

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.62 | 6 |
| 5-yr UST | 1.21 | 7 |
| 10-yr UST | 1.45 | 4 |
| 30-yr UST | 1.76 | 2 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.64 | -3 | 2.78 | -2 |
| 5-yr | 3.14 | 0 | 3.11 | 0 |
| 7-yr | 3.41 | -1 | 3.39 | 0 |
| 10-yr | 3.54 | 2 | 3.59 | 0 |
| 15-yr | 3.86 | -2 | 3.97 | 0 |
| 20-yr | 4.09 | -5 | 4.18 | 0 |
| 30-yr | 4.19 | -1 | 4.41 | -2 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.08 | 0 |
| 3-yr | 2.67 | 1 |
| 5-yr | 2.86 | -2 |
| 7-yr | 3.13 | -3 |
| 10-yr | 3.31 | -4 |

Source: Bloomberg

Upcoming Government Bond Tender

Re-opening of RM3.5b of 7Y GII 10/28 on Monday, 6th of December, 2022

US Treasuries

- USTs ended weaker, with the front-end and belly largely pressured on Thursday, influenced by Fed Speak officials' comments over faster pace of asset-tapering and the possibility of raising rates sooner rather than later. The curve bear-flattened with overall benchmark yields soaring between 2-7bps. **The UST 2Y yield spiked 6bps to 0.62% whilst the much-watched 10Y rose 4bps to 1.45%.** The swaps market was seen pricing in 25bps rate hike for the June 2022 FOMC meeting, followed by another similar hike by November. The yield premium of the 30Y bond over the policy-sensitive 5Y note dipped to below 60bps; the tightest seen since March 2020. Elsewhere, the debt ceiling anxiety seems to have waned slightly following Democrat and Republican congressional leaders agreeing on a short-term funding bill until 18th February 2022. Expect attention tonight to shift to the all-important data jobs report for November.

MGS/GII

- Local govvnies saw continued to witness "roller-coaster"-like movements on day-to-day movements with closing levels mostly stronger on Thursday, on safe-haven bids amid a potential increase in travel restrictions to curb the spread of Omicron variant. Overall benchmark yields closed between 0-5bps lower save for the 10Y MGS as secondary market volume more than halved to a mere RM1.81b. **The 5Y benchmark MGS 11/26 yield closed unchanged at 3.14% whilst the 10Y benchmark MGS 4/31 edged 2bps up from prior day's close at 3.54%.** Interest was mainly seen in the off-the-run 22-23's, 31's and also the 3Y MGS. GII transactions dropped further to form 14% of overall trades. Expect a quieter session today as traders and investors may be tempted to stay sidelined ahead of the weekend.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw stronger investor interest on Thursday amid the jump in secondary market volume of RM463m. Interest was mainly seen across the curve i.e. GG to single-A part of the curve as overall yields closed mixed-to-lower, spanning across 25 names. Govt-guaranteed KAHAZANAH 9/22 and the long-end DANA 11/49 declined 3-7bps compared to previous-done levels to 1.97% and 4.58% respectively. AAA-rated CAGAMAS 12/22 and 5/23 notched RM70m in nominal trades with the former moving 9bps lower to 2.14% whereas the latter settled unchanged at 2.31%. SEB 6/26 too closed unchanged at 3.44%. In the AA-space, GAMUDA Land 22-23's eased 2-5bps between 4.25-34% area whilst the 8/25 tranche rose 12bps to 3.73%. Meanwhile the banking/finance space saw Hong Leong Financial Group 29NC24 closed unchanged at 3.32% whilst AmBank Islamic 3/25 jumped 24bps to 3.66%.

Daily Trades : Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|-------------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 03/22 | 1.770 | 360 | 1.789 | 01/12/2021 | -2 |
| MGS | 09/22 | 1.667 | 1 | 1.717 | 01/12/2021 | -5 |
| MGS | 03/23 | 2.274 | 69 | 2.265 | 01/12/2021 | 1 |
| MGS | 04/23 | 2.258 | 110 | 2.231 | 01/12/2021 | 3 |
| MGS | 08/23 | 2.358 | 148 | 2.415 | 01/12/2021 | -6 |
| MGS | 06/24 | 2.640 | 134 | 2.673 | 01/12/2021 | -3 |
| MGS | 07/24 | 2.705 | 37 | 2.694 | 01/12/2021 | 1 |
| MGS | 09/24 | 2.696 | 9 | 2.747 | 01/12/2021 | -5 |
| MGS | 03/25 | 2.764 | 6 | 2.787 | 01/12/2021 | -2 |
| MGS | 09/25 | 2.856 | 6 | 2.900 | 01/12/2021 | -4 |
| MGS | 04/26 | 3.046 | 8 | 3.072 | 01/12/2021 | -3 |
| MGS | 07/26 | 3.102 | 14 | 3.115 | 01/12/2021 | -1 |
| MGS | 11/26 | 3.135 | 44 | 3.136 | 01/12/2021 | 0 |
| MGS | 03/27 | 3.215 | 11 | 3.217 | 01/12/2021 | 0 |
| MGS | 05/27 | 3.223 | 71 | 3.245 | 01/12/2021 | -2 |
| MGS | 11/27 | 3.261 | 101 | 3.279 | 01/12/2021 | -2 |
| MGS | 06/28 | 3.410 | 24 | 3.419 | 01/12/2021 | -1 |
| MGS | 08/29 | 3.493 | 55 | 3.503 | 01/12/2021 | -1 |
| MGS | 04/30 | 3.574 | 6 | 3.590 | 01/12/2021 | -2 |
| MGS | 04/31 | 3.544 | 141 | 3.522 | 01/12/2021 | 2 |
| MGS | 04/32 | 3.716 | 1 | 3.753 | 30/11/2021 | -4 |
| MGS | 04/33 | 3.789 | 1 | 3.831 | 01/12/2021 | -4 |
| MGS | 11/33 | 3.840 | 47 | 3.850 | 01/12/2021 | -1 |
| MGS | 07/34 | 3.870 | 66 | 3.892 | 01/12/2021 | -2 |
| MGS | 05/35 | 3.861 | 28 | 3.880 | 01/12/2021 | -2 |
| MGS | 04/37 | 4.056 | 12 | 4.073 | 01/12/2021 | -2 |
| MGS | 06/38 | 4.198 | 15 | 4.209 | 01/12/2021 | -1 |
| MGS | 05/40 | 4.089 | 14 | 4.135 | 01/12/2021 | -5 |
| MGS | 09/43 | 4.331 | 6 | 4.312 | 01/12/2021 | 2 |
| MGS | 03/46 | 4.327 | 4 | 4.318 | 01/12/2021 | 1 |
| MGS | 06/50 | 4.186 | 2 | 4.201 | 01/12/2021 | -1 |
| GII | 03/22 | 1.782 | 11 | 1.760 | 01/12/2021 | 2 |
| GII | 04/22 | 1.779 | 1 | 1.760 | 01/12/2021 | 2 |
| GII | 05/23 | 2.278 | 30 | 2.250 | 30/11/2021 | 3 |
| GII | 07/23 | 2.285 | 39 | 2.293 | 30/11/2021 | -1 |
| GII | 11/23 | 2.355 | 1 | 2.415 | 30/11/2021 | -6 |
| GII | 10/24 | 2.777 | 33 | 2.795 | 01/12/2021 | -2 |
| GII | 03/26 | 3.114 | 11 | 3.114 | 01/12/2021 | 0 |
| GII | 07/27 | 3.393 | 18 | 3.437 | 01/12/2021 | -4 |
| GII | 10/28 | 3.513 | 20 | 3.506 | 01/12/2021 | 1 |
| GII | 07/29 | 3.556 | 3 | 3.562 | 01/12/2021 | -1 |
| GII | 10/30 | 3.586 | 26 | 3.587 | 01/12/2021 | 0 |
| GII | 10/35 | 3.978 | 5 | 4.047 | 01/12/2021 | -7 |
| GII | 11/49 | 4.410 | 60 | 4.428 | 01/12/2021 | -2 |
| | | | <u>1807</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* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Khazanah Nasional Berhad | 09/22 | GG | 1.971 | 50 | 2.041 | 08/11/2021 | -7 | 13 |
| DanaInfra Nasional Berhad | 11/49 | GG | 4.576 | 10 | 4.609 | 25/11/2021 | -3 | 46 |
| Cagamas Berhad | 12/22 | AAA | 2.141 | 70 | 2.227 | 21/06/2021 | -9 | 30 |
| Cagamas Berhad | 05/23 | AAA | 2.308 | 70 | 2.307 | 29/11/2021 | 0 | 46 |
| HSBC Amanah Malaysia Berhad | 10/23 | AAA | 2.613 | 4 | 2.596 | 16/11/2021 | 2 | 28 |
| Sarawak Energy Berhad | 06/26 | AAA | 3.439 | 40 | 3.441 | 29/10/2021 | 0 | 32 |
| Malaysia Airport Holdings Berhad | 11/30 | AAA | 4.578 | 10 | 3.639 | 03/02/2021 | 94 | 105 |
| Pengurusan Air Selangor Sdn Berhad | 10/36 | AAA | 4.600 | 4 | - | - | - | 72 |
| GENM Capital Berhad | 08/25 | AA1 | 4.129 | 1 | 4.129 | 26/11/2021 | 0 | 121 |
| Hong Leong Financial Group Berhad | 06/29 | AA2 | 3.316 | 20 | 3.316 | 30/11/2021 | 0 | -16 |
| AmBank Islamic Berhad | 03/25 | AA3 | 3.658 | 10 | 3.423 | 31/05/2021 | 24 | 98 |
| Gamuda Land (T12) Sdn Berhad | 08/25 | AA3 | 3.728 | 10 | 3.609 | 15/09/2021 | 12 | 81 |
| Press Metal Aluminium Holdings Berhad | 08/25 | AA3 | 4.059 | 10 | 3.845 | 26/08/2021 | 21 | 114 |
| Malaysian Resources Corporation Berhad | 10/26 | AA- | 4.610 | 20 | 4.610 | 18/10/2021 | 0 | 149 |
| MMC Corporation Berhad | 03/28 | AA- | 4.328 | 10 | 4.390 | 21/10/2021 | -6 | 104 |
| Gamuda Land (T12) Sdn Berhad | 10/27 | AA3 | 4.149 | 30 | 4.166 | 23/11/2021 | -2 | 86 |
| Gamuda Land (T12) Sdn Berhad | 10/28 | AA3 | 4.338 | 40 | 4.386 | 25/11/2021 | -5 | 93 |
| Tropicana Corporation Berhad | 09/25 | A+ | 5.614 | 30 | - | - | - | 270 |
| George Kent (Malaysia) Berhad | 03/26 | A+ | 5.421 | 5 | 5.199 | 13/07/2021 | 22 | 250 |
| Alliance Bank Malaysia Berhad | 10/30 | A2 | 3.572 | 2 | 3.644 | 26/11/2021 | -7 | 5 |
| IJM Land Berhad | 03/19 | A2 | 4.997 | 15 | 4.399 | 19/11/2021 | 60 | 88 |
| Hume Cement Industries Berhad | 12/23 | - | 3.946 | 1 | - | - | - | 161 |
| Mah Sing Group Berhad | 04/17 | - | 5.270 | 1 | 5.013 | 17/11/2021 | 26 | 115 |
| Cypark Renewable Energy Sdn Berhad | 09/20 | - | 6.497 | 1 | 6.498 | 17/11/2021 | 0 | 238 |
| Cypark Renewable Energy Sdn Berhad | 09/20 | - | 6.848 | 1 | 6.820 | 07/05/2021 | 3 | 273 |
| | | | | 463 | | | | |

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

| Rating Action | | | |
|---------------|---|----------------|------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Kesas Sdn Bhd | M735 mil Sukuk Musharakah Islamic Medium-Term Notes (2014/2023) (the Sukuk) | AA2/Stable | Reaffirmed |

Source: RAM, MARC

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