

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs continued to end weak with the longer-ends underperforming the most, but off session-lows following the decent 7Y auction. The curve steepened with overall benchmark yields ended higher between 0-9bps across. The UST 2Y yield closed unchanged at 0.30% whilst the much-watched UST 10Y spiked 5bps at 1.54%; the highest since June. Testimony from both Fed Chair Powell and Treasury Secretary Yellen did little to assuage markets. Bond yields have been steadily rising after the US Fed revealed its latest intention to taper asset purchases and provide direction on rate hike path last week. Elsewhere, the \$62b 7Y note auction was awarded at 1.332% on a cover of 2.24x; almost matching the average for 6 previous auctions. Uncertainty over the debt ceiling limit and government funding deadline on 1<sup>st</sup> October has also weighed on the market.

##### MGS/GII

- Local govies continued to be pressured with both MGS and GII seeing sellers outnumber bidders on Tuesday in line with rising global bond yields. Overall benchmark yields closed higher between 0-7bps (save for the odd-lot trade in the MGS) amid ~40% increase in secondary market volume to RM4.38b. The 5Y benchmark MGS 11/26 yield spiked 5bps to 2.94% whilst the 10Y MGS 4/31 yield rose 4bps to 3.44%. Interest was mainly seen in the shorter off-the-run 22-23's, 28's and also 3Y, 10Y MGS/GII, 20Y GII. GII trades rose to form ~38% of overall trades. Elsewhere the World Bank has further cut the nation's 2021 economic growth projection from 4.6% in June to 3.3%; compared to our present house view of 2.7%. Attention will be on the 5Y GII auction today.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space too saw elevated activity amid the doubling of secondary market volume to RM688m with interest seen mainly across the AAA-AA part of the curve. Overall yields closed mixed-to-higher, spanning across 30 names. The sole govt-guaranteed trade consisted of DANA 5/37 which settled 3bps higher compared to previous-done levels at 4.20%. AAA-rated CAGAMAS 6/23 declined 4bps to 2.34% whilst the 9/24 tranche notched its maiden trade at 2.78%. FORTUNE Premiere dominated the AA-rated space with the 23's and 2025 tranches rising 4-20bps between 3.01-65%; whilst the 12/22 tranche declined 12bps instead at 2.95%. Total transactions for all tranches totalled RMRM130m. EDRA 35 and 37 settled 3bps higher at 4.52% and 4.72% each. KESTURI 28-29's which last traded during Feb-Mar 2022 period closed mixed on yields abetween 4.02-13% levels. The banking/finance sector saw PUBLIC 29NC24 jump 10bps to 3.14%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.30	0
5-yr UST	1.02	2
10-yr UST	1.54	5
30-yr UST	2.09	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.16	-36	2.61	4
5-yr	2.94	5	3.00	7
7-yr	3.36	13	3.17	0
10-yr	3.44	4	3.56	3
15-yr	3.89	4	4.01	3
20-yr	4.11	1	4.19	-2
30-yr	4.18	0	4.49	5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	0
3-yr	2.49	2
5-yr	2.82	1
7-yr	3.00	5
10-yr	3.25	5

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	3.969	100	1.804	27/09/2021	217
MGS	11/21	1.759	99	1.771	27/09/2021	-1
MGS	03/22	1.730	292	1.773	27/09/2021	-4
MGS	08/22	1.739	45	1.762	27/09/2021	-2
MGS	09/22	1.754	278	1.759	27/09/2021	0
MGS	03/23	1.980	139	1.980	27/09/2021	0
MGS	04/23	1.968	20	1.985	24/09/2021	-2
MGS	08/23	2.120	100	2.093	27/09/2021	3
MGS	06/24	2.160	487	2.515	27/09/2021	-36
MGS	07/24	2.548	7	2.504	27/09/2021	4
MGS	03/25	2.603	30	2.600	27/09/2021	0
MGS	09/25	2.826	92	2.735	27/09/2021	9
MGS	04/26	2.856	15	2.783	22/09/2021	7
MGS	07/26	2.921	1	2.911	27/09/2021	1
MGS	11/26	2.943	161	2.893	27/09/2021	5
MGS	05/27	3.075	15	3.095	27/09/2021	-2
MGS	06/28	3.355	427	3.230	27/09/2021	13
MGS	08/29	3.375	1	3.330	27/09/2021	4
MGS	04/30	3.436	10	3.346	24/09/2021	9
MGS	04/31	3.443	244	3.407	27/09/2021	4
MGS	06/31	3.463	2	3.407	23/09/2021	6
MGS	04/32	3.666	1	3.477	03/09/2021	19
MGS	04/33	3.844	14	3.779	27/09/2021	6
MGS	07/34	3.888	3	3.858	27/09/2021	3
MGS	05/35	3.892	21	3.855	27/09/2021	4
MGS	04/37	4.020	10	3.964	24/09/2021	6
MGS	05/40	4.109	76	4.100	27/09/2021	1
MGS	06/50	4.179	11	4.179	27/09/2021	0
GII	03/22	1.810	40	1.732	27/09/2021	8
GII	04/22	1.761	218	1.735	27/09/2021	3
GII	07/22	1.810	260	1.761	27/09/2021	5
GII	11/22	1.855	30	1.808	24/08/2021	5
GII	05/23	2.037	10	2.030	27/09/2021	1
GII	11/23	2.062	1	2.026	17/09/2021	4
GII	05/24	2.592	40	2.305	01/09/2021	29
GII	08/24	2.538	47	2.520	24/09/2021	2
GII	10/24	2.605	185	2.565	27/09/2021	4
GII	03/26	3.000	99	2.929	27/09/2021	7
GII	07/27	3.214	10	3.105	23/09/2021	11
GII	10/28	3.431	220	3.324	27/09/2021	11
GII	10/30	3.556	180	3.530	27/09/2021	3
GII	11/34	3.986	2	3.908	17/09/2021	8
GII	07/36	4.006	40	3.978	27/09/2021	3
GII	09/41	4.194	233	4.212	24/09/2021	-2
GII	05/47	4.446	20	4.470	27/09/2021	-2
GII	11/49	4.489	50	4.437	27/09/2021	5
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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*	
Danainfra Nasional Berhad	05/37	GG	4.199	10	4.170	10/09/2021	3	31
Cagamas Berhad	06/23	AAA	2.343	60	2.379	29/07/2021	-4	34
Zamarad Assets Berhad	07/24	AAA	3.406	10	3.269	16/08/2021	14	88
Cagamas Berhad	09/24	AAA	2.777	120	-	-	-	25
Zamarad Assets Berhad	11/24	AAA	3.425	10	3.211	11/08/2020	21	90
Aquasar Capital Sdn Berhad	07/29	AAA	3.598	8	3.459	24/08/2021	14	22
Tenaga Nasional Berhad	08/38	AAA	4.321	10	4.270	19/08/2021	5	43
Agroto Business (M) Sdn Berhad	08/26	AA1	4.757	16	4.759	11/08/2021	0	182
Encorp Systembilt Sdn Berhad	05/28	AA1	3.697	10	3.007	11/11/2020	69	38
Public Bank Berhad	07/29	AA1	3.135	70	3.039	27/07/2021	10	-24
Fortune Premiere Sdn Berhad	12/22	AA	2.945	40	3.067	15/03/2021	-12	116
Fortune Premiere Sdn Berhad	03/23	AA	3.014	40	2.972	23/09/2021	4	123
Fortune Premiere Sdn Berhad	09/23	AA	3.133	10	3.013	26/08/2021	12	113
Fortune Premiere Sdn Berhad	10/25	AA	3.650	40	3.449	19/08/2021	20	90
Anih Berhad	11/28	AA	3.912	10	3.807	21/07/2021	11	59
Imtiaz Sukuk II Berhad	05/22	AA2	2.408	60	2.484	20/09/2021	-8	63
Benih Restu Berhad	06/25	AA2	3.236	20	3.093	19/08/2021	14	49
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.369	20	3.557	28/06/2021	-19	137
reNIKOLA Solar Sdn Berhad	05/31	AA3	4.508	10	4.600	10/05/2021	-9	106
Edra Energy Sdn Berhad	01/35	AA3	4.533	10	4.499	23/09/2021	3	65
Edra Energy Sdn Berhad	01/37	AA3	4.718	10	4.689	21/09/2021	3	83
Sunway Treasury Sukuk Sdn Berhad	01/22	AA-	2.922	20	-	-	-	114
Quantum Solar Park (Semenanjung) Sdn Berhad	10/23	AA-	3.336	10	3.339	27/09/2021	0	133
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/28	AA-	4.023	20	4.038	08/03/2021	-2	70
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	11/29	AA-	4.129	10	3.877	08/02/2021	25	75
TSH Sukuk Murabahah Sdn Berhad	06/23	A+	4.692	30	4.207	29/03/2021	49	269
Tropicana Corporation Berhad	10/23	A+	3.887	1	4.443	08/09/2021	-56	188
DRB-Hicom Berhad	12/29	A+	4.835	1	4.879	24/09/2021	-4	146
Mah Sing Group Berhad	04/17	-	4.709	2	4.227	02/09/2021	48	60
Cypark Renewable Energy Sdn Berhad	09/20	-	5.793	1	6.101	24/06/2021	-31	169
				<u>688</u>				

\*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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