

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.26	-1
5-yr UST	0.93	-4
10-yr UST	1.46	-3
30-yr UST	2.03	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.43	0	2.54	-3
5-yr	2.88	-4	2.96	-3
7-yr	3.31	1	3.23	-2
10-yr	3.38	1	3.46	1
15-yr	3.90	0	3.99	1
20-yr	4.09	3	4.20	3
30-yr	4.26	1	4.51	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	0
3-yr	2.43	-2
5-yr	2.76	-3
7-yr	2.93	-4
10-yr	3.18	-4

Source: Bloomberg

US Treasuries

- USTs continued to see further upside from recent heavy losses last Friday, with the belly markedly richer as curve steeper plays were seen prominent. The curve ended lower with overall benchmark yields easing between 1-4bps. The UST 2Y yield edged 1bps down at 0.26% whilst the much-watched UST 10Y slid 3bps to 1.46%. Traders brushed aside Friday's update on Personal Consumption Expenditure price index (PCE), the highest since 1991; thinking that inflation will moderate at some point. Concerns that supply chain bottlenecks may derail the global economy may have helped USTs extend the recovery. Elsewhere the US Treasury has said that about \$173b of extraordinary measures headroom was still available as of 29th September following the authorization of a short-term spending bill of \$310b. Interestingly the outlook for volatility in the bond market is subdued for now based on the ICE BofA MOVE Index indicator.

MGS/GII

- Local govies, saw the front-end up to 7Y tenures end steadier whilst the reverse was seen for the intermediate to longer-ends MGS/GII as MYR bonds together with most emerging Asian bonds tracked gains in USTs. Overall benchmark yields closed mixed between -4 to +3bps amid a 30% fall in secondary market volume @ RM3.92b. The 5Y benchmark MGS 11/26 yield fell 4bps to 2.88% whilst the 10Y MGS 4/31 yield edged 1bps up at 3.38%. Interest was mainly seen in the shorter off-the-run 21-22's, 28's and also 5Y MGS/GII, 10Y MGS, 20Y GII. GII trades maintained to form ~40% of overall trades. Our projected issuances under the auction calendar has been revised from RM152.5b to RM160.5b. Meanwhile expect a busier month for auctions with four (4) sales penciled in altogether. Elsewhere, the economic calendar remains light this week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw similar investor activity compared to prior day's session amid slight uptick in secondary market volume of RM457m with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 19 names. Govt-guaranteed FELDA 3/26 and DANA 2/29 spiked 25-66bps compared to previous-done levels at 3.25% and 3.66%. AAA-rated SEB 27 and 32 saw yields rise 1-5bps at 3.38% and 3.86%. Telco giant TELEKOM 5/28 spiked 86bps to 3.63%. The AA-rated YTL Power 5/27 bonds recorded RM140m worth of trades; jumping 15bps to 4.61% whilst GAMUDA 3/23 edged 1bps lower instead at 2.94%. Meanwhile the banking/finance space saw MBB 32NC27 jump 37bps to 3.75% whereas AmBank Islamic 3/22 rose 8bps to 2.65%.

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	11/21	1.766	365	1.721	30/09/2021	4
MGS	03/22	1.750	241	1.770	30/09/2021	-2
MGS	08/22	1.737	3	1.696	30/09/2021	4
MGS	09/22	1.745	5	1.734	30/09/2021	1
MGS	03/23	1.914	255	1.911	30/09/2021	0
MGS	04/23	1.933	57	1.927	30/09/2021	1
MGS	08/23	2.059	11	2.030	30/09/2021	3
MGS	06/24	2.431	36	2.435	30/09/2021	0
MGS	07/24	2.491	10	2.500	30/09/2021	-1
MGS	09/24	2.496	27	2.501	30/09/2021	0
MGS	03/25	2.556	25	2.647	29/09/2021	-9
MGS	09/25	2.659	123	2.684	30/09/2021	-3
MGS	04/26	2.880	2	2.874	30/09/2021	1
MGS	07/26	2.925	28	2.894	30/09/2021	3
MGS	11/26	2.879	123	2.921	30/09/2021	-4
MGS	03/27	3.075	1	3.104	30/09/2021	-3
MGS	05/27	3.109	5	3.094	30/09/2021	2
MGS	11/27	3.218	110	3.188	30/09/2021	3
MGS	06/28	3.305	438	3.296	30/09/2021	1
MGS	08/29	3.385	52	3.374	30/09/2021	1
MGS	04/31	3.380	268	3.374	30/09/2021	1
MGS	06/31	3.494	8	3.470	30/09/2021	2
MGS	04/33	3.763	16	3.808	30/09/2021	-4
MGS	11/33	3.808	7	3.843	30/09/2021	-4
MGS	07/34	3.915	14	3.928	30/09/2021	-1
MGS	05/35	3.897	20	3.897	30/09/2021	0
MGS	04/37	3.999	2	3.979	30/09/2021	2
MGS	06/38	4.093	18	4.200	29/09/2021	-11
MGS	05/40	4.090	80	4.061	30/09/2021	3
MGS	03/46	4.352	1	4.335	30/09/2021	2
MGS	06/50	4.259	14	4.248	30/09/2021	1
GII	03/22	1.811	47	1.779	30/09/2021	3
GII	04/22	1.770	183	1.790	30/09/2021	-2
GII	07/22	1.791	50	1.810	30/09/2021	-2
GII	05/23	1.974	51	1.947	30/09/2021	3
GII	10/24	2.537	130	2.563	30/09/2021	-3
GII	03/26	2.959	455	2.992	30/09/2021	-3
GII	09/26	2.975	22	2.994	30/09/2021	-2
GII	07/27	3.219	17	3.201	30/09/2021	2
GII	09/27	3.231	75	3.246	30/09/2021	-2
GII	10/28	3.329	184	3.326	30/09/2021	0
GII	07/29	3.423	42	3.427	30/09/2021	0
GII	09/30	3.500	40	3.459	20/09/2021	4
GII	10/30	3.461	6	3.433	30/09/2021	3
GII	08/33	3.777	40	3.812	29/09/2021	-3
GII	11/34	3.913	1	3.953	30/09/2021	-4
GII	07/36	3.988	21	3.979	30/09/2021	1
GII	09/41	4.197	191	4.172	30/09/2021	3
GII	05/47	4.479	4	4.446	28/09/2021	3
			<u>3924</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.007	40	2.006	21/09/2021	0	22
Pengurusan Air SPV Berhad	06/23	GG	2.158	20	2.127	24/09/2021	3	16
Federal Land Development Authority	03/26	GG	3.253	10	3.000	13/07/2021	25	56
Danaharta Nasional Berhad	02/29	GG	3.659	50	2.997	09/02/2021	66	38
Sarawak Energy Berhad	01/27	AAA	3.379	40	3.368	30/09/2021	1	48
Telekom Malaysia Berhad	05/28	AAA	3.629	30	2.771	02/11/2020	86	35
Manjung Island Energy Berhad	11/31	AAA	4.001	20	3.829	24/09/2021	17	65
Sarawak Energy Berhad	12/32	AAA	3.859	20	3.809	24/09/2021	5	51
YTL Power International Berhad	05/27	AA1	4.610	140	4.461	06/09/2021	15	148
Malayan Banking Berhad	10/32	AA1	3.749	10	3.379	09/07/2021	37	40
AmBank Islamic Berhad	03/22	AA3	2.653	20	2.570	20/09/2021	8	87
Gamuda Berhad	03/23	AA3	2.944	20	2.950	29/09/2021	-1	116
Quantum Solar Park (Semenanjung) Sdn Berhad	04/34	AA-	4.599	10	4.617	27/09/2021	-2	71
Quantum Solar Park (Semenanjung) Sdn Berhad	04/35	AA-	4.739	20	4.746	27/09/2021	-1	85
TG Excellence Berhad	02/20	AA-	4.314	2	3.693	30/09/2021	62	23
CIMB Group Holdings Berhad	05/16	A1	3.372	1	3.372	22/09/2021	0	-71
DRB-Hicom Berhad	12/29	A+	4.835	1	4.835	28/09/2021	0	150
Tropicana Corporation Berhad	09/19	A	6.245	1	5.442	29/09/2021	80	217
Eco World Capital Assets Berhad	08/24	-	4.875	3	4.925	30/09/2021	-5	243
				<u>457</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
AEON Credit Service (M) Berhad	Senior and Subordinated Sukuk Wakalah Programme as well as the P1 rating of its RM1.0 bil Islamic Commercial Papers Programme	AA3/Stable and A1/Stable	Reaffirmed

Source: RAM/ MARC

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