

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.45	-5
5-yr UST	1.15	-3
10-yr UST	1.55	-1
30-yr UST	1.96	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.78	4	2.80	4
5-yr	3.26	-2	3.20	-2
7-yr	3.51	-3	3.43	-6
10-yr	3.64	0	3.75	2
15-yr	4.12	0	4.19	0
20-yr	4.25	4	4.33	-1
30-yr	4.37	0	4.52	3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.16	-4
3-yr	2.83	-2
5-yr	3.03	-4
7-yr	3.30	-4
10-yr	3.50	-4

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- US treasuries regained some grounds, pushing yields down by as much as 5bps, led by the front end of the curve as RBA's dovish comments earlier in Asian trading dampened rate hike expectations although it decided to end the yield curve control as expected. This has led to an overall decline in the short to medium term bond yields globally. The yield on 2Y UST fell 5bps to 0.45% whilst the 10s shed 1bp to 1.55%. Markets is seen bracing itself for the upcoming tapering announcement by the Fed at 2am Malaysian time tomorrow. A \$15bn monthly tapering comprising \$10bn UST and \$5bn MBS is widely expected. Prior to the Fed announcement, first tier economic releases including the ISM services, durable goods orders, and the ADP employment report will also be keenly watched.

#### MGS/GII

- Local govies traded on a mixed note as markets slowly digested the budget announcement. Overall yields drifted between -6 to +4bps across the MGS/ GII curves amid continued easing in secondary market volume to RM3.46bn on Tuesday (prior: RM3.66bn). Interests were seen primarily on the off benchies 21-22, MGS 9/25 and 7/34, and benchmarks 5Y MGS 11/26 and GII 10/30. The benchmark 5Y MGS yields eased 2bps to 3.26% after jumping 10bps on Monday, while the 10s were relatively steady to 3.64%. GII trades accounted for 39% of overall trade, an increase from 23% on Monday. Markets will likely stay cautious today ahead of BNM policy announcement where we expect to see a slight shift in the policy tone given the improvement in the macro picture and continued expansionary fiscal policy.

#### Corp Bonds/Sukuk

- Trading in corporate bonds/sukuk remained soft as markets stayed nervous over the implications of some budget tax measures that would impact corporate earnings and the capital market. We believe investors were also staying sidelined ahead of BNM policy announcement today. That said, secondary market volume manage to edge higher to RM164m from Monday's RM106m, which was its lowest since mid-March. Again, we noticed the absence of GG and banking names (except CIMB Holdings) in yesterday's trading for a second consecutive day, and AA-rated papers accounted for nearly 100% of total trades done, with mixed yields. Trading concentrated just on a few names, notably BGSM '24-'25 (RM40m), GENM '25-'28 (RM37m done), EDRA '23-'28 (RM30m), and WCT '22 (RM20m). Meanwhile, IRS levels were seen paring back 2-4bps across, largely erasing the increases seen in the previous day.

## Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 11/21	1.779	185	1.791	01/11/2021	-1
MGS 03/22	1.791	139	1.801	01/11/2021	-1
MGS 08/22	1.896	8	1.850	01/11/2021	5
MGS 09/22	1.870	49	1.831	01/11/2021	4
MGS 03/23	2.328	113	2.333	01/11/2021	-1
MGS 04/23	2.356	3	2.356	01/11/2021	0
MGS 06/24	2.777	84	2.739	01/11/2021	4
MGS 07/24	2.808	28	2.750	01/11/2021	6
MGS 03/25	2.930	10	2.942	01/11/2021	-1
MGS 09/25	3.099	266	3.096	01/11/2021	0
MGS 04/26	3.157	82	3.119	01/11/2021	4
MGS 07/26	3.285	20	3.215	01/11/2021	7
MGS 11/26	3.262	322	3.285	01/11/2021	-2
MGS 05/27	3.377	91	3.388	01/11/2021	-1
MGS 11/27	3.432	66	3.418	01/11/2021	1
MGS 06/28	3.509	32	3.538	01/11/2021	-3
MGS 08/29	3.632	11	3.632	01/11/2021	0
MGS 04/31	3.643	21	3.640	01/11/2021	0
MGS 06/31	3.799	9	3.742	01/11/2021	6
MGS 04/33	4.000	9	4.011	01/11/2021	-1
MGS 07/34	4.134	511	4.157	01/11/2021	-2
MGS 05/35	4.115	1	4.118	01/11/2021	0
MGS 04/37	4.211	2	4.209	01/11/2021	0
MGS 06/38	4.266	1	4.288	01/11/2021	-2
MGS 05/40	4.247	53	4.211	01/11/2021	4
MGS 07/48	4.463	1	4.470	01/11/2021	-1
MGS 06/50	4.370	2	4.373	01/11/2021	0
GII 03/22	1.809	100	1.805	01/11/2021	0
GII 04/22	1.811	102	1.681	01/11/2021	13
GII 10/24	2.803	3	2.766	01/11/2021	4
GII 08/25	3.115	155	3.064	01/11/2021	5
GII 03/26	3.198	5	3.222	01/11/2021	-2
GII 09/27	3.433	4	3.497	01/11/2021	-6
GII 10/28	3.539	157	3.550	01/11/2021	-1
GII 09/30	3.811	200	3.707	29/10/2021	10
GII 10/30	3.751	343	3.734	01/11/2021	2
GII 11/34	4.182	40	4.168	27/10/2021	1
GII 07/36	4.191	2	4.190	29/10/2021	0
GII 08/37	4.309	0	4.272	13/10/2021	4
GII 09/39	4.329	80	4.345	18/10/2021	-2
GII 09/41	4.327	11	4.341	01/11/2021	-1
GII 11/49	4.524	138	4.490	01/11/2021	3
		<u>3457</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	07/22	AAA	3.03	5	3.04	01/11/2021	-2	118
GENM Capital Berhad	08/25	AA1	4.13	0	4.13	27/10/2021	0	106
GENM Capital Berhad	03/27	AA1	4.95	30	4.98	28/10/2021	-3	169
GENM Capital Berhad	07/28	AA1	4.77	7	4.77	01/11/2021	0	126
CIMB Group Holdings Berhad	11/30	AA	3.43	1	3.77	13/10/2021	-34	-19
WCT Holdings Berhad	05/22	AA-	3.67	20	3.69	01/11/2021	-3	182
Tadau Energy Sdn Berhad	07/22	AA3	3.04	5	3.06	01/11/2021	-2	120
Trinity Asia Ventures Berhad	09/22	AA3	3.80	16	3.83	01/11/2021	-4	196
Edra Energy Sdn Berhad	01/23	AA3	2.84	10	3.18	29/06/2021	-34	100
BGSM Management Sdn Berhad	06/24	AA3	3.19	20	3.11	25/10/2021	7	41
Edra Energy Sdn Berhad	07/25	AA3	3.66	10	3.36	13/09/2021	30	58
Tadau Energy Sdn Berhad	07/25	AA3	4.00	10	4.34	06/01/2020	-33	93
BGSM Management Sdn Berhad	08/25	AA3	3.57	20	3.52	28/10/2021	5	50
Edra Energy Sdn Berhad	07/28	AA3	4.20	10	4.15	19/05/2021	5	69
				<u>164</u>				

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

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

Source: RAM, MARC

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