

## Global Markets Research

### Fixed Income





#### Fixed Income Daily Market Snapshot















##### US Treasuries

- US treasuries saw extended gains on Friday, still reeling from the spillover effects of BOE's surprised pause last Thursday that prompted investors to reassess policy normalization path of global central banks including that of the Fed. 10Y gilts continued to pullback by 9bps to 0.84% on Friday after falling 14bps a day earlier while 10Y UST yields eased 7bps to 1.45%, both near six-week low levels. This came despite the stronger than expected October nonfarm job gains of 531k and two-month net revision of +235k, with strong underlying details seen in the bigger than expected slide in unemployment rate to 4.6%, steady participation rate and average wage growth which came in within expectations at 0.4% m/m and 4.9% y/y. Moving on, attention will be on US CPI data, while the Treasury is also scheduled to sell 3Y, 10Y and 30Y debt this week.






##### MGS/GIII

- Local govies continued to see some relief trading post OPR announcement where BNM maintained a neutral rhetoric hence dampening rate hike expectations. Overall benchmark yields ended 1-13bps lower amid a lower secondary market trading volume of RM3.23bn (prior RM4.31bn). The front end of the MGS curve saw massively lower yields of 9-11bps with the benchmark 5Y MGS 11/26 yields falling 11bps to 3.13%. Yields on the 10Y benchmark MGS 4/31 retreated 7bps to 3.57%. Trading interests were concentrated on many of the benchies i.e. MGS 3Y-10Y, GII 10Y and off the run '22. GII trades accounted for a lower 27% of overall trade (prior 32%). We expect market to remain cautious ahead of 3Q GDP release on Friday, 12-November, where we are penciling in a small contraction inflicted by the lockdown measures in June and the earlier part of 3Q.

UST			
Tenure	Closing (%)	Chg (bps)	
2-yr UST	0.40		-2
5-yr UST	1.06		-5
10-yr UST	1.45		-7
30-yr UST	1.89		-8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.65		2.71	
5-yr	3.13		3.20	
7-yr	3.43		3.42	
10-yr	3.57		3.66	
15-yr	4.06		4.16	
20-yr	4.23		4.14	
30-yr	4.36		4.52	

\* Market indicative levels

MYR IRS Levels			
IRS	Closing (%)	Chg (bps)	
1-yr	2.08		-4
3-yr	2.74		-4
5-yr	2.96		-6
7-yr	3.21		-6
10-yr	3.37		-8

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

#### Corp Bonds/Sukuk

- Trading in corporate bonds/sukuk had a quiet session last Friday, with only RM33m dealt across 11 issuances, the bulk of which were odd lots trade in the AA- to single A-rated segments. GENM Capital '25-'28 took center stage with a combined RM19m changed hands between 4.13-4.95%, marking a move of between -1 to +9bps from previous transactions on 3-November. MBB '1/31 was another prominent trade last Friday, last dealt 4bps higher at 3.61% with RM10m changed hands. IRS levels extended its losses, by 4-8bps, bringing weekly losses to as much as 13bps.

## Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 11/21	1.80	52	1.78	03/11/2021	2
MGS 03/22	1.80	427	1.81	03/11/2021	0
MGS 08/22	1.75	3	1.82	03/11/2021	-7
MGS 09/22	1.77	26	1.80	03/11/2021	-3
MGS 03/23	2.28	4	2.31	03/11/2021	-3
MGS 06/24	2.65	310	2.74	03/11/2021	-9
MGS 07/24	2.66	10	2.79	03/11/2021	-12
MGS 09/24	2.79	92	2.84	03/11/2021	-5
MGS 03/25	2.90	1	2.93	02/11/2021	-3
MGS 09/25	3.06	32	3.05	03/11/2021	1
MGS 04/26	3.07	21	3.16	03/11/2021	-9
MGS 07/26	3.13	2	3.25	03/11/2021	-12
MGS 11/26	3.13	543	3.23	03/11/2021	-11
MGS 03/27	3.32	0	3.31	01/11/2021	1
MGS 05/27	3.34	82	3.33	03/11/2021	1
MGS 11/27	3.37	60	3.44	03/11/2021	-6
MGS 06/28	3.43	313	3.49	03/11/2021	-6
MGS 08/29	3.59	29	3.64	03/11/2021	-4
MGS 04/30	3.65	0	3.71	03/11/2021	-5
MGS 04/31	3.57	215	3.64	02/11/2021	-7
MGS 04/33	3.97	2	4.00	02/11/2021	-3
MGS 07/34	4.11	36	4.16	03/11/2021	-5
MGS 05/35	4.06	82	4.11	03/11/2021	-5
MGS 06/38	4.23	4	4.31	03/11/2021	-9
MGS 05/40	4.23	11	4.23	03/11/2021	0
MGS 06/50	4.36	12	4.39	03/11/2021	-3
GII 03/22	1.74	3	1.80	03/11/2021	-6
GII 05/23	2.33	8	2.45	01/11/2021	-12
GII 08/24	2.67	70	2.66	27/10/2021	1
GII 03/26	3.20	6	3.20	02/11/2021	0
GII 10/28	3.52	215	3.57	03/11/2021	-5
GII 09/30	3.75	270	3.80	03/11/2021	-5
GII 10/30	3.66	230	3.75	02/11/2021	-9
GII 11/34	4.17	30	4.19	03/11/2021	-2
GII 07/36	4.16	1	4.21	03/11/2021	-5
GII 08/37	4.23	20	4.28	03/11/2021	-5
GII 09/41	4.14	4	4.27	03/11/2021	-13
GII 11/49	4.52	1	4.53	03/11/2021	-1
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## 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*	
GENM Capital Berhad	08/25	AA1	4.13	0	4.13	03/11/2021	0	106
GENM Capital Berhad	03/27	AA1	4.94	17	4.95	03/11/2021	-1	168
GENM Capital Berhad	07/28	AA1	4.86	2	4.77	03/11/2021	9	135
Malayan Banking Berhad	01/31	AA1	3.61	10	3.58	28/10/2021	4	-1
Tropicana Corporation Berhad	10/23	A+	4.06	0	4.96	03/11/2021	-90	173
Affin Bank Berhad	02/27	A1	4.31	1	3.50	29/07/2021	80	105
Dialog Group Berhad	11/20	A1	4.11	0	4.11	03/11/2021	0	-12
Alliance Bank Malaysia Berhad	10/30	A2	3.53	1	3.53	28/10/2021	0	-10
IJM Land Berhad	03/19	A2	4.44	0	4.45	29/10/2021	0	22
YNH Property Berhad	08/19	-	6.15	1	6.76	03/11/2021	-61	192
YNH Property Berhad	08/19	-	5.95	0	5.96	01/11/2021	0	173
			<u>33</u>					

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

<b>Rating Action</b>			
<b>Issuer</b>	<b>PDS Description</b>	<b>Rating/Outlook</b>	<b>Action</b>
Maybank Ageas Holdings Berhad	Corporate credit ratings	AA1/Stable/P1	Assigned

Source: RAM, MARC

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