

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs ended stronger in a Wednesday session which offered little reaction to economic data release on Markit/ISM manufacturing data and ADP employment change. The first detection of Omicron variant in the US by CDC saw demand for safe-haven assets, with the 30Y sovereign bond yield falling to its lowest level in almost eleven (11) months. The curve flattened further with overall benchmark yields closing lower between 1-5bps. **The UST 2Y yield edged 1bps lower at 0.55% whilst the much-watched 10Y declined another 4bps to 1.41%.** Financial markets have been on a roller-coaster ride with the likelihood of faster asset-tapering in contrast with demand for safe-haven assets due to implications of the Omicron variant. Elsewhere, the funding position for the year-end is expecting to be volatile due to lack of clarity over issues ranging from the speed of the Fed's tapering to Congressional debates on the budget and debt ceiling. Expect attention tonight to shift to data on initial jobless claims as at 27th November tonight, followed by the November jobs report tomorrow.

MGS/GIII

- Local govies reversed prior day's positive performance and ended mostly weaker on Wednesday, on easing uncertainties surrounding the new COVID variant as tighter border controls were imposed by the government. Overall benchmark yields closed between 0-5bps higher save for the 15Y and 30Y GII as secondary market volume jumped a further 37% to RM4.33b. **The 5Y benchmark MGS 11/26 yield edged 2bps higher at 3.14% whilst the 10Y benchmark MGS 4/31 settled 1bps up from prior day's close at 3.52%.** Interest was mainly seen in the off-the-run 22's, 28's, 34's and also the 3Y GII and 5Y MGS. GII transactions eased to form 38% of overall trades. Expect a quieter session heading into the long weekend.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investors continue to tread slightly cautious compared to govies on Wednesday amid a sustained secondary market volume of RM251m. Interest was mainly seen across the GG-AA part of the curve as overall yields closed mixed, spanning across only 15 names. Govt-guaranteed PRASA 2/26 and DANA 10/28 spiked 34-53bps compared to previous-done levels to 3.32% and 3.70% respectively. AAA-rated INFRACAP 3-36's settled between -5 to +2bps between 4.20-65% levels. In the AA-space, logistic operators SAMALAJU 12/26 which last traded about a month ago, rose 10bps to 3.74% whilst PTP 6/30 jumped 46bps to 4.42%. Meanwhile the banking/finance space saw RHB Islamic 29NC24 move 3bps higher at 3.41%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.55	-1
5-yr UST	1.14	-2
10-yr UST	1.41	-4
30-yr UST	1.74	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.68	1	2.80	4
5-yr	3.14	2	3.12	1
7-yr	3.42	2	3.39	1
10-yr	3.52	1	3.59	2
15-yr	3.88	2	3.97	-2
20-yr	4.14	4	4.18	0
30-yr	4.20	0	4.43	-7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.08	1
3-yr	2.66	4
5-yr	2.89	1
7-yr	3.16	3
10-yr	3.35	4

Source: Bloomberg

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	03/22	1.789	715	1.740	30/11/2021	5
MGS	08/22	1.729	31	1.736	30/11/2021	-1
MGS	09/22	1.717	30	1.726	30/11/2021	-1
MGS	03/23	2.265	65	2.262	30/11/2021	0
MGS	04/23	2.231	4	2.272	30/11/2021	-4
MGS	08/23	2.415	120	2.355	30/11/2021	6
MGS	06/24	2.673	59	2.669	30/11/2021	0
MGS	07/24	2.694	7	2.696	29/11/2021	0
MGS	09/24	2.747	13	2.835	30/11/2021	-9
MGS	03/25	2.787	3	2.793	30/11/2021	-1
MGS	09/25	2.900	37	2.879	30/11/2021	2
MGS	04/26	3.072	83	3.032	30/11/2021	4
MGS	07/26	3.115	86	3.086	30/11/2021	3
MGS	11/26	3.136	298	3.119	30/11/2021	2
MGS	03/27	3.217	33	3.206	30/11/2021	1
MGS	05/27	3.245	131	3.232	30/11/2021	1
MGS	11/27	3.279	58	3.298	30/11/2021	-2
MGS	06/28	3.419	49	3.398	30/11/2021	2
MGS	09/28	3.407	1	3.511	30/11/2021	-10
MGS	08/29	3.503	72	3.514	30/11/2021	-1
MGS	04/30	3.590	9	3.591	30/11/2021	0
MGS	04/31	3.522	81	3.509	30/11/2021	1
MGS	06/31	3.635	20	3.635	30/11/2021	0
MGS	04/33	3.831	21	3.811	30/11/2021	2
MGS	11/33	3.850	116	3.872	30/11/2021	-2
MGS	07/34	3.892	225	3.919	30/11/2021	-3
MGS	05/35	3.880	149	3.861	30/11/2021	2
MGS	04/37	4.073	37	4.073	30/11/2021	0
MGS	06/38	4.209	1	4.188	30/11/2021	2
MGS	03/46	4.318	1	4.350	30/11/2021	-3
MGS	07/48	4.385	1	4.400	25/11/2021	-2
MGS	06/50	4.201	75	4.201	30/11/2021	0
MGS	05/40	4.135	70	4.099	30/11/2021	4
GII	03/22	1.760	42	1.779	30/11/2021	-2
GII	04/22	1.760	12	1.789	26/11/2021	-3
GII	07/22	1.801	100	1.747	30/11/2021	5
GII	10/24	2.795	237	2.756	30/11/2021	4
GII	08/25	3.028	100	3.035	30/11/2021	-1
GII	10/25	3.037	25	3.080	30/11/2021	-4
GII	03/26	3.114	18	3.103	30/11/2021	1
GII	07/27	3.437	21	3.433	30/11/2021	0
GII	09/27	3.393	62	3.378	30/11/2021	1
GII	08/28	3.565	200	3.559	30/11/2021	1
GII	10/28	3.506	141	3.482	30/11/2021	2
GII	07/29	3.562	31	3.569	24/11/2021	-1
GII	10/30	3.587	119	3.564	30/11/2021	2
GII	06/33	3.874	132	3.874	30/11/2021	0
GII	11/34	4.012	30	4.034	30/11/2021	-2
GII	10/35	4.047	2	4.111	29/11/2021	-6
GII	07/36	3.969	199	3.988	30/11/2021	-2
GII	09/39	4.201	13	4.217	30/11/2021	-2
GII	09/41	4.182	13	4.178	30/11/2021	0
GII	05/47	4.481	70	4.427	25/11/2021	5
GII	11/49	4.428	59	4.493	29/11/2021	-7
			<u>4327</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	07/22	GG	1.966	20	2.020	29/10/2021	-5	12
Prasarana Malaysia Berhad	02/26	GG	3.317	10	2.789	15/07/2021	53	40
DanaInfra Nasional Berhad	10/28	GG	3.700	10	3.358	08/09/2021	34	29
Manjung Island Energy Berhad	11/22	AAA	2.142	25	2.320	10/09/2021	-18	30
Manjung Island Energy Berhad	11/25	AAA	3.271	5	3.251	05/10/2021	2	35
Pengurusan Air Selangor Sdn Berhad	12/27	AAA	3.919	10	3.319	06/08/2021	60	62
Infracap Resources Sdn Berhad	04/31	AAA	4.199	20	4.249	18/11/2021	-5	69
Infracap Resources Sdn Berhad	04/33	AAA	4.319	20	4.299	19/04/2021	2	80
Infracap Resources Sdn Berhad	04/36	AAA	4.649	10	4.669	17/11/2021	-2	77
Samalaju Industrial Port Sdn Berhad	12/26	AA1	3.739	20	3.636	05/10/2021	10	62
Genting RMTN Berhad	11/34	AA1	5.439	1	5.463	17/11/2021	-2	156
UMW Holdings Berhad	11/25	AA+	3.608	20	3.299	26/07/2021	31	69
Fortune Premiere Sdn Berhad	12/22	AA	2.806	10	2.814	23/11/2021	-1	96
RHB Islamic Bank Berhad	05/29	AA3	3.408	20	3.374	23/11/2021	3	0
Southern Power Generation Sdn Berhad	10/29	AA-	4.276	10	3.838	28/07/2021	44	80
Pelabuhan Tanjung Pelepas Sdn Berhad	06/30	AA-	4.419	10	3.957	18/08/2021	46	91
Genting Capital Berhad	06/22	AA1	3.594	30	3.786	08/11/2021	-19	175
				<u>251</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sparks Energy 1 Sdn Bhd	Proposed ASEAN Green Sustainable and Responsible Investment (SRI) Sukuk Murabahah of up to RM220.0 million.	AA-IS/Stable	Affirmed

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.