2021	-1
GII 09/27	2.961	1	2.941	22/07/2021	2
GII 10/30	3.256	92	3.227	22/07/2021	3
GII 06/33	3.722	110	3.709	22/07/2021	1
GII 11/34	3.910	10	3.913	23/07/2021	0
GII 10/35	3.958	1	3.945	22/07/2021	1
GII 07/36	3.912	16	3.914	23/07/2021	0
GII 09/39	4.206	6	4.174	23/07/2021	3
GII 09/41	4.160	25	4.177	23/07/2021	-2
		<u>2903</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*
DanaInfra Nasional Berhad	10/23	GG	2.210	20	2.259	09/07/2021	-5	29
Jambatan Kedua Sdn Berhad	07/31	GG	3.561	15	3.580	11/05/2021	-2	43
Pengurusan Air SPV Berhad	02/22	AAA	2.172	2	2.144	22/02/2021	3	40
Infracap Resources Sdn Berhad	04/22	AAA	2.380	10	2.544	16/06/2021	-16	61
Malaysia Airports Capital Berhad	12/22	AAA	2.948	20	2.941	23/07/2021	1	118
Toyota Capital Malaysia Sdn Berhad	07/24	AAA	3.208	40	3.247	21/04/2021	-4	98
Cagamas Berhad	11/24	AAA	2.743	11	2.387	13/01/2021	36	51
Public Bank Berhad	04/25	AAA	2.877	20	3.113	11/03/2021	-24	42
Pengurusan Air SPV Berhad	06/27	AAA	3.236	30	3.219	23/07/2021	2	41
Danga Capital Berhad	09/27	AAA	3.199	16	3.287	24/06/2021	-9	37
Pengurusan Air SPV Berhad	04/28	AAA	3.349	20	3.444	06/07/2021	-9	40
Pengurusan Air SPV Berhad	06/28	AAA	3.359	10	3.407	16/07/2021	-5	41
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.079	10	4.409	07/04/2021	-33	95
Pengurusan Air SPV Berhad	10/34	AAA	4.177	10	4.180	19/07/2021	0	48
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.199	10	3.670	27/05/2020	53	51
Kuala Lumpur Kepong Berhad	09/22	AA1	2.305	40	2.296	06/07/2021	1	53
GENM Capital Berhad	08/25	AA1	4.757	1	4.515	19/07/2021	24	230
Kuala Lumpur Kepong Berhad	04/26	AA1	3.145	20	3.200	22/06/2021	-6	54
GENM Capital Berhad	07/28	AA1	4.697	2	4.632	14/07/2021	7	175
Malayan Banking Berhad	01/29	AA1	2.745	10	2.778	01/07/2021	-3	-34
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.176	5	3.405	13/07/2021	-23	4
Sime Darby Property Berhad	12/27	AA+	3.508	5	3.589	06/07/2021	-8	68
UMW Holdings Berhad	11/25	AA2	3.299	12	3.357	16/06/2021	-6	85
CIMB Group Holdings Berhad	11/30	AA	3.376	10	3.414	06/07/2021	-4	24
Sime Darby Plantation Berhad (fka Sime Darby Plantatio	03/16	AA	3.409	10	3.689	23/03/2021	-28	-56
IJM Corporation Berhad	06/23	AA3	3.056	10	3.058	23/07/2021	0	114
Besraya (M) Sdn Berhad	07/23	AA3	3.141	18	4.949	23/02/2018	-181	122
Tanjung Bin Energy Sdn Berhad	03/24	AA3	3.050	10	3.026	28/05/2021	2	82
Edra Energy Sdn Berhad	01/28	AA3	3.819	10	4.029	23/06/2021	-21	99
Tanjung Bin Energy Sdn Berhad	09/29	AA3	3.774	20	3.821	21/05/2021	-5	69
Edra Energy Sdn Berhad	01/31	AA3	4.237	10	4.384	22/06/2021	-15	111
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.040	20	4.130	23/06/2021	-9	91
Jimah East Power Sdn Berhad	06/22	AA-	2.889	5	3.021	13/04/2021	-13	112
Jimah East Power Sdn Berhad	12/22	AA-	2.947	5	3.176	13/04/2021	-23	117
Malakoff Power Berhad	12/25	AA-	3.270	2	3.321	03/06/2021	-5	82
7-Eleven Malaysia Holdings Berhad	06/26	AA-	4.127	20	4.229	07/07/2021	-10	152
Quantum Solar Park (Semenanjung) Sdn Berhad	04/30	AA-	4.197	20	4.298	21/07/2021	-10	107
Malakoff Power Berhad	12/30	AA-	3.998	60	3.594	07/01/2021	40	87
Affin Bank Berhad	09/27	A1	3.515	30	3.508	08/07/2021	1	68
Tropicana Corporation Berhad	10/25	A+	4.999	1	5.354	13/07/2021	-36	255
DRB-Hicom Berhad	12/26	A+	4.738	1	4.349	08/07/2021	39	213
DRB-Hicom Berhad	12/22	A+	3.716	10	3.757	11/06/2021	-4	194
Eco World International Berhad	05/23	-	4.897	1	5.415	15/07/2021	-52	298
				<u>610</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Malaysian Resources Corporation Berhad	Islamic Medium-Term Notes Programme of up to RM5.0 billion (Sukuk Murabahah)	AA-IS/Stable	Affirmed
Sabah Credit Corporation	RM3.5 billion Islamic Medium-Term Notes Programme (2014/2039)	AA1/Stable	Reaffirmed
	RM1 billion Islamic Medium-Term Notes Programme (2011/2031)	AA1/Stable	Reaffirmed
	RM1.75 billion Islamic Commercial Papers Programme (2021/2028)	P1	Reaffirmed

Source: RAM/ MARC

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