

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs ended weak on Monday, but off session-lows following the solid 5Y auction. Overall benchmark yields ended higher between 1-4bps across. The UST 2Y yield edged 1bps up at 0.28% whilst the much-watched UST 10Y spiked 4bps at 1.49%. Higher bond yields have been spurred by investors bet that the stimulus-led recovery may stoke inflation. Elsewhere, the \$61b 5Y note auction fared better than the 2Y with the former awarded at 0.99% on a cover of 2.37x; matching the average for 6 previous auctions. The 2Y note auction meanwhile was poorly received at a BTC of only 2.28x (previous 6 auction average: 2.55x) whilst awarded at 0.31%. Meanwhile, expect some attention to the \$62b 7Y bond auction tonight along with the Fed Chair Powell and Treasury Secretary Yellen's appearance before the Senate panel to discuss the US economic recovery.

##### MGS/GII

- Local govies commenced the week on a weak note on Monday, continuing the tepid performance seen last week whilst the unveiling of the 12<sup>th</sup> Malaysia Plan failed to spark any swings in both the bond and equities asset class. Overall benchmark yields closed higher between 0-6bps amid a 10% decrease in secondary market volume @ RM3.08b. The 5Y benchmark MGS 11/26 yield spiked 4bps to 2.89% and the 10Y MGS 4/31 edged 1bps up to 3.41%. Interest was mainly seen in the shorter off-the-run 21-23's, 28's and also 5Y, 10Y MGS. GII sector maintained to form ~25% of overall trades. Expect some attention on the release of August trade data today followed by the 5Y GII auction tomorrow.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw muted activity amid sharply lower secondary market volume of RM334m with some interest seen across the GG-AA part of the curve. Overall yields closed mixed, spanning across 24 names. Govt-guaranteed PASB 9/25 spiked 67bps compared to previous-done levels at 2.96% whilst DANA 10/36 declined 27bs instead at 4.18%. AAA-rated SEB 33 and 35's moved 8-10bps lower at 3.91% and 4.11%. QUANTUM Solar saw a slew of tranches dominate the AA-rated space. The 23's ended 19-25bps lower between 3.22-34% whilst the 10/24 and 10/34 tranches eased 3-6bps at 3.52% and 4.67% each. The 4/35 tranche declined 13bps at 4.75%. The banking/finance sector was relatively active with BPMB 6/31 edging 2bps up at 3.81% whilst the 11/31 tranche spiked 39bps at 3.86%. BPMB 3/32 rallied 23bps to 3.88% whilst HLF 29NC24 rose 8bps to 3.18%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.28	1
5-yr UST	0.99	4
10-yr UST	1.49	4
30-yr UST	2.00	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.52	6	2.57	4
5-yr	2.89	4	2.93	1
7-yr	3.23	3	3.17	6
10-yr	3.41	1	3.53	3
15-yr	3.85	0	3.98	4
20-yr	4.10	0	4.21	0
30-yr	4.18	2	4.44	6

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	0
3-yr	2.48	-1
5-yr	2.81	1
7-yr	2.95	0
10-yr	3.20	0

Source: Bloomberg

#### Upcoming Government Bond Tender

Reopening of RM4.0b 5Y GII 3/26 on Wednesday, 29<sup>th</sup> September, 2021

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	09/21	1.804	19	1.804	24/09/2021	0
MGS	11/21	1.771	299	1.708	24/09/2021	6
MGS	03/22	1.773	54	1.664	24/09/2021	11
MGS	08/22	1.762	13	1.790	20/09/2021	-3
MGS	09/22	1.759	183	1.760	24/09/2021	0
MGS	03/23	1.980	119	1.982	24/09/2021	0
MGS	08/23	2.093	13	2.028	24/09/2021	6
MGS	06/24	2.515	71	2.457	24/09/2021	6
MGS	07/24	2.504	6	2.504	24/09/2021	0
MGS	03/25	2.600	4	2.642	23/09/2021	-4
MGS	09/25	2.735	8	2.738	24/09/2021	0
MGS	07/26	2.911	55	2.830	22/09/2021	8
MGS	11/26	2.893	403	2.853	24/09/2021	4
MGS	05/27	3.095	36	3.030	24/09/2021	7
MGS	11/27	3.026	45	3.026	23/09/2021	0
MGS	06/28	3.230	275	3.203	24/09/2021	3
MGS	08/29	3.330	29	3.339	24/09/2021	-1
MGS	04/31	3.407	536	3.393	24/09/2021	1
MGS	04/33	3.779	22	3.805	24/09/2021	-3
MGS	05/35	3.855	67	3.855	24/09/2021	0
MGS	05/40	4.100	54	4.097	24/09/2021	0
MGS	03/46	4.368	1	4.240	24/09/2021	13
MGS	06/50	4.179	6	4.161	24/09/2021	2
GII	03/22	1.732	1	1.759	23/09/2021	-3
GII	04/22	1.735	98	1.770	24/09/2021	-3
GII	07/22	1.761	178	1.771	24/09/2021	-1
GII	05/23	2.030	7	1.996	23/09/2021	3
GII	10/24	2.565	150	2.526	24/09/2021	4
GII	03/26	2.929	45	2.920	24/09/2021	1
GII	09/27	3.170	2	3.110	22/09/2021	6
GII	10/28	3.324	27	3.255	24/09/2021	7
GII	10/30	3.530	86	3.504	24/09/2021	3
GII	10/35	4.037	40	3.942	10/09/2021	9
GII	07/36	3.978	108	3.938	23/09/2021	4
GII	05/47	4.470	20	4.447	22/09/2021	2
GII	11/49	4.437	3	4.374	24/09/2021	6
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Pengurusan Air SPV Berhad	09/25	GG	2.961	10	2.288	27/08/2020	67	23
DanaInfra Nasional Berhad	10/36	GG	4.181	30	4.450	25/03/2021	-27	31
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.630	1	3.509	25/08/2021	12	31
EKVE Sdn Berhad	01/31	AAA	3.839	1	3.779	06/09/2021	6	47
Bank Pembangunan Malaysia Berhad	06/31	AAA	3.809	50	3.788	07/09/2021	2	38
Bank Pembangunan Malaysia Berhad	11/31	AAA	3.859	10	3.469	08/12/2020	39	43
Bank Pembangunan Malaysia Berhad	03/32	AAA	3.880	40	4.109	16/06/2021	-23	45
Sarawak Energy Berhad	11/33	AAA	3.909	30	3.989	19/08/2021	-8	48
Sarawak Energy Berhad	08/35	AAA	4.110	10	4.214	11/08/2021	-10	24
Imtiaz Sukuk II Berhad	04/26	AA2	3.368	10	3.309	19/08/2021	6	46
Imtiaz Sukuk II Berhad	04/28	AA2	3.608	10	3.568	20/09/2021	4	36
Hong Leong Financial Group Berhad	06/29	AA2	3.176	20	3.098	14/09/2021	8	-14
BGSM Management Sdn Berhad	12/22	AA3	2.635	20	2.648	27/07/2021	-1	85
IJM Corporation Berhad	06/23	AA3	2.894	20	2.904	21/09/2021	-1	87
Quantum Solar Park (Semenanjung) Sdn Berhad	04/23	AA-	3.220	10	3.407	16/06/2021	-19	120
Quantum Solar Park (Semenanjung) Sdn Berhad	10/23	AA-	3.339	10	3.587	18/03/2021	-25	132
Quantum Solar Park (Semenanjung) Sdn Berhad	10/24	AA-	3.517	10	3.548	11/08/2021	-3	100
Southern Power Generation Sdn Berhad	10/33	AA-	4.291	10	4.349	28/05/2021	-6	86
Quantum Solar Park (Semenanjung) Sdn Berhad	04/34	AA-	4.617	10	5.188	01/10/2020	-57	74
Quantum Solar Park (Semenanjung) Sdn Berhad	10/34	AA-	4.666	10	4.728	13/09/2021	-6	79
Quantum Solar Park (Semenanjung) Sdn Berhad	04/35	AA-	4.746	10	4.879	11/08/2021	-13	87
Affin Bank Berhad	09/27	A1	3.198	1	3.705	24/09/2021	-51	12
UMW Holdings Berhad	04/18	A1	4.483	1	4.483	09/09/2021	0	38
Eco World Capital Assets Berhad	08/24	-	5.243	1	5.028	24/09/2021	22	273
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\*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
BEWG (M) Sdn Bhd	RM400.0 million Sukuk Wakalah	AA-IS/Stable	Affirmed
TNB Western Energy Berhad	Sukuk of RM3.7 billion	AAA-IS/Stable	Affirmed
Golden Assets International Finance Limited's (Golden Assets)	RM5 bil Islamic Medium Term Notes Programme (2012/2027)	From A1(s) to AA3(s)/Stable	Upgraded

Source: RAM/ MARC

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