

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.69	6
5-yr UST	1.26	5
10-yr UST	1.48	4
30-yr UST	1.80	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.65	5	2.79	2
5-yr	3.10	1	3.10	0
7-yr	3.39	2	3.37	-4
10-yr	3.53	2	3.57	-3
15-yr	3.86	0	3.96	1
20-yr	4.10	1	4.17	-1
30-yr	4.15	-1	4.44	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.12	2
3-yr	2.68	2
5-yr	2.89	4
7-yr	3.15	2
10-yr	3.33	2

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- USTs sold-off further on Tuesday with the front-ends pressured as the heavy corporate issuance slate (led by multi-tranche offering by Merck) continued for the 2<sup>nd</sup> day running. The broader risk-on mode also added to advances in equities. The curve bear-flattened with overall benchmark yields continuing to rise between 3-6bps. **The UST 2Y yield spiked 6bps to its highest level last seen in March 2020 at 0.69% whilst the much-watched 10Y jumped 4bps to 1.48%.** The \$54b 3Y note auction notched decent bidding metrics with a cover of 2.43x (previous six auction average: 2.42x) and awarded at 1.000%; about 25bps above previous November equivalent exercise. Elsewhere, T-bills maturing in December ended richer by almost 3bps following US lawmakers reaching a deal to raise the government's debt ceiling by ~\$2 trillion. Expect attention to shift to upcoming auctions consisting of the 10Y bond auction tonight followed by the 30Y tomorrow.

#### MGS/GII

- Local govovies, especially MGS reversed gains seen prior day on Monday; reminiscent of the recent 'see-saw' like movements. Overall benchmark yields closed mostly mixed between -4 to +5bps across the curve amid a 67% drop in secondary market volume to RM2.33b. **The 5Y benchmark MGS 11/26 yield edged 1bps up to 3.10% whilst the 10Y benchmark MGS 4/31 ended 2bps higher at 3.53%** compared to prior day's close. Interest was mainly seen in the off-the-run 23's, and also the 5Y MGS, 7Y GII. GII transactions maintained to form 33% of overall trades. Expect attention to shift to updates over the Omicron variant and news covering inflation reports on the back of supply chain disruptions, as prices of goods and services remain elevated.

#### Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw investor interest taper-off on Tuesday amid the fall in secondary market volume to RM213m. Interest was still seen sporadically across the curve i.e. GG to single-A part of the curve as overall yields closed mixed, spanning across 18 names. The sole govt-guaranteed trade consisted of the long-end PRASA 9/47 which declined 17bps compared to previous-done levels to 4.51%. AAA-rated SEB 1/27 and DANGA 9/33 settled 4-6bps lower at 3.53% and 4.15% each. In the AA-space, energy-related BGSM dominated trades with the 2023-2024 tranches closing between -1 to +5bps to end within 2.84-3.12% levels. Meanwhile the banking/finance space was active with HSBC Amanah 10/23 closing 5bps lower at 2.57% whilst AmBank 28NC23 rallied 15bps to 3.39%. CIMB Group Holdings perps 2116NC24 perps however edged 2bps higher at 3.63%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.787	46	1.751	06/12/2021	4
MGS	08/22	1.731	40	1.703	03/12/2021	3
MGS	09/22	1.730	20	1.793	06/12/2021	-6
MGS	03/23	2.209	327	2.192	06/12/2021	2
MGS	04/23	2.168	103	2.780	06/12/2021	-61
MGS	06/24	2.650	170	2.602	06/12/2021	5
MGS	07/24	2.725	31	2.685	06/12/2021	4
MGS	09/24	2.694	5	2.690	06/12/2021	0
MGS	03/25	2.752	100	2.753	06/12/2021	0
MGS	09/25	2.851	27	2.840	06/12/2021	1
MGS	04/26	3.033	6	3.067	06/12/2021	-3
MGS	07/26	3.099	26	3.093	06/12/2021	1
MGS	11/26	3.103	180	3.092	06/12/2021	1
MGS	05/27	3.200	87	3.211	06/12/2021	-1
MGS	11/27	3.227	112	3.246	06/12/2021	-2
MGS	06/28	3.390	34	3.371	06/12/2021	2
MGS	08/29	3.510	18	3.510	06/12/2021	0
MGS	04/30	3.592	1	3.585	06/12/2021	1
MGS	04/31	3.526	67	3.510	06/12/2021	2
MGS	06/31	3.647	3	3.652	06/12/2021	-1
MGS	04/33	3.746	39	3.751	06/12/2021	0
MGS	11/33	3.838	8	3.841	06/12/2021	0
MGS	07/34	3.878	6	3.865	06/12/2021	1
MGS	05/35	3.856	16	3.852	06/12/2021	0
MGS	04/37	3.989	42	4.071	06/12/2021	-8
MGS	05/40	4.098	23	4.087	06/12/2021	1
MGS	03/46	4.311	3	4.327	02/12/2021	-2
MGS	07/48	4.379	6	4.394	06/12/2021	-2
MGS	06/50	4.148	20	4.155	06/12/2021	-1
GII	03/22	1.592	58	1.758	03/12/2021	-17
GII	04/22	1.749	109	1.749	06/12/2021	0
GII	11/22	1.767	1	1.811	03/12/2021	-4
GII	05/23	2.259	51	2.226	06/12/2021	3
GII	11/23	2.346	8	2.355	02/12/2021	-1
GII	10/24	2.787	147	2.769	06/12/2021	2
GII	08/25	3.034	5	3.043	06/12/2021	-1
GII	09/27	3.371	40	3.411	06/12/2021	-4
GII	10/28	3.479	211	3.481	06/12/2021	0
GII	10/30	3.570	53	3.598	06/12/2021	-3
GII	07/36	3.957	14	3.951	06/12/2021	1
GII	08/37	4.189	10	4.194	17/11/2021	0
GII	09/41	4.168	40	4.165	03/12/2021	0
GII	11/49	4.437	15	4.431	06/12/2021	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*
Prasarana Malaysia Berhad	09/47	GG	4.510	20	4.675	21/04/2021	-17	40
Cagamas Berhad	12/22	AAA	2.119	25	-	-	-	29
HSBC Amanah Malaysia Berhad	10/23	AAA	2.565	30	2.613	02/12/2021	-5	26
Sarawak Energy Berhad	01/27	AAA	3.527	20	3.587	27/10/2021	-6	42
Pengurusan Air SPV Berhad	02/29	AAA	3.911	10	3.451	11/08/2021	46	52
Danga Capital Berhad	09/33	AAA	4.151	30	4.189	23/11/2021	-4	62
Sabah Development Bank Berhad	06/23	AA1	3.733	1	3.788	06/12/2021	-5	143
GENM Capital Berhad	08/25	AA1	4.131	1	4.129	02/12/2021	0	121
Genting Capital Berhad	06/27	AA1	4.733	5	3.510	15/07/2020	122	147
BGSM Management Sdn Berhad	09/23	AA3	2.836	20	2.782	01/09/2021	5	53
BGSM Management Sdn Berhad	12/23	AA3	2.893	10	2.904	25/11/2021	-1	59
BGSM Management Sdn Berhad	06/24	AA3	3.122	10	3.122	15/11/2021	0	47
Press Metal Aluminium Holdings Berhad	10/26	AA3	4.269	10	4.273	03/12/2021	0	116
AmBank (M) Berhad	02/28	A1	3.394	10	3.542	24/06/2021	-15	13
CIMB Group Holdings Berhad	05/16	A1	3.626	10	3.602	26/10/2021	2	-48
Tropicana Corporation Berhad	06/23	A+	5.031	1	5.033	02/12/2021	0	273
Alliance Bank Malaysia Berhad	10/30	A2	3.711	1	3.694	06/12/2021	2	17
LBS Bina Group Berhad	03/20	-	5.965	1	6.308	22/11/2021	-34	186
				213				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Premium Commerce Berhad (PCB)	RM204m Class A Notes	AAA(s)/Stable	Reaffirmed
	RM4.5m Class B Notes	AAA/Stable	Reaffirmed
	RM11.25m Class C Notes	Unrated	Reaffirmed

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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