

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.68	-1
5-yr UST	1.28	2
10-yr UST	1.52	5
30-yr UST	1.89	9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.68	3	2.78	-1
5-yr	3.11	1	3.14	4
7-yr	3.42	3	3.36	-1
10-yr	3.53	1	3.61	4
15-yr	3.86	0	3.99	3
20-yr	4.07	-3	4.17	0
30-yr	4.16	1	4.39	-5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.13	0
3-yr	2.68	0
5-yr	2.92	2
7-yr	3.16	1
10-yr	3.33	0

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- USTs extending out from the front-end sold-off as duration influx weighed on the longer-end due to the ongoing corporate issuance slate and also subsiding fears over the impact of the Omicron variant on the economy. The curve steepened sharply with overall benchmark yields mostly higher between 2-9bps save for the short-end. **The UST 2Y yield still flirted at 20-month highs, edging 1bps down at 0.68% whilst the much-watched 10Y jumped 5bps to 1.52%.** The \$36b 10Y bond auction notched strong bidding metrics with a cover of 2.43x (previous auction: 2.35x; previous six auction average: 2.48x) and awarded at 1.518%; about 7bps above previous month's equivalent exercise. Friday's November inflation report could challenge the Fed's "transitory" narrative on price pressures. Hopes to rein in the Omicron variant is seen to clear the path for inflation with rate hike focus in the horizon. Expect attention tonight to shift to upcoming 10Y bond auction and jobless claims as at 4<sup>th</sup> December.

#### MGS/GII

- Local govvnies, especially MGS reversed gains especially in the front-ends and belly on Wednesday; continuing the recent d/d change in volatility and deviation with regards to closing levels. Overall benchmark yields closed mostly mixed-to higher i.e. between -5 to +4bps across the curve amid a 31% drop in secondary market volume to RM1.61b. **Both the 5Y benchmark MGS 11/26 and 10Y benchmark MGS 4/31 yields edged 1bps up to 3.11% and 3.53% each** compared to prior day's close. Interest was mainly seen in the off-the-run 23's, and also the 3Y GII, 7Y GII, 5Y MGS. GII transactions rose to form 44% of overall trades. Expect attention to shift to further updates over the Omicron variant and news on the US front covering interest rate expectations.

#### Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw stronger investor interest on Wednesday amid the the doubling of secondary market volume @ RM406m. Interest was seen across the GG-AA part of the curve as overall yields closed mixed, spanning across 23 names. Govt-guaranteed PTPTN 26's spiked 33-50bps to 3.35% levels whilst the long-end DANA 4/48 and 2/29 tranches eased 2-6bps between 4.54-55. AAA-rated SEB 8/25 declined 3bps to 3.32% whereas DANUM 2/35 rose 12bpd to 4.21%. In the AA-space, highway-operator KESAS 22-23's which last transacted in March and July 2021, were well-bid resulting in yields falling 6-37bps at 2.58% and 2.88% each. Meanwhile the banking/finance space continued to be active with RHB 27NC22 notching RM60m worth of trades; closing unchanged at 2.68% whilst Hong Leong Financial Group 29NC24 edged 1bps lower at 3.30%. MAYBANK 29NC24 however spiked 18bps to 2.99%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.836	2	1.787	07/12/2021	5
MGS	04/23	2.291	1	2.168	07/12/2021	12
MGS	08/23	2.250	30	2.332	06/12/2021	-8
MGS	06/24	2.678	16	2.650	07/12/2021	3
MGS	07/24	2.692	5	2.725	07/12/2021	-3
MGS	09/24	2.742	1	2.694	07/12/2021	5
MGS	03/25	2.783	19	2.752	07/12/2021	3
MGS	09/25	2.862	47	2.851	07/12/2021	1
MGS	04/26	3.054	3	3.033	07/12/2021	2
MGS	11/26	3.113	321	3.103	07/12/2021	1
MGS	05/27	3.217	7	3.200	07/12/2021	2
MGS	11/27	3.236	22	3.227	07/12/2021	1
MGS	06/28	3.422	26	3.390	07/12/2021	3
MGS	08/29	3.511	3	3.510	07/12/2021	0
MGS	04/30	3.603	50	3.592	07/12/2021	1
MGS	04/31	3.534	109	3.526	07/12/2021	1
MGS	06/31	3.650	4	3.647	07/12/2021	0
MGS	04/32	3.699	2	3.753	03/12/2021	-5
MGS	04/33	3.751	43	3.746	07/12/2021	0
MGS	07/34	3.848	2	3.878	07/12/2021	-3
MGS	05/35	3.856	6	3.856	07/12/2021	0
MGS	04/37	4.001	22	3.989	07/12/2021	1
MGS	06/38	4.121	14	4.145	06/12/2021	-2
MGS	05/40	4.067	32	4.098	07/12/2021	-3
MGS	06/50	4.155	115	4.148	07/12/2021	1
GII	07/23	2.259	40	2.301	03/12/2021	-4
GII	11/23	2.372	1	2.346	07/12/2021	3
GII	08/24	2.763	1	2.746	06/12/2021	2
GII	10/24	2.778	264	2.787	07/12/2021	-1
GII	08/25	3.043	1	3.034	07/12/2021	1
GII	10/25	3.059	10	3.037	01/12/2021	2
GII	03/26	3.140	15	3.096	06/12/2021	4
GII	09/27	3.365	120	3.371	07/12/2021	-1
GII	08/28	3.566	20	3.527	03/12/2021	4
GII	10/28	3.480	149	3.479	07/12/2021	0
GII	10/30	3.611	10	3.570	07/12/2021	4
GII	07/36	3.988	21	3.957	07/12/2021	3
GII	08/37	4.189	10	4.189	07/12/2021	0
GII	09/39	4.225	21	4.201	01/12/2021	2
GII	09/41	4.167	10	4.168	07/12/2021	0
GII	11/49	4.388	15	4.437	07/12/2021	-5
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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*
Perbadanan Tabung Pendidikan Tinggi Nasion	07/26	GG	3.351	35	2.850	23/07/2021	50	24
Perbadanan Tabung Pendidikan Tinggi Nasion	08/26	GG	3.359	30	3.032	04/06/2020	33	24
DanaInfra Nasional Berhad	05/40	GG	4.399	10	4.450	03/05/2021	-5	29
DanaInfra Nasional Berhad	04/48	GG	4.539	10	4.601	23/11/2021	-6	43
DanaInfra Nasional Berhad	02/49	GG	4.550	20	4.569	29/11/2021	-2	44
Danum Capital Berhad	05/23	AAA	2.390	30	2.458	23/11/2021	-7	56
Cagamas Berhad	09/24	AAA	3.177	45	2.972	03/11/2021	21	52
Cagamas Berhad	12/24	AAA	3.160	5	-	-	-	50
Sarawak Energy Berhad	08/25	AAA	3.320	30	3.349	17/11/2021	-3	43
Zamrad Assets Berhad	01/28	AAA	4.053	5	4.129	22/07/2020	-8	78
Danum Capital Berhad	02/35	AAA	4.205	10	4.089	24/09/2021	12	33
Tenaga Nasional Berhad	11/36	AAA	4.398	1	4.398	06/12/2021	0	52
Public Bank Berhad	04/27	AA1	2.487	4	2.665	06/08/2021	-18	-63
GENM Capital Berhad	07/28	AA1	4.954	5	4.677	30/11/2021	28	155
Malayan Banking Berhad	01/29	AA1	2.992	5	2.811	05/08/2021	18	-41
Kesas Sdn Berhad	10/22	AA2	2.584	10	2.950	12/03/2021	-37	75
Kesas Sdn Berhad	08/23	AA2	2.881	10	2.945	15/07/2021	-6	58
Hong Leong Financial Group Berhad	06/29	AA2	3.304	40	3.316	02/12/2021	-1	-19
CIMB Group Holdings Berhad	11/29	AA	3.441	30	3.048	22/07/2020	39	-5
RHB Bank Berhad	09/27	AA3	2.684	60	2.684	17/11/2021	0	-59
UEM Sunrise Berhad	12/24	AA-	4.185	10	4.218	07/10/2021	-3	152
Hume Cement Industries Berhad	12/23	-	3.497	1	3.946	02/12/2021	-45	120
Eco World Capital Services Berhad	03/26	-	5.582	1	5.503	06/12/2021	8	269
				406				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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