

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw both ends of the curve holding out well despite the belly somewhat pressured on Thursday. A mild risk-off mode ensued following earlier explosions in Afghanistan. Overall benchmark yields ended mostly between 0-2bps higher as the UST 2Y yield ended almost unchanged at 0.22%, whilst the much-watched UST 10Y edged 1bps up at 1.35%. The \$62b 7Y auction registered a BTC ratio of 2.34x (previous six previous auction: 2.26x) and awarded at 1.155% (previous auction: 1.05%). This was considered decent after a poor sale in July. Meanwhile, investors are seen sidelined ahead of the Fed's high profile annual Jackson Hole Symposium which commenced last night. Meanwhile three (3) non-voting Fed officials backed a tapering of bond-buying sooner than later, leading into Fed Chair Powell's speech tonight. Also, expect some attention tonight on the release of the Fed's preferred inflation data i.e. PCE for July.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	0
5-yr UST	0.84	2
10-yr UST	1.35	1
30-yr UST	1.95	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.36	1	2.38	2
5-yr	2.70	0	2.60	0
7-yr	3.07	1	3.06	0
10-yr	3.25	1	3.34	0
15-yr	4.28	49	3.90	0
20-yr	4.09	-1	4.25	2
30-yr	4.22	0	4.42	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	1
3-yr	2.39	2
5-yr	2.68	2
7-yr	2.86	1
10-yr	3.10	4

Source: Bloomberg

MGS/GII

- Local govies were little changed on Thursday due to lack of market-moving catalysts. Overall benchmark yields closed mostly between -1 to +2bps (save for the skewed odd-lot trade on the 15Y MGS) amid a further drop in secondary market volume @ RM2.02b. The 5Y benchmark MGS 11/26 was changed at 2.70% whilst the 10Y MGS 4/31 yields edged 1bps up at 3.25%. Interest was mainly seen in the shorter off-the-run 21's, 26's and also 3Y MGS, 10y GII. The GII sector maintained its market share to form 28% of overall trades. Expect attention to shift to the upcoming announcement of the new Cabinet line-up whereas on the data front we have the release of July trade numbers today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw no let-up in activity on Thursday with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower, spanning across 34 names amid a rise in secondary market volume to RM845m. Govt-guaranteed PR1MA 10/24 saw massive volume totalling RM500m; edging 1bps lower compared to previous-done levels at 2.59%. PRASA 8/26 however rose 5bps to 2.95%. AAA-rated PLUS 31 settled unchanged at 3.57% whilst the 2032 tranche declined 12bps to 3.72%. The AA-space saw energy-related bonds SEPANGAR 7/26 edge 1bps down at 3.24% whereas JEP 12/29 rallied 18bps to 4.08%. EDRA 32-33's were also transacted between 6-22bps lower to close between 4.29-41% levels. The banking/finance sector saw SABAH Dev Bank 8/25 spike 108bps to 4.21% compared to the 4/26 tranche which edged a mere 2bps up at 4.20%.

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	1.748	356	1.743	25/08/2021	0
MGS	11/21	1.728	385	1.729	25/08/2021	0
MGS	03/22	1.780	61	1.692	25/08/2021	9
MGS	08/22	1.707	8	1.710	25/08/2021	0
MGS	09/22	1.728	7	1.729	25/08/2021	0
MGS	03/23	1.882	24	1.864	25/08/2021	2
MGS	06/24	2.356	155	2.345	25/08/2021	1
MGS	07/24	2.364	1	2.367	25/08/2021	0
MGS	09/24	2.368	1	2.414	25/08/2021	-5
MGS	09/25	2.585	9	2.579	25/08/2021	1
MGS	11/26	2.700	90	2.698	25/08/2021	0
MGS	05/27	2.959	5	2.955	25/08/2021	0
MGS	11/27	2.958	56	2.971	25/08/2021	-1
MGS	06/28	3.071	46	3.066	25/08/2021	1
MGS	08/29	3.183	10	3.187	25/08/2021	0
MGS	04/30	3.320	1	3.317	25/08/2021	0
MGS	04/31	3.253	82	3.240	25/08/2021	1
MGS	06/31	3.356	1	3.330	25/08/2021	3
MGS	04/33	3.750	1	3.737	24/08/2021	1
MGS	07/34	3.845	3	3.808	25/08/2021	4
MGS	05/35	4.283	1	3.798	25/08/2021	49
MGS	06/38	4.080	7	4.085	19/08/2021	0
MGS	05/40	4.091	70	4.097	25/08/2021	-1
MGS	06/50	4.221	73	4.225	25/08/2021	0
GII	07/22	1.740	11	1.791	25/08/2021	-5
GII	07/23	2.013	9	2.000	16/08/2021	1
GII	08/24	2.450	50	2.372	24/08/2021	8
GII	10/24	2.382	50	2.366	25/08/2021	2
GII	09/26	2.785	100	2.786	24/08/2021	0
GII	10/28	3.167	78	3.164	25/08/2021	0
GII	10/30	3.338	111	3.339	25/08/2021	0
GII	06/33	3.781	25	3.753	12/08/2021	3
GII	08/33	3.805	11	3.815	20/08/2021	-1
GII	07/36	3.902	110	3.902	25/08/2021	0
GII	09/41	4.249	10	4.228	25/08/2021	2
GII	11/49	4.422	5	4.416	25/08/2021	1
			<u>2022</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
PR1MA Corporation Malaysia	10/24	GG	2,590	500	2,598	25/08/2021	-1	25
Prasarana Malaysia Berhad	08/26	GG	2,949	15	2,898	23/08/2021	5	26
DanaInfra Nasional Berhad	11/47	GG	4,480	5	4,535	11/08/2021	-5	38
Prasarana Malaysia Berhad	09/42	GG	4,389	5	4,435	28/07/2021	-5	29
Prasarana Malaysia Berhad	08/31	GG	3,560	3	-	-	-	33
Sabah Development Bank Berhad	08/25	AA1	4,210	20	3,133	22/02/2021	108	166
Sabah Development Bank Berhad	04/26	AA1	4,201	10	4,180	25/06/2021	2	151
Danajamin Nasional Berhad	10/27	AA1	2,671	2	2,671	03/08/2021	0	-25
Affin Bank Berhad	07/18	A3	4,150	1	3,844	09/08/2021	31	5
Sabah Development Bank Berhad	06/23	AA1	4,115	1	4,168	24/08/2021	-5	216
Tenaga Nasional Berhad	08/37	AAA	4,230	40	4,475	20/05/2021	-24	43
Jimah East Power Sdn Berhad	12/29	AA-	4,078	30	4,257	09/07/2021	-18	92
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3,568	30	3,569	20/08/2021	0	35
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3,717	30	3,839	22/07/2021	-12	48
Sarawak Energy Berhad	11/28	AAA	3,440	30	3,466	13/08/2021	-3	38
Sarawak Energy Berhad	07/29	AAA	3,507	30	3,519	19/08/2021	-1	35
7-Eleven Malaysia Holdings Berhad	06/24	AA-	3,815	10	3,905	16/08/2021	-9	147
Edra Energy Sdn Berhad	07/32	AA3	4,289	10	4,505	23/06/2021	-22	106
Edra Energy Sdn Berhad	07/33	AA3	4,409	10	4,467	20/08/2021	-6	118
Infracap Resources Sdn Berhad	04/31	AAA	3,868	10	3,989	16/07/2021	-12	63
Press Metal Aluminium Holdings Berhad	10/29	AA3	4,295	10	3,628	10/08/2020	67	113
Sepangar Bay Power Corporation Sdn Berhad	07/26	AA1	3,242	10	3,249	04/08/2021	-1	55
The Holstein Milk Company Sdn Berhad	05/26	AA-	3,578	10	3,693	29/06/2021	-12	89
Manjung Island Energy Berhad	11/23	AAA	2,531	5	2,648	25/05/2021	-12	58
AZRB Capital Sdn Berhad	12/22	AA-	3,526	4	3,750	03/05/2021	-22	175
Press Metal Aluminium Holdings Berhad	08/25	AA3	3,845	4	4,127	08/07/2021	-28	129
IJM Land Berhad	03/19	A2	4,539	3	4,577	24/08/2021	-4	44
Fortune Premiere Sdn Berhad	09/23	AA	3,013	2	3,024	23/08/2021	-1	106
UniTapah Sdn Berhad	12/30	AA1	3,959	2	4,399	24/06/2019	-44	74
Tropicana Corporation Berhad	09/19	-	6,072	2	4,816	12/08/2021	126	197
Country Garden Real Estate Sdn Berhad	02/23	AA3	4,983	1	5,183	19/08/2021	-20	320
Tropicana Corporation Berhad	06/23	A+	4,745	1	5,167	25/08/2021	-42	279
UMW Holdings Berhad	04/18	A1	4,434	1	4,228	23/08/2021	21	34
YNH Property Berhad	08/19	-	6,246	1	6,727	24/08/2021	-48	215
				<u>845</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Sdn Bhd	Green Sustainable and Responsible Investment (SRI) Sukuk of RM202.3 million	AA-IS/Stable	Affirmed
Konsortium KAJV Sdn Bhd	RM1.0 billion Sukuk Wakalah Programme	AA-IS/Stable	Affirmed

Source: RAM/ MARC

Hong Leong Bank Berhad

Fixed Income & 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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