

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs saw the front-ends weaken considerably on Tuesday, from surprisingly hawkish comments made by Fed Chair Powell with regards to faster asset-tapering and suggestions to retire "transitory" in inflation. The curve flattened sharply as the 5s30s spread was seen narrowest (at 62bps) since March 2020, with overall benchmark yields closing mixed between -8 to +6bps. **The UST 2Y yield spiked 6bps to 0.55% whilst the much-watched 10Y declined 4bps to 1.46%**. Powell's focus on the accelerated tapering timeline hinged on high inflation which put the "Omicron factor" on the back-burner for now. Elsewhere, demand for the Fed's overnight reverse repo facility jumped to ~\$1.52 trillion; off the highest @ \$1.6trillion seen in September, due to the combination of month-end effects and concerns over a CBO report warning that the Treasury "could run out of cash before end-December". Expect attention to shift to reports on both Markit and ISM manufacturing data for November and private payroll processor ADP's employment numbers as well tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.55	6
5-yr UST	1.17	2
10-yr UST	1.46	-4
30-yr UST	1.80	-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.67	-2	2.76	
5-yr	3.12	0	3.10	
7-yr	3.40	-2	3.38	
10-yr	3.51	-1	3.56	
15-yr	3.86	-3	3.99	
20-yr	4.10	-5	4.18	
30-yr	4.20	-4	4.49	

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.07	-2
3-yr	2.62	-4
5-yr	2.88	-5
7-yr	3.12	-2
10-yr	3.31	-1

Source: Bloomberg

##### MGS/GIII

- Local govies were well bid and rallied across the curve on Tuesday, despite easing uncertainties surrounding the new COVID variant with the MYR posting gains against the greenback, boosted by improved global risk sentiment. Overall benchmark yields closed between 0-5bps lower as secondary market volume jumped 46% to RM3.15b. **The 5Y benchmark MGS 11/26 yield settled within 1bps higher at 3.12% whilst the 10Y benchmark MGS 4/31 edged 1bps down again from prior day's close at 3.51%**. Interest was mainly seen in the off-the-run 22's and also the 7Y, 15Y MGS and also 20Y MGS/GII. GII transactions formed rose to form 46% of overall trades. Expect intermittent profit-taking to emerge over the next few days.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investors tread slightly cautious compared to govies on Tuesday amid a decline of secondary market volume to RM223m. Interest was mainly confined within the AAA-AA part of the curve as overall yields closed mixed, spanning across only 15 names. The sole gov-guaranteed trade consisted of DANA 2/29 which moved 4bps higher compared to previous-done levels at 3.70%. AAA-rated DANGA 27 jumped 15bps up to 3.65% whilst the 2028 tranche edged 1bps down at 3.79%. IN the AA-space, UEM Sunrise 23's closed mixed on yields between 3.57-72% area whereas the 2026 tranche closed 3bps lower at 4.60%. Meanwhile the banking/finance space saw Hong Leong Financial Group 29NC24 and CIMB Thai 31NC26 jump 13-43 bps at 3.32% and 4.28% respectively.

#### Upcoming Government Bond Tender

Nil

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
MGS 03/22	1.740	227	1.740	29/11/2021	0
MGS 08/22	1.736	30	1.719	29/11/2021	2
MGS 09/22	1.726	12	1.700	26/11/2021	3
MGS 03/23	2.262	95	2.273	29/11/2021	-1
MGS 04/23	2.272	23	2.283	26/11/2021	-1
MGS 08/23	2.355	1	2.342	29/11/2021	1
MGS 06/24	2.669	122	2.684	29/11/2021	-2
MGS 09/24	2.835	6	2.694	25/11/2021	14
MGS 03/25	2.793	15	2.808	29/11/2021	-1
MGS 09/25	2.879	52	2.871	29/11/2021	1
MGS 04/26	3.032	13	3.050	29/11/2021	-2
MGS 07/26	3.086	27	3.080	29/11/2021	1
MGS 11/26	3.119	157	3.117	29/11/2021	0
MGS 03/27	3.206	3	3.248	29/11/2021	-4
MGS 05/27	3.232	34	3.262	29/11/2021	-3
MGS 11/27	3.298	29	3.272	29/11/2021	3
MGS 06/28	3.398	151	3.415	29/11/2021	-2
MGS 08/29	3.514	36	3.504	29/11/2021	1
MGS 04/31	3.509	90	3.522	29/11/2021	-1
MGS 06/31	3.635	14	3.614	29/11/2021	2
MGS 04/33	3.811	2	3.800	26/11/2021	1
MGS 11/33	3.872	6	3.890	29/11/2021	-2
MGS 07/34	3.919	19	3.940	29/11/2021	-2
MGS 05/35	3.861	210	3.892	29/11/2021	-3
MGS 04/37	4.073	6	4.175	29/11/2021	-10
MGS 06/38	4.188	6	4.232	29/11/2021	-4
MGS 05/40	4.099	191	4.150	29/11/2021	-5
MGS 03/46	4.350	7	4.360	29/11/2021	-1
MGS 06/50	4.201	108	4.241	29/11/2021	-4
GII 03/22	1.779	21	1.743	23/11/2021	4
GII 07/22	1.747	240	1.759	29/11/2021	-1
GII 11/22	1.659	1	1.830	29/11/2021	-17
GII 05/23	2.250	44	2.273	29/11/2021	-2
GII 07/23	2.293	3	2.409	25/11/2021	-12
GII 11/23	2.415	11	2.384	19/11/2021	3
GII 05/24	2.718	45	2.741	24/11/2021	-2
GII 10/24	2.756	185	2.786	29/11/2021	-3
GII 08/25	3.035	100	3.007	29/11/2021	3
GII 10/25	3.080	25	3.073	29/11/2021	1
GII 03/26	3.103	22	3.116	29/11/2021	-1
GII 09/26	3.213	5	3.159	29/11/2021	5
GII 07/27	3.433	11	3.415	25/11/2021	2
GII 09/27	3.378	51	3.390	26/11/2021	-1
GII 08/28	3.559	100	3.566	23/11/2021	-1
GII 10/28	3.482	44	3.491	29/11/2021	-1
GII 09/30	3.624	27	3.643	29/11/2021	-2
GII 10/30	3.564	114	3.584	29/11/2021	-2
GII 06/33	3.874	84	3.900	29/11/2021	-3
GII 11/34	4.034	78	4.049	29/11/2021	-2
GII 07/36	3.988	1	3.995	29/11/2021	-1
GII 09/39	4.217	33	4.225	26/11/2021	-1
GII 09/41	4.178	206	4.218	24/11/2021	-4
		<u>3145</u>			

## 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	02/29	GG	3.699	10	3.659	01/10/2021	4	29
Danga Capital Berhad	09/27	AAA	3.650	5	3.499	30/09/2021	15	34
Danga Capital Berhad	01/28	AAA	3.789	40	3.798	25/11/2021	-1	48
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	4.010	15	3.776	06/08/2021	23	49
Tenaga Nasional Berhad	08/32	AAA	4.089	20	3.950	31/05/2021	14	57
GENM Capital Berhad	07/28	AA1	4.677	2	4.678	26/11/2021	0	127
UMW Holdings Berhad	09/23	AA+	2.864	10	2.951	17/06/2021	-9	52
Hong Leong Financial Group Berhad	06/29	AA2	3.316	10	3.184	04/10/2021	13	-16
CIMB Thai Bank Public Company Limited	07/31	AA3	4.278	30	3.847	17/08/2021	43	75
Malayan Banking Berhad	02/17	AA3	3.462	1	3.526	15/11/2021	-6	-67
UEM Sunrise Berhad	09/23	AA-	3.718	20	3.727	10/11/2021	-1	137
Malakoff Power Berhad	12/23	AA-	2.997	30	2.647	09/02/2021	35	65
UEM Sunrise Berhad	05/26	AA-	4.597	10	4.627	11/11/2021	-3	167
UMW Holdings Berhad	04/18	AA-	4.315	1	4.449	29/11/2021	-13	18
UEM Sunrise Berhad	06/23	AA-	3.570	20	3.517	24/11/2021	5	122
				<u>223</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Lebuhraya Kajang-Seremban Sdn Bhd (LEKAS)	Proposed ASEAN Green Sustainable and Responsible Investment (SRI) Sukuk Murabahah of up to RM220.0 million	AA-IS/Stable	Affirmed
Trusmi Capital Sdn Bhd	RM235 million Class A, RM40 million Class B, and RM25 million Class C Medium-Term Notes (MTN)	AAA, AA and A/Stable	Assigned
Sarawak Power Generation Sdn Bhd (SPG)	RM215 mil Serial Sukuk Musharakah (2006/2021)	AA1(s)/Stable	Reaffirmed
Mukah Power Generation Sdn Bhd	RM665 mil Senior Sukuk Mudharabah Programme (2006/2021)	AA1(s)/Stable	Reaffirmed

Source: RAM, MARC

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