

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.63 | 4 |
| 5-yr UST | 1.21 | 7 |
| 10-yr UST | 1.44 | 9 |
| 30-yr UST | 1.77 | 10 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.60 | -4 | 2.77 | -1 |
| 5-yr | 3.09 | -4 | 3.10 | -2 |
| 7-yr | 3.37 | -4 | 3.41 | 2 |
| 10-yr | 3.51 | -3 | 3.60 | 1 |
| 15-yr | 3.85 | -1 | 3.95 | -2 |
| 20-yr | 4.09 | 0 | 4.18 | 0 |
| 30-yr | 4.16 | -3 | 4.43 | 2 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.11 | 0 |
| 3-yr | 2.66 | 0 |
| 5-yr | 2.85 | -2 |
| 7-yr | 3.12 | 0 |
| 10-yr | 3.31 | 0 |

Source: Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs sold-off sharply on Monday, influenced by the rather heavy corporate issuance slate that included names like Roche and Dell International. Treasury swap spreads which were seen widening due to paying flows, added to the downside pressure. The curve shifted higher with overall benchmark yields soaring between 4-10bps. **The UST 2Y yield rose 4bps to 0.63% whilst the much-watched 10Y spiked 9bps to 1.44%.** Bond yields rose on improvement in risk appetite, on expectations of faster QE tapering which is scheduled to be announced in next week's FOMC meeting i.e. 16th December. UST movements have seen larger-than-expected volatility as liquidity is seen to ease sharply once the Fed scales back massive asset purchases. This is quite evident especially in off-the-run securities. Expect attention to shift to \$112b in this week's coupon supply encompassing 3Y, 10Y and also 30Y bonds beginning from tomorrow onwards.

MGS/GIII

- Local govies, especially MGS ended stronger amid improved investor appetite on Monday; supported by demand for risk-off assets. Overall benchmark yields closed between 0-4bps lower save for parts of the GII belly and 30Y GII; as secondary market volume more than doubled to RM3.90b. **The 5Y benchmark MGS 11/26 yield declined 4bps to 3.09% whilst the 10Y benchmark MGS 4/31 yield ended 3bps lower at 3.51% compared to prior day's close.** Interest was mainly seen in the off-the-run 22-23's, 27's and also the 5Y MGS, 10Y MGS/GII. GII transactions formed 32% of overall trades. Yesterday's auction comprising of RM3.5b 7Y GII 10/28, saw strong participation; drawing BTC ratio of 2.247x and yielding 3.481%. Expect attention to continue on updates over the Omicron variant as the economic calendar remains light for now.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw stronger investor interest on Monday amid the jump in secondary market volume to RM478m. Interest was seen across the curve i.e. GG to single-A part of the curve as overall yields closed mixed-to-higher, spanning across 25 names. Govt-guaranteed PRASA 9/22 eased 4bps compared to previous-done levels at 2.00% whilst DANA 2/29 rose 6bps to 3.76%. AAA-rated AMAN saw a total RM100m transacted with the 5/22 tranche rallying 41bps to 2.07% whilst the 7/22 tranche moved 6bps lower to 2.11%. AMAN 5/24 however edged 1bps up at 2.90%. In the AA-space, property-related bonds SP SETIA 6/28 settled 3bps lower at 4.17% whilst UEM Sunrise 9/23 closed unchanged at 3.72%. Meanwhile the banking/finance space saw BPMB 6/26 spike 42bps to 3.50%. There were several odd-lot transactions seen in Hong Leong Financial Group, MAYBANK, ALLIANCE and AFFIN.

Daily Trades : Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|-------------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 03/22 | 1.751 | 570 | 1.750 | 03/12/2021 | 0 |
| MGS | 03/23 | 2.192 | 172 | 2.242 | 03/12/2021 | -5 |
| MGS | 04/23 | 2.780 | 75 | 2.292 | 03/12/2021 | 49 |
| MGS | 08/23 | 2.332 | 2 | 2.415 | 03/12/2021 | -8 |
| MGS | 06/24 | 2.602 | 160 | 2.660 | 03/12/2021 | -6 |
| MGS | 07/24 | 2.685 | 24 | 2.700 | 03/12/2021 | -2 |
| MGS | 09/24 | 2.690 | 3 | 2.702 | 03/12/2021 | -1 |
| MGS | 03/25 | 2.753 | 17 | 2.764 | 02/12/2021 | -1 |
| MGS | 09/25 | 2.840 | 153 | 2.914 | 03/12/2021 | -7 |
| MGS | 07/26 | 3.093 | 1 | 3.102 | 03/12/2021 | -1 |
| MGS | 11/26 | 3.092 | 259 | 3.110 | 03/12/2021 | -2 |
| MGS | 03/27 | 3.170 | 45 | 3.208 | 03/12/2021 | -4 |
| MGS | 05/27 | 3.211 | 65 | 3.212 | 03/12/2021 | 0 |
| MGS | 11/27 | 3.246 | 426 | 3.192 | 03/12/2021 | 5 |
| MGS | 06/28 | 3.371 | 278 | 3.380 | 03/12/2021 | -1 |
| MGS | 08/29 | 3.510 | 75 | 3.496 | 03/12/2021 | 1 |
| MGS | 04/30 | 3.585 | 11 | 3.572 | 03/12/2021 | 1 |
| MGS | 04/31 | 3.510 | 177 | 3.543 | 03/12/2021 | -3 |
| MGS | 06/31 | 3.652 | 50 | 3.635 | 03/12/2021 | 2 |
| MGS | 04/33 | 3.751 | 14 | 3.751 | 03/12/2021 | 0 |
| MGS | 11/33 | 3.841 | 34 | 3.840 | 02/12/2021 | 0 |
| MGS | 07/34 | 3.865 | 8 | 3.848 | 03/12/2021 | 2 |
| MGS | 05/35 | 3.852 | 18 | 3.859 | 03/12/2021 | -1 |
| MGS | 04/37 | 4.071 | 6 | 4.047 | 03/12/2021 | 2 |
| MGS | 06/38 | 4.145 | 8 | 4.238 | 03/12/2021 | -9 |
| MGS | 05/40 | 4.087 | 7 | 4.090 | 03/12/2021 | 0 |
| MGS | 06/50 | 4.155 | 6 | 4.167 | 03/12/2021 | -1 |
| GII | 04/22 | 1.749 | 134 | 1.779 | 02/12/2021 | -3 |
| GII | 05/23 | 2.226 | 100 | 2.250 | 03/12/2021 | -2 |
| GII | 08/24 | 2.746 | 160 | 2.748 | 01/12/2021 | 0 |
| GII | 10/24 | 2.769 | 70 | 2.785 | 03/12/2021 | -2 |
| GII | 08/25 | 3.043 | 66 | 3.028 | 01/12/2021 | 2 |
| GII | 03/26 | 3.096 | 30 | 3.114 | 02/12/2021 | -2 |
| GII | 07/27 | 4.206 | 1 | 3.416 | 03/12/2021 | 79 |
| GII | 09/27 | 3.411 | 136 | 3.393 | 01/12/2021 | 2 |
| GII | 10/28 | 3.481 | 100 | 3.513 | 02/12/2021 | -3 |
| GII | 07/29 | 3.554 | 7 | 3.554 | 03/12/2021 | 0 |
| GII | 10/30 | 3.598 | 393 | 3.557 | 03/12/2021 | 4 |
| GII | 07/36 | 3.951 | 36 | 3.969 | 01/12/2021 | -2 |
| | | | <u>3895</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* | |
|----------------------------------------|--------|----------------|-----------------|-----------------|----------------------------------------|-------------|---------------------------|-----|
| Prasarana Malaysia Berhad | 09/22 | GG | 2.001 | 30 | 2.039 | 05/10/2021 | -4 | 16 |
| Danainfra Nasional Berhad | 02/29 | GG | 3.758 | 40 | 3.699 | 30/11/2021 | 6 | 37 |
| Aman Sukuk Berhad | 05/22 | AAA | 2.071 | 20 | 2.485 | 20/04/2021 | -41 | 23 |
| Aman Sukuk Berhad | 07/22 | AAA | 2.106 | 30 | 2.161 | 03/11/2021 | -6 | 27 |
| Aman Sukuk Berhad | 05/24 | AAA | 2.901 | 50 | 2.895 | 29/11/2021 | 1 | 59 |
| Toyota Capital Malaysia Sdn Berhad | 02/26 | AAA | 3.940 | 10 | - | - | - | 101 |
| Bank Pembangunan Malaysia Berhad | 06/26 | AAA | 3.499 | 10 | 3.079 | 11/08/2021 | 42 | 39 |
| Tenaga Nasional Berhad | 11/36 | AAA | 4.398 | 2 | - | - | - | 52 |
| Sabah Development Bank Berhad | 06/23 | AA1 | 3.788 | 2 | 3.789 | 03/12/2021 | 0 | 148 |
| GENM Capital Berhad | 03/27 | AA1 | 4.716 | 1 | 4.766 | 25/11/2021 | -5 | 161 |
| SP Setia Berhad | 06/28 | AA | 4.168 | 10 | 4.198 | 09/11/2021 | -3 | 78 |
| UEM Sunrise Berhad | 09/23 | AA- | 3.717 | 40 | 3.718 | 30/11/2021 | 0 | 141 |
| Malaysian Resources Corporation Berhad | 10/31 | AA- | 5.100 | 20 | 5.150 | 15/10/2021 | -5 | 157 |
| Press Metal Aluminium Holdings Berhad | 12/27 | AA3 | 4.439 | 4 | - | - | 444 | 119 |
| Malayan Banking Berhad | 02/17 | AA3 | 3.503 | 1 | 3.462 | 30/11/2021 | 4 | -60 |
| Hong Leong Financial Group Berhad | 11/17 | A1 | 3.862 | 1 | 3.245 | 14/10/2021 | 62 | -24 |
| Tropicana Corporation Berhad | 09/25 | A+ | 5.611 | 30 | 5.614 | 02/12/2021 | 0 | 268 |
| Tropicana Corporation Berhad | 10/25 | A+ | 5.257 | 1 | 4.845 | 30/09/2021 | 41 | 233 |
| George Kent (Malaysia) Berhad | 03/26 | A+ | 5.419 | 5 | 5.421 | 02/12/2021 | 0 | 249 |
| Yinson Holdings Berhad | 12/26 | A+ | 5.320 | 151 | - | - | - | 221 |
| Alliance Bank Malaysia Berhad | 10/30 | A2 | 3.694 | 1 | 3.572 | 02/12/2021 | 12 | 17 |
| Alliance Bank Malaysia Berhad | 10/35 | A2 | 4.228 | 1 | 3.940 | 16/11/2021 | 29 | 35 |
| IJM Land Berhad | 03/19 | A2 | 4.995 | 15 | 4.997 | 02/12/2021 | 0 | 89 |
| IJM Land Berhad | 03/19 | A2 | 4.902 | 2 | 4.350 | 22/11/2021 | 55 | 80 |
| Affin Bank Berhad | 07/18 | A3 | 4.275 | 1 | 3.748 | 11/11/2021 | 53 | 17 |
| YNH Property Berhad | 08/19 | - | 6.022 | 4 | 6.482 | 29/11/2021 | -46 | 192 |
| | | | | <u>478</u> | | | | |

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

| Rating Action | | | |
|-----------------------------|----------------------------------------------------------------------------------|----------------|------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Rantau Abang Capital Berhad | RM7.0 bil Islamic Medium-Term Notes (MTN) Sukuk Musyarakah Programme (2006/2041) | AAA(s)/Stable | Reaffirmed |
| Danga Capital Berhad | RM20.0 bil Multi-Currency Islamic Securities Programme (2009/2044) | AAA(s)/Stable | Reaffirmed |
| Ihsan Sukuk Berhad | RM1.0 bil Islamic MTN Sukuk Ihsan Programme (2015/2040) | AAA(s)/Stable | Reaffirmed |
| Danum Capital Berhad | RM10.0 bil Islamic MTN Sukuk Danum Programme (2019/2069) | AAA(s)/Stable | Reaffirmed |

Source: RAM, MARC

Hong Leong Bank Berhad

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