

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.50	0
5-yr UST	1.18	-1
10-yr UST	1.56	0
30-yr UST	1.96	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.74	6	2.77	1
5-yr	3.29	10	3.22	3
7-yr	3.54	6	3.50	9
10-yr	3.64	6	3.73	1
15-yr	4.12	9	4.19	0
20-yr	4.21	2	4.34	0
30-yr	4.37	1	4.49	1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.19	1
3-yr	2.85	2
5-yr	3.07	1
7-yr	3.34	3
10-yr	3.54	4

Source: Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries traded on a mixed note as investors parsed the slower but still robust manufacturing expansion as reflected in both the ISM and Markit PMIs, while anticipating a tapering announcement by the Federal Reserve this week as well as October's official job report. Yields were seen mixed between -1bps (5Y) to +3bps (30Y) across the curve. The yield on the 2Y and 10Y UST were however little changed at 0.50% and 1.56% respectively. Focus will be on FOMC meeting on Thursday where expectations are rife for a tapering announcement. There will also be a series of first tier economic releases including the ISM services, durable goods orders, and the ADP employment report hours prior to the FOMC meeting.

MGS/GIII

- Local govvnies remained under pressure as markets remained fixated on concerns over government financing in lieu of the elevated fiscal shortfall of RM97.5bn or 6.0% of GDP for 2022, and numerous taxes such as prosperity tax and tax on foreign sourced income as unveiled by the Ministry of Finance last Friday. Anxieties ahead of the upcoming FOMC and BNM MPC meetings are also keeping investors on their toes. Overall yields jumped as much as 10bps across the curve, amid lower secondary market volume of RM3.66bn on Monday (prior: RM4.89bn). Interests were seen primarily on the off benches 21-22 and 5Y MGS/GII. The benchmark 5Y MGS yields jumped the most by 10bps to 3.29% while the 10s rose 6bps to 3.64%. Yields at the longer end of the curve however saw more muted moves. All eyes will be on Wednesday's BNM MPC statement for likelihood of a shift in the policy tone given the improvement in the macro picture and continued expansionary fiscal policy.

Corp Bonds/Sukuk

- Tracking the weaker momentum in the local govvnies space and overall weak market sentiments, secondary market trading volume in corporate bonds/sukuk tapered off to a mere RM106m on Monday (prior: RM540m). Overall yields ended largely lower across trades mainly in the AAA to AA-rated segments. Breaking away from the norms, there were no GG and banking names dealt on Monday. AA-rated WCT '22 attracted the most interests with RM20m changed hands at 3.69% (+1bp), followed by Trinity Asia '22 (RM16m) which was last dealt 7bps inner at 3.83%. Tracking the recent upward move, IRS levels were seen nudging up further between 1-4bps, led by the 10Y.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 11/21	1.791	521	1.608	29/10/2021	18
MGS 03/22	1.801	636	1.780	29/10/2021	2
MGS 08/22	1.850	6	1.812	29/10/2021	4
MGS 09/22	1.831	61	1.804	29/10/2021	3
MGS 03/23	2.333	26	2.210	29/10/2021	12
MGS 04/23	2.356	3	2.255	29/10/2021	10
MGS 08/23	2.420	4	2.421	29/10/2021	0
MGS 06/24	2.739	48	2.678	29/10/2021	6
MGS 07/24	2.750	31	2.767	29/10/2021	-2
MGS 09/24	2.714	27	2.726	29/10/2021	-1
MGS 03/25	2.942	4	2.929	29/10/2021	1
MGS 09/25	3.096	332	3.016	29/10/2021	8
MGS 04/26	3.119	13	3.127	29/10/2021	-1
MGS 07/26	3.215	37	3.208	29/10/2021	1
MGS 11/26	3.285	361	3.189	29/10/2021	10
MGS 03/27	3.313	1	3.231	15/10/2021	8
MGS 05/27	3.388	110	3.328	29/10/2021	6
MGS 11/27	3.418	39	3.382	29/10/2021	4
MGS 06/28	3.538	141	3.480	29/10/2021	6
MGS 08/29	3.632	73	3.602	29/10/2021	3
MGS 04/30	3.691	0	3.706	29/10/2021	-2
MGS 04/31	3.640	59	3.581	29/10/2021	6
MGS 06/31	3.742	0	3.802	29/10/2021	-6
MGS 04/33	4.011	0	4.001	29/10/2021	1
MGS 11/33	4.030	6	4.008	29/10/2021	2
MGS 07/34	4.157	6	4.139	29/10/2021	2
MGS 05/35	4.118	85	4.032	29/10/2021	9
MGS 04/37	4.209	3	4.228	29/10/2021	-2
MGS 06/38	4.288	0	4.282	29/10/2021	1
MGS 05/40	4.211	92	4.187	29/10/2021	2
MGS 09/43	4.361	7	4.402	29/10/2021	-4
MGS 03/46	4.443	0	4.425	29/10/2021	2
MGS 07/48	4.470	4	4.473	29/10/2021	0
MGS 06/50	4.373	84	4.360	29/10/2021	1
GII 03/22	1.805	275	1.801	29/10/2021	0
GII 04/22	1.681	102	1.799	29/10/2021	-12
GII 05/23	2.448	41	2.383	29/10/2021	6
GII 11/23	2.500	9	2.429	29/10/2021	7
GII 10/24	2.766	18	2.752	29/10/2021	1
GII 08/25	3.064	142	3.045	29/10/2021	2
GII 03/26	3.222	165	3.192	29/10/2021	3
GII 09/27	3.497	9	3.403	29/10/2021	9
GII 10/28	3.550	8	3.540	29/10/2021	1
GII 10/30	3.734	41	3.723	29/10/2021	1
GII 09/41	4.341	13	4.345	29/10/2021	0
GII 11/49	4.49	13	4.48	29/10/2021	1
		<u>3658</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*
Zamarad Assets Berhad	03/22	AAA	2.50	5	3.87	14/10/2019	-136	31
Zamarad Assets Berhad	07/22	AAA	3.04	5	3.06	09/08/2021	-2	85
Toyota Capital Malaysia Sdn Berhad	01/23	AAA	2.73	10	2.85	06/10/2021	-12	53
Pengurusan Air SPV Berhad	04/28	AAA	3.88	10	3.93	11/10/2021	-5	69
GENM Capital Berhad	07/28	AA1	4.77	1	5.16	29/10/2021	-39	149
SP Setia Berhad	06/28	AA	4.28	10	4.35	07/10/2021	-7	100
Tanjung Bin Power Sdn Berhad	08/22	AA2	2.50	10	2.52	15/09/2021	-2	31
WCT Holdings Berhad	05/22	AA-	3.69	20	3.68	29/10/2021	1	150
TG Excellence Berhad	02/20	AA-	3.95	1	3.95	29/10/2021	0	-27
Tadau Energy Sdn Berhad	07/22	AA3	3.06	5	3.06	09/08/2021	0	87
Trinity Asia Ventures Berhad	09/22	AA3	3.83	16	3.90	05/07/2021	-7	164
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.39	0	4.39	27/10/2021	0	111
Edra Energy Sdn Berhad	01/30	AA3	4.36	10	4.42	29/10/2021	-6	98
Tropicana Corporation Berhad	10/23	A+	4.06	0	4.96	29/10/2021	-90	144
Mah Sing Group Berhad	04/17	A+	5.00	0	4.51	12/10/2021	48	77
Dialog Group Berhad	11/20	A1	4.15	1	4.45	28/10/2021	-30	-7
Tropicana Corporation Berhad	09/19	A	5.85	1	4.94	29/10/2021	91	163
Eco World Capital Assets Berhad	08/24	-	4.62	0	4.62	29/10/2021	0	175
YNH Property Berhad	08/19	-	5.96	1	5.95	29/10/2021	0	174
YNH Property Berhad	08/19	-	6.15	0	6.61	26/10/2021	-46	193
				106				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.