

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.18	0
5-yr UST	0.45	0
10-yr UST	0.96	0
30-yr UST	1.74	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.81	0	1.92	-2
5-yr	2.14	6	2.26	3
7-yr	2.42	3	2.36	0
10-yr	2.67	1	2.61	0
15-yr	3.06	11	3.14	1
20-yr	3.40	0	3.51	5
30-yr	3.87	8	4.06	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.89	4
3-yr	1.97	3
5-yr	2.17	4
7-yr	2.33	3
10-yr	2.55	2

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM3.0b + Private Placement of RM500m of 30Y MGS 6/50 on Thursday, 12th Nov 2020

Fixed Income Daily Market Snapshot

US Treasuries

- US financial markets were closed on Wednesday to celebrate Veterans' Day. With the impact of the US elections fading gently with Democrat President-elect Biden at the helm, volatility in the rates asset class may be expected to eventually ease. Nevertheless, the recent upbeat news of Pfizer Inc's COVID-19 vaccine is expected to stir some movements. Meanwhile traders are still in two minds as to whether long-term yields are expected to rise on expectations for real growth and inflation as the Fed pins down front-end rates near zero. Expect attention to shift to the release of inflation data for October along with tonight's \$27b 30Y exercise; which may weigh on the curve.

MGS/GII

- Local govies witnessed another round of profit-taking cum weakness on Wednesday in anticipation of whether the just released National Budget 2021 will get the full support of being passed in parliament. Secondary market volume fell sharply to RM1.73b as overall benchmark yields climbed between 0-11bps across the curve save for the short-end GII. The 5Y MGS 9/25 yields spiked 6bps at 2.14% whilst the 10Y MGS 4/31 edged 1bps up instead 2.67% each. Interest was seen in off-the-run 21-22's and also 5Y GII. GII bond trades rose to form 29% of overall trades. Separately, oil markets may be pricing in a return to normalcy eventually on the back of favorable vaccine discovery soon. Meanwhile, attention is expected shift to tomorrow's release of the 3Q2020 GDP data.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk saw a further improvement in interest amid secondary market volume of RM691m with interest seen across the AAA to the single-A part of the curve. Overall yields closed mostly mixed-to-lower in about 22 various bonds. The sole govt-guaranteed bond trade involved LPPSA 11/25 which fell 138bps sharply compared to previous-done levels at 2.35%. AAA-rated PUTRAJAYA 10/22 and 5/26 similarly saw yields fall sharply at 2.30% and 2.68% respectively whilst TNB Northern 5/33 spiked 24bps instead at 3.29%. AA-rated MMC 27-28's also saw a spike in yields; closing between 3.86-92% levels. Meanwhile, the banking space saw Bank ISLAM 30NC25 bonds notch RM40m in nominal amounts; spiking to 3.50%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.601	143	1.519	10/11/2020	8
MGS	09/21	1.501	73	1.551	10/11/2020	-5
MGS	11/21	1.549	103	1.550	10/11/2020	0
MGS	03/22	1.693	126	1.698	10/11/2020	0
MGS	09/22	1.688	80	1.746	10/11/2020	-6
MGS	03/23	1.802	70	1.809	10/11/2020	-1
MGS	04/23	1.837	45	1.849	10/11/2020	-1
MGS	06/24	2.005	1	2.011	10/11/2020	-1
MGS	07/24	1.995	93	1.996	10/11/2020	0
MGS	09/24	2.006	51	2.013	10/11/2020	-1
MGS	09/25	2.139	156	2.079	10/11/2020	6
MGS	07/26	2.335	26	2.272	10/11/2020	6
MGS	11/26	2.299	2	2.281	10/11/2020	2
MGS	03/27	2.390	6	2.338	10/11/2020	5
MGS	05/27	2.422	88	2.392	10/11/2020	3
MGS	11/27	2.444	8	2.449	10/11/2020	0
MGS	06/28	2.545	9	2.497	10/11/2020	5
MGS	08/29	2.686	22	2.674	10/11/2020	1
MGS	04/31	2.667	53	2.655	10/11/2020	1
MGS	07/34	3.061	68	2.950	10/11/2020	11
MGS	04/37	3.409	3	3.343	10/11/2020	7
MGS	06/38	3.511	2	3.477	10/11/2020	3
MGS	05/40	3.401	4	3.404	10/11/2020	0
MGS	03/46	3.900	3	3.811	10/11/2020	9
MGS	07/48	3.933	1	3.859	10/11/2020	7
MGS	06/50	3.865	1	3.783	10/11/2020	8
GII	08/21	1.596	55	1.720	04/11/2020	-12
GII	07/22	1.718	60	1.726	09/11/2020	-1
GII	05/23	1.923	10	1.940	10/11/2020	-2
GII	10/24	2.041	80	2.120	06/11/2020	-8
GII	03/26	2.257	218	2.229	10/11/2020	3
GII	10/28	2.662	1	2.633	10/11/2020	3
GII	07/29	2.705	37	2.697	10/11/2020	1
GII	11/34	3.144	8	3.131	10/11/2020	1
GII	10/35	3.349	6	3.438	02/11/2020	-9
GII	09/39	3.510	20	3.470	09/11/2020	4
			<u>1731</u>			

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*
Lembaga Pembiayaan Perumahan Sektor Awam	11/25	GG	2.348	5	3.729	10/11/2020	-138	25
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.389	20	2.789	10/11/2020	-40	76
Putrajaya Holdings Sdn Berhad	10/22	AAA	2.296	60	2.603	26/08/2020	-31	58
Bank Pembangunan Malaysia Berhad	10/25	AAA	2.789	10	2.930	10/11/2020	-14	69
Pengurusan Air SPV Berhad	02/26	AAA	2.660	50	2.709	12/10/2020	-5	57
Putrajaya Holdings Sdn Berhad	05/26	AAA	2.679	20	3.619	24/06/2020	-94	41
Pengurusan Air SPV Berhad	06/26	AAA	2.689	45	2.728	26/10/2020	-4	42
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/26	AAA	2.810	30	3.463	30/10/2020	-65	55
Pengurusan Air SPV Berhad	10/26	AAA	2.769	10	3.583	07/10/2020	-81	50
TNB Northern Energy Berhad	05/33	AAA	3.289	15	3.048	28/09/2020	24	24
Encorp Systembilt Sdn Berhad	05/28	AA1	3.007	10	5.249	06/11/2013	-224	51
Celcom Networks Sdn Berhad	08/22	AA+	2.481	5	4.488	09/11/2020	-201	77
CIMB Group Holdings Berhad	11/30	AA	3.150	220	2.791	20/05/2020	36	49
UEM Sunrise Berhad	05/23	AA-	3.854	10	3.437	14/05/2020	42	203
Edra Energy Sdn Berhad	07/25	AA3	4.487	1	0.000	00/01/1900	449	239
UEM Sunrise Berhad	12/24	AA-	3.973	10	3.369	07/04/2020	60	198
MMC Corporation Berhad	11/27	AA-	3.858	10	2.658	11/08/2020	120	147
MMC Corporation Berhad	03/28	AA-	3.918	10	3.839	10/09/2020	8	153
Penang Port Sdn Berhad	12/31	AA-	3.499	20	2.707	18/09/2020	79	84
Jati Cakerawala Sdn Berhad	01/22	A1	4.100	10	4.135	23/09/2020	-4	247
Affin Islamic Bank Berhad	10/28	A1	3.700	80	3.407	13/08/2020	29	120
Bank Islam Malaysia Berhad	03/30	A1	3.498	40	2.389	10/11/2020	111	89
				<u>691</u>				

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

Market/Corporate News: What's Brewing

Top Glove Corp Bhd today bought back another 8.91 million shares in the company, representing a 0.83% stake, for RM69.9 million. This is the second day running that the glove maker repurchased its own shares, spending close to RM140 million in the buyback exercise over the two days. The 8.91 million shares today were bought at between RM7.71 and RM7.90 per share, according to the group's filing with Bursa Malaysia. The buyback yesterday involved 8.94 million shares or 0.72% stake bought at a total cost of RM69.9 million. It took place amid a significant drop in Top Glove's share price, following Pfizer Inc's announcement of a viable Covid-19 vaccine candidate. Top Glove's net outstanding treasury shares total 67.71 million units, following the recent buybacks. In September alone, the group had spent about RM355 million to buy back its shares in six transactions. Meanwhile, the Employees Provident Fund purchased 614,700 shares in Top Glove on Nov 6, raising its interest in the glove company to 6.045% or 491.37 million shares. (Source: *The EdgeMarkets*)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Sabah Development Bank Berhad	RM1.5 bil Commercial Papers (CP) Programme (2014/2021)/ Medium-Term Notes (MTN) Programme of up to RM1.5 bil in nominal value (2013/2033)	AAA/Stable and P1	Affirmed
	RM1.0 bil MTN Programme (2012/2032)	AA1/Stable/P1	Reaffirmed
	RM3.0 bil MTN Programme (2011/2036)	AA1/Stable	Reaffirmed
	RM1.0 bil MTN Programme (2008/2028)	AA1/Stable	Reaffirmed
Trinity Asia Ventures Berhad	RM52 million Tranche 1 IMTN under Trinity Asia Ventures Berhad's (the Issuer) RM1.5 billion Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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