

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries advanced as Fed Chair Powell commented that the Fed is maintaining its plans on dialing back its bond purchases although he stopped short of offering any specific timeline, exercising some caution over the implications and risks from the Delta variant. Although the Fed could begin tapering this year, he reiterated that the Fed is in no hurry to raise rates, suggesting some sort of announcement could be in the pipeline in September/ November, in line with some Fed hawks calling for stimulus unwinding "as soon as possible" but at a gradual pace. Yields fell 2-5bps across the curve, with the 5Y and 10Y moving the most. The benchmark 2Y and 10Y note yields last settled at 0.22% and 1.31%, within recent ranges. The week ahead looks quieter in the absence of any auctions with focus likely on the US nonfarm and other job data.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.22	-3
5-yr UST	0.80	-5
10-yr UST	1.31	-4
30-yr UST	1.93	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.35	-1	2.39	1
5-yr	2.69	-2	2.66	6
7-yr	3.05	-2	3.09	3
10-yr	3.23	-2	3.32	-2
15-yr	3.75	-53	3.89	-1
20-yr	4.05	-4	4.20	-5
30-yr	4.20	-2	4.37	-5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.39	0
5-yr	2.66	-1
7-yr	2.85	-1
10-yr	3.10	0

Source: Bloomberg

##### MGS/GII

- Local govies saw a pick-up in trading momentum and were mostly better-bid last Friday with MGS advancing whilst GII saw some slight pressure in the belly following further normalization in exports for the 3<sup>rd</sup> straight month to 5.0% y/y in July. Overall benchmark yields closed mostly between -5 to +6bps (save for the adjustment in the previous skewed odd-lot trade on the 15Y MGS) amid a more than doubling in secondary market volume to RM4.59b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields edged 2bps lower at 2.69% and 3.23%. Interest was mainly seen in the shorter off-the-run 21-23's, 28's and also 3Y MGS/GII, 15Y MGS. The GII sector again maintained its market share to form 28% of overall trades. We expect some return in interests to the domestic bond space following abating political uncertainties.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw strong activity last Friday with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower, spanning across higher number of names i.e. 38, despite a drop in secondary market volume to RM592m. Govt-guaranteed PRASA 3/34 edged 1bps lower compared to previous-done levels at 3.86% whilst the 8/34 tranche spiked 34bps to 3.90%. AAA-rated BAKUN 26-27's declined 9bps each between 3.07-23% whilst the 8/29 tranche fell 14bps to 3.48%. A slew of PLUS 2033-2037 tranches exchanged hands with total trades amounting to RM120m with yields easing between 2-26bps. Energy-related bonds Southern Power 32-33's ended 9-10bps lower between 4.17-22% whilst EDRA 23, 25 and 27 similarly saw yields decline to 3.08% 3.38% and 3.69% each. The banking/finance sector was relatively quiet.

##### 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	1.760	632	1.748	26/08/2021	1
MGS	11/21	1.711	483	1.728	26/08/2021	-2
MGS	03/22	3.698	230	1.780	26/08/2021	192
MGS	03/23	1.873	272	1.882	26/08/2021	-1
MGS	04/23	1.871	213	1.883	25/08/2021	-1
MGS	06/24	2.345	177	2.356	26/08/2021	-1
MGS	07/24	2.368	2	2.364	26/08/2021	0
MGS	09/24	2.415	2	2.368	26/08/2021	5
MGS	03/25	2.530	21	2.513	24/08/2021	2
MGS	09/25	2.587	34	2.585	26/08/2021	0
MGS	07/26	2.682	5	2.713	25/08/2021	-3
MGS	11/26	2.686	171	2.700	26/08/2021	-1
MGS	03/27	2.907	2	2.891	25/08/2021	2
MGS	05/27	2.925	6	2.959	26/08/2021	-3
MGS	06/28	3.051	417	3.071	26/08/2021	-2
MGS	08/29	3.199	1	3.183	26/08/2021	2
MGS	04/30	3.316	2	3.320	26/08/2021	0
MGS	04/31	3.228	198	3.253	26/08/2021	-2
MGS	06/31	3.367	12	3.356	26/08/2021	1
MGS	04/33	3.718	34	3.750	26/08/2021	-3
MGS	07/34	3.853	41	3.845	26/08/2021	1
MGS	05/35	3.750	244	3.798	25/08/2021	-5
MGS	04/37	3.964	2	3.966	23/08/2021	0
MGS	06/38	4.084	2	4.080	26/08/2021	0
MGS	05/40	4.048	107	4.091	26/08/2021	-4
MGS	06/50	4.197	11	4.221	26/08/2021	-2
GII	03/22	1.741	75	1.770	25/08/2021	-3
GII	04/22	1.775	47	1.775	25/08/2021	0
GII	07/22	1.622	61	1.740	26/08/2021	-12
GII	05/23	1.951	85	1.944	24/08/2021	1
GII	08/24	2.404	140	2.450	26/08/2021	-5
GII	10/24	2.389	220	2.382	26/08/2021	1
GII	03/26	2.660	1	2.603	25/08/2021	6
GII	09/26	2.774	120	2.785	26/08/2021	-1
GII	09/27	3.090	1	3.064	18/08/2021	3
GII	10/28	3.157	110	3.167	26/08/2021	-1
GII	10/30	3.316	93	3.338	26/08/2021	-2
GII	06/33	3.775	30	3.781	26/08/2021	-1
GII	08/33	3.800	6	3.805	26/08/2021	-1
GII	07/36	3.893	165	3.902	26/08/2021	-1
GII	09/39	4.244	4	4.212	24/08/2021	3
GII	09/41	4.202	100	4.249	26/08/2021	-5
GII	05/47	4.473	10	4.450	20/08/2021	2
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
								YTM
Small Medium Enterprise Development Bank Malaysia B	08/22	GG	2.087	20	2.381	23/04/2021	-29	31
Lembaga Pembiayaan Perumahan Sektor Awam	09/22	GG	2.024	40	1.992	25/08/2021	3	25
Danainfra Nasional Berhad	02/25	GG	2.719	30	2.520	16/07/2021	20	37
Jambatan Kedua Sdn Berhad	07/26	GG	2.923	4	2.870	18/08/2021	5	23
Federal Land Development Authority	03/28	GG	3.299	40	-	-	-	24
Danainfra Nasional Berhad	03/32	GG	3.623	20	3.600	22/07/2021	2	40
Prasarana Malaysia Berhad	03/34	GG	3.860	30	3.869	13/08/2021	-1	8
Prasarana Malaysia Berhad	08/34	GG	3.900	30	3.559	22/01/2021	34	12
Malaysia Rail Link Sdn Berhad	07/36	GG	4.099	40	4.039	05/08/2021	6	32
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.067	10	2.059	23/08/2021	1	29
MUFG Bank (Malaysia) Berhad (fka Bank of Tokyo-Mits)	03/23	AAA	2.526	10	2.869	29/03/2021	-34	58
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.577	5	2.576	17/08/2021	0	63
Bakun Hydro Power Generation Sdn Berhad (fka Saraw	08/26	AAA	3.070	10	3.158	12/05/2021	-9	38
Bakun Hydro Power Generation Sdn Berhad (fka Saraw	08/27	AAA	3.227	10	3.321	16/06/2021	-9	30
Bakun Hydro Power Generation Sdn Berhad (fka Saraw	08/29	AAA	3.483	60	3.627	09/06/2021	-14	32
Pengurusan Air SPV Berhad	10/29	AAA	3.699	5	3.679	08/06/2021	2	54
Bakun Hydro Power Generation Sdn Berhad (fka Saraw	08/30	AAA	3.601	10	3.600	25/08/2021	0	38
Petroleum Sarawak Exploration & Production Sdn Berha	03/31	AAA	3.901	10	3.938	12/08/2021	-4	68
Projek Lebuhraya Usahasama Berhad	01/33	AAA	3.865	10	3.888	12/08/2021	-2	64
Projek Lebuhraya Usahasama Berhad	01/34	AAA	3.989	10	4.079	26/07/2021	-9	76
Projek Lebuhraya Usahasama Berhad	01/35	AAA	4.110	10	4.199	26/07/2021	-9	33
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.218	60	4.399	21/06/2021	-18	44
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.317	30	4.580	18/03/2021	-26	54
Sabah Development Bank Berhad	07/24	AA1	3.686	1	3.689	25/08/2021	0	134
Fortune Premiere Sdn Berhad	03/23	AA	2.927	3	2.957	04/08/2021	-3	98
SP Setia Berhad	06/26	AA	3.651	10	3.641	16/08/2021	1	96
Edra Energy Sdn Berhad	07/23	AA3	3.075	10	3.324	03/06/2021	-25	113
Edra Energy Sdn Berhad	07/25	AA3	3.375	10	3.617	11/06/2021	-24	82
Edra Energy Sdn Berhad	07/27	AA3	3.686	10	3.716	28/07/2021	-3	76
Penang Port Sdn Berhad	12/31	AA-	4.018	10	4.069	17/08/2021	-5	79
Southern Power Generation Sdn Berhad	10/32	AA-	4.169	10	4.264	23/06/2021	-10	94
Southern Power Generation Sdn Berhad	04/33	AA-	4.218	10	4.311	28/06/2021	-9	99
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/34	AA-	5.084	10	4.687	08/09/2020	40	130
Tropicana Corporation Berhad	06/23	A+	5.217	1	4.745	26/08/2021	47	327
Tropicana Corporation Berhad	06/25	A+	5.408	1	5.359	25/08/2021	5	285
Tropicana Corporation Berhad	04/26	A+	4.939	1	5.448	24/08/2021	-51	225
Tropicana Corporation Berhad	09/19	-	6.071	1	6.072	26/08/2021	0	200
Tropicana Corporation Berhad	10/25	A+	5.456	1	5.456	26/08/2021	0	290
				592				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Malaysia Marine and Heavy Engineering Holdings Berhad	RM1.0 billion Sukuk Murabahah Programme	AA-IS (Stable)	Affirmed
Serba Dinamik Holdings Berhad	RM1.5 billion Islamic Medium-Term Notes (IMTN) Programme and RM500.0 million multi-currency Islamic Commercial Papers (ICP) Programme	MARCWatch Negative	Negative Outlook extended
SAJ Capital Sdn Bhd	Sukuk Murabahah of up to RM650.0 million	AA-IS (Stable)	Affirmed

Source: RAM/ MARC

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