

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.42	-4
5-yr UST	1.11	-8
10-yr UST	1.53	-8
30-yr UST	1.96	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.74	-4	2.71	-9
5-yr	3.23	-3	3.20	0
7-yr	3.49	-2	3.42	-1
10-yr	3.64	0	3.72	-3
15-yr	4.11	-1	4.21	2
20-yr	4.23	-2	4.27	-6
30-yr	4.39	2	4.53	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.13	-3
3-yr	2.78	-5
5-yr	3.02	-1
7-yr	3.27	-3
10-yr	3.45	-5

Source: Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US treasuries advanced, tracking the spikes in UK gilts after BOE defied market expectations for a hike and left interest rates unchanged instead. Yields of 10Y gilts fell 14bps to 0.93% with even bigger slides seen in the shorter tenor. Meanwhile, 10Y UST lost 8bps to 1.53% vis-à-vis a 4bps decline in the 2s to 0.42%, flattening the curve again, and abruptly halting the brief increases post FOMC when the Fed expectedly announced tapering plans of \$15bn a month comprising \$10bn UST and \$5bn MBS in November and December. Global bond yields generally fell after seeing some swings amid confusion from the latest BOE decision, which seemingly prioritize growth over inflation, a shift from its usual rhetoric. This somewhat dented market expectations for a Fed rate hike in Jun-22 but expectations for two 25bps hike by end-2022 remained intact. Focus will now shift to US nonfarm payroll and other jobs data tonight.

### MGS/GII

- Local govvies showed a relief rally post-OPR announcement but the rally was indeed shortlived. That said, MYR government bonds still managed to trade to a higher close especially the front end amid a higher volume of RM4.31bn on Wednesday (piror RM3.46bn). Yields were seen falling 1-9bps across the MGS/ GII curves led by the front end, save for the 2bps hike each in the benchmark 30Y MGS and 15Y GII. The benchmark 5Y MGS yields eased 3bps to 3.23%, while the 10s held steady at 3.64% for the 2<sup>nd</sup> consecutive day. Trading interests were concentrated on the off the run '21-22, and MGS '7/34, as well as benchmark GII 9/27 and '11/49. GII trades accounted for a lower 32% of overall trade, compared to the preceding day's 39%. The still neutral and cautious BNM policy tone reiterating overall downside growth risk is expected to tame market expectations of a near term rate hike. With BNM MPC out of the radar for now, attention will shift to 3Q GDP performance next.

### Corp Bonds/Sukuk

- Trading in corporate bonds/sukuk picked up steam with a jump in secondary market volume to RM551m on Wednesday, 3.3x higher than the subdued RM164m printed on Tuesday. GG papers and banking names made a return, resulting in the usual trades across the GG to AA-rated segments amid mixed yields. Of note, government guaranteed Turus Persawat '11/24 took the lead as the most heavily traded papers with RM110m changed hands at 3.08%, 82bps higher compared to the last trade in Sept-2020. GENM '7/23 followed suit with RM70m dealt at 4.20% (+3bps), and Maybank '2/17 with RM50m dealt 7bps higher at 3.56%. Meanwhile, IRS levels extended its leg down, retreating a further 1-5bps, led by the 3Y and 10Ys.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 11/21	1.78	357	1.78	02/11/2021	0
MGS 03/22	1.81	1349	1.79	02/11/2021	1
MGS 08/22	1.82	22	1.90	02/11/2021	-8
MGS 09/22	1.80	9	1.87	02/11/2021	-7
MGS 03/23	2.31	4	2.33	02/11/2021	-2
MGS 04/23	2.33	33	2.36	01/11/2021	-3
MGS 06/24	2.74	22	2.78	02/11/2021	-4
MGS 07/24	2.79	1	2.81	02/11/2021	-2
MGS 09/24	2.84	4	2.71	01/11/2021	12
MGS 09/25	3.05	54	3.10	02/11/2021	-5
MGS 04/26	3.16	10	3.16	02/11/2021	0
MGS 07/26	3.25	3	3.29	02/11/2021	-4
MGS 11/26	3.23	285	3.26	02/11/2021	-3
MGS 05/27	3.33	51	3.38	02/11/2021	-4
MGS 11/27	3.44	30	3.43	02/11/2021	0
MGS 06/28	3.49	42	3.51	02/11/2021	-2
MGS 08/29	3.64	43	3.63	02/11/2021	1
MGS 04/30	3.71	13	3.69	01/11/2021	1
MGS 06/31	3.80	1	3.80	02/11/2021	0
MGS 11/33	4.05	11	4.03	01/11/2021	2
MGS 07/34	4.16	432	4.13	02/11/2021	3
MGS 05/35	4.11	3	4.12	02/11/2021	-1
MGS 04/37	4.22	2	4.21	02/11/2021	0
MGS 06/38	4.31	2	4.27	02/11/2021	5
MGS 05/40	4.23	128	4.25	02/11/2021	-2
MGS 09/43	4.41	0	4.36	01/11/2021	5
MGS 07/48	4.48	0	4.46	02/11/2021	2
MGS 06/50	4.39	3	4.37	02/11/2021	2
GII 03/22	1.80	100	1.81	02/11/2021	-1
GII 04/22	1.80	100	1.81	02/11/2021	-1
GII 11/23	2.43	1	2.50	01/11/2021	-7
GII 10/24	2.71	156	2.80	02/11/2021	-9
GII 08/25	3.09	200	3.12	02/11/2021	-2
GII 09/27	3.42	200	3.43	02/11/2021	-1
GII 10/28	3.57	10	3.54	02/11/2021	3
GII 07/29	3.70	0	3.74	29/10/2021	-5
GII 09/30	3.80	150	3.81	02/11/2021	-1
GII 06/33	4.02	0	3.99	27/10/2021	3
GII 11/34	4.19	10	4.18	02/11/2021	0
GII 07/36	4.21	18	4.19	02/11/2021	2
GII 08/37	4.28	0	4.31	02/11/2021	-3
GII 09/41	4.27	60	4.33	02/11/2021	-6
GII 11/49	4.53	390	4.52	02/11/2021	0
		<u>4311</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*
Turus Pesawat Sdn Berhad	11/24	GG	3.08	110	2.26	18/09/2020	82	30
DanaInfra Nasional Berhad	04/37	GG	4.43	20	4.16	22/09/2021	27	31
Aman Sukuk Berhad	07/22	AAA	2.16	20	2.29	23/06/2021	-13	32
Cagamas Berhad	10/22	AAA	2.13	5			213	29
Cagamas Berhad	11/22	AAA	2.16	15	2.67	22/05/2020	-51	32
Toyota Capital Malaysia Sdn Berhad	02/23	AAA	2.80	20	2.76	09/08/2021	4	95
Danga Capital Berhad	01/24	AAA	2.88	40	2.60	30/06/2021	29	56
Cagamas Berhad	09/24	AAA	2.97	15	2.95	21/10/2021	2	19
Malaysia Airport Holdings Berhad	11/27	AAA	4.40	1	3.73	18/05/2021	68	101
Sarawak Energy Berhad	04/36	AAA	4.52	3	4.22	06/09/2021	30	40
GENM Capital Berhad	07/23	AA1	4.20	70	4.17	29/10/2021	3	188
YTL Power International Berhad	10/24	AA1	3.73	5	4.14	15/10/2021	-41	95
GENM Capital Berhad	08/25	AA1	4.13	0	4.13	02/11/2021	0	106
GENM Capital Berhad	03/27	AA1	4.95	17	4.95	02/11/2021	0	169
GENM Capital Berhad	07/28	AA1	4.77	1	4.77	02/11/2021	0	126
UEM Sunrise Berhad	06/23	AA-	3.62	1	3.70	30/08/2021	-7	130
Southern Power Generation Sdn Berhad	04/24	AA-	3.31	10	3.02	28/07/2021	30	99
Sunway Treasury Sukuk Sdn Berhad	09/24	AA-	3.80	0	3.51	08/09/2021	29	102
Evyap Sabun Malaysia Sdn Berhad	12/25	AA-	4.72	0	4.55	29/03/2021	17	164
TG Excellence Berhad	02/20	AA-	4.15	20	3.95	01/11/2021	20	-8
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.50	1	3.60	19/08/2021	-10	165
Perbadanan Kemajuan Negeri Selangor	06/22	AA3	2.91	40	3.07	30/07/2021	-15	107
Perbadanan Kemajuan Negeri Selangor	01/23	AA3	3.04	20	3.26	23/07/2021	-22	120
RHB Islamic Bank Berhad	04/27	AA3	2.71	20	2.65	16/02/2021	6	-55
Edra Energy Sdn Berhad	07/27	AA3	3.99	20	3.69	27/08/2021	30	60
Edra Energy Sdn Berhad	01/28	AA3	4.08	20	3.76	08/09/2021	32	69
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.39	0	4.39	01/11/2021	0	88
Cypark Ref Sdn Berhad	06/29	AA3	4.79	0	4.38	01/07/2021	40	121
Malayan Banking Berhad	02/17	AA3	3.56	50	3.49	28/10/2021	7	-67
Tropicana Corporation Berhad	10/23	A+	4.96	0	4.06	01/11/2021	90	264
Dialog Group Berhad	11/20	A1	4.11	0	4.15	01/11/2021	-4	-12
Alliance Bank Malaysia Berhad	10/32	A2	3.66	2	4.16	28/10/2021	-50	4
Eco World Capital Assets Berhad	08/24	-	4.61	0	4.62	01/11/2021	-1	183
Naza TTDI Capital Berhad	06/26	-	5.98	1	6.20	09/06/2021	-22	273
YNH Property Berhad	08/19	-	6.76	3	6.15	01/11/2021	61	253
				<u>551</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Al Dzahab Assets Berhad	Class A and Class B Notes under respective Tranches 1 and 2 Sukuk Murabahah	AAA/Stable	Reaffirmed

Source: RAM, MARC

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