

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker in choppy trading following a rather lacklustre 7Y note auction, whilst simultaneously impacted by the large corporate issuance slate and widening swap spreads especially in the long-end. The curve steepened with overall benchmark yields closing between a 0-4bps higher. The UST 2Y yield ended almost unchanged at 0.21% whilst the much-watched UST 10Y yield rose 4bps at 1.27%. The Treasury's \$62b 7Y notes auction saw weaker participation and was awarded at 1.05% (previous 6 auction average: 1.184%) on a 2.23x BTC ratio (previous 6 auction average: 2.28x). Elsewhere, 2Q2021 advance GDP data printed at 6.5% q/q versus 8.4% estimate. Concerns over inflationary pressures (even if it proves transitory), remain on investors minds. Expect some attention to shift to personal income and spending and consumer sentiment data.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.21	0
5-yr UST	0.74	2
10-yr UST	1.27	4
30-yr UST	1.92	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	0	2.29	-1
5-yr	2.61	-1	2.61	0
7-yr	2.98	1	2.94	-4
10-yr	3.16	-1	3.29	-1
15-yr	3.70	-1	3.90	0
20-yr	4.13	15	4.16	0
30-yr	4.19	3	4.42	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.32	1
5-yr	2.55	1
7-yr	2.81	2
10-yr	3.00	0

Source: Bloomberg

MGS/GII

- On Thursday, local govies saw velocity and momentum wane slightly with levels largely range-bound throughout the session. Overall benchmark yields closed mixed between -4 to +3bps save for the 20Y MGS, amid a rise in secondary market volume to RM3.82b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields edged 1bps lower at 2.61% and 3.16% respectively. Interest was mainly seen in the off-the-run 21-23's and also benchmark 3Y GII, 10Y GII, 15Y MGS. The GII sector formed a higher ~61% of overall trades. The auction involving the reopening of 10Y GII 10/30 registered solid bidding metrics i.e. 3.403 BTC ratio whilst being awarded at 3.286%. Elsewhere, expect attention to shift to further updates on the deferred parliamentary sitting as investors may be inclined to remain sidelined ahead of the weekend.

Corp Bonds/Sukuk

- Activity in the Corporate Bonds/Sukuk space remained healthy on Thursday with interest seen across GG-AA part of the curve amid a further pull-back in secondary market volume @ RM709m. Overall yields closed mostly mixed-to-lower, spanning across 29 names. Govt-guaranteed JKSB 7/31 edged 1bps lower compared to previous-done levels at 3.54% whilst the longer-end DANA 2/44 spiked 50bps instead at 4.42%. Both AAA-rated MANJUNG 11/31 and SEB 4/36 declined 5bps each at 3.75% and 4.32% respectively. The AA-rated space saw toll-operator ANIH 24-25's settle 3-7bps lower between 3.11-28% whereas Southern Power 26-27's moved opposite of each other yield-wise to close at 3.38% and 3.47% instead. The banking space saw MAYBANK 2117NC24 perps grind RM100m in total trades, rallying 64bps at 3.18% levels.

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	1.747	146	1.751	28/07/2021	0
MGS 11/21	1.729	52	1.750	27/07/2021	-2
MGS 03/22	1.770	373	1.763	28/07/2021	1
MGS 08/22	1.687	21	1.766	28/07/2021	-8
MGS 03/23	1.901	20	1.917	28/07/2021	-2
MGS 04/23	1.923	8	1.922	28/07/2021	0
MGS 08/23	1.942	5	1.945	26/07/2021	0
MGS 06/24	2.250	8	2.253	28/07/2021	0
MGS 09/24	2.319	5	2.316	28/07/2021	0
MGS 03/25	2.414	3	2.488	28/07/2021	-7
MGS 09/25	2.580	119	2.565	28/07/2021	2
MGS 04/26	2.595	6	2.652	28/07/2021	-6
MGS 07/26	2.673	88	2.687	28/07/2021	-1
MGS 09/26	2.569	7	2.705	14/07/2021	-14
MGS 11/26	2.606	76	2.616	28/07/2021	-1
MGS 05/27	2.845	4	2.856	28/07/2021	-1
MGS 11/27	2.892	47	2.893	28/07/2021	0
MGS 06/28	2.978	111	2.967	28/07/2021	1
MGS 04/30	3.211	6	3.187	27/07/2021	2
MGS 04/31	3.162	86	3.174	28/07/2021	-1
MGS 06/31	3.301	4	3.315	27/07/2021	-1
MGS 04/32	3.432	1	3.399	19/07/2021	3
MGS 04/33	3.678	1	3.653	28/07/2021	2
MGS 11/33	3.696	2	3.690	28/07/2021	1
MGS 07/34	3.828	40	3.784	28/07/2021	4
MGS 05/35	3.696	166	3.710	28/07/2021	-1
MGS 04/37	3.862	1	3.861	28/07/2021	0
MGS 06/38	3.951	5	3.966	27/07/2021	-2
MGS 05/40	4.130	62	3.981	28/07/2021	15
MGS 09/43	4.294	2	4.291	28/07/2021	0
MGS 03/46	4.337	2	4.300	28/07/2021	4
MGS 06/50	4.185	1	4.155	28/07/2021	3
GII 03/22	1.780	10	1.770	28/07/2021	1
GII 04/22	1.771	100	1.770	28/07/2021	0
GII 05/23	1.947	270	1.955	27/07/2021	-1
GII 08/24	2.285	3	2.295	23/07/2021	-1
GII 10/24	2.293	200	2.296	28/07/2021	0
GII 10/25	2.580	5	2.568	22/07/2021	1
GII 03/26	2.612	161	2.609	28/07/2021	0
GII 09/27	2.944	6	2.984	27/07/2021	-4
GII 10/30	3.290	1253	3.300	28/07/2021	-1
GII 06/33	3.726	21	3.731	28/07/2021	0
GII 11/34	3.877	50	3.910	26/07/2021	-3
GII 07/36	3.900	226	3.902	28/07/2021	0
GII 08/37	4.078	1	4.030	27/07/2021	5
GII 09/41	4.162	30	4.160	26/07/2021	0
GII 11/49	4.420	1	4.420	28/07/2021	0
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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*
Prasarana Malaysia Berhad	08/23	GG	2.236	15	2.215	28/07/2021	2	32
Jambatan Kedua Sdn Berhad	07/31	GG	3.540	50	3.550	28/07/2021	-1	38
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.110	20	4.181	02/07/2021	-7	41
Danalinfra Nasional Berhad	02/44	GG	4.419	20	3.919	17/11/2020	50	44
Cagamas Berhad	06/23	AAA	2.379	15	-	-	-	46
DiGi Telecommunications Sdn Berhad	09/26	AAA	2.947	10	2.967	28/07/2021	-2	34
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.317	10	3.329	28/07/2021	-1	48
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.618	10	3.618	27/07/2021	0	52
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/30	AAA	3.639	20	3.769	16/06/2021	-13	50
Manjung Island Energy Berhad	11/31	AAA	3.748	60	3.800	15/07/2021	-5	59
Sarawak Energy Berhad	04/36	AAA	4.319	10	4.368	28/07/2021	-5	62
Sabah Development Bank Berhad	07/24	AA1	4.040	175	4.100	28/07/2021	-6	179
Sabah Development Bank Berhad	07/26	AA1	4.374	78	4.380	28/07/2021	-1	176
GENM Capital Berhad	07/28	AA1	4.697	1	4.603	28/07/2021	9	173
GENM Capital Berhad	03/32	AA1	4.693	1	4.752	28/07/2021	-6	154
Celcom Networks Sdn Berhad	08/22	AA+	2.283	20	2.399	22/07/2021	-12	52
Anih Berhad	11/24	AA	3.106	10	3.180	23/06/2021	-7	85
Anih Berhad	11/25	AA	3.277	20	3.307	15/07/2021	-3	82
Tadau Energy Sdn Berhad	07/28	AA3	4.168	19	3.956	21/12/2020	21	120
Tadau Energy Sdn Berhad	07/29	AA3	4.328	7	3.967	09/09/2020	36	123
Tadau Energy Sdn Berhad	07/31	AA3	4.624	2	4.169	04/09/2020	46	147
Malayan Banking Berhad	02/17	AA3	3.182	100	3.825	18/06/2021	-64	-80
Northport (Malaysia) Berhad	12/22	AA-	3.220	2	3.278	12/07/2021	-6	145
Southern Power Generation Sdn Berhad	10/26	AA-	3.378	20	3.038	23/02/2021	34	77
Southern Power Generation Sdn Berhad	04/27	AA-	3.469	10	3.543	23/06/2021	-7	63
Affin Bank Berhad	02/27	A1	3.502	1	4.320	15/07/2021	-82	66
IJM Land Berhad	03/19	A2	4.678	2	4.701	21/07/2021	-2	70
Affin Bank Berhad	07/18	A3	4.351	1	3.543	27/07/2021	81	37
LBS Bina Group Berhad	03/20	-	6.639	1	6.750	28/07/2021	-11	266
				<u>709</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
CIMB Islamic Bank Berhad	Financial Institution (FI) ratings	AAA/MARC-1/stable	Affirmed
	RM10.0 billion senior Sukuk Wakalah programme (Sukuk Wakalah)	AAA-IS/Stable	Affirmed
	RM5.0 billion Tier 2 Junior Sukuk programme	AA+IS/Stable	Affirmed
CIMB Group Holdings Berhad	Long-term and short-term corporate credit ratings	AA+/MARC-1/Stable	Affirmed
	RM10.0 billion Basel III-compliant Tier 2 Subordinated Debt Programme	AA/Stable	Affirmed
CIMB Bank Berhad	Financial institution (FI) ratings	AAA/MARC-1/Stable	Affirmed
	RM10.0 billion Basel III-compliant Tier 2 Subordinated Debt Programme	AA+/Stable	Affirmed
	RM5.0 billion Subordinated Debt and Junior Sukuk Programmes	RM5.0 billion Subordinated Debt and Junior Sukuk Programmes affirmed at AA+/AA+IS	Affirmed

Source: RAM/ MARC

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