

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs recovered on Tuesday despite a softer-than-expected 10Y auction whilst being influenced partly by a wider rally in long-end Bunds. The curve bull-flattened with overall benchmark yields closing between 2-6bps lower. **The UST 2Y yield edged 2bps lower at 0.42% whilst the much-watched UST 10Y yield fell 5bps to 1.44%.** Treasury's \$39b 10Y auction was slightly disappointing, with bidding metrics registering a cover of only 2.35x (six previous auction average: 2.48x) and awarded at an attractive rate of 1.444%; ~14bps lower than its previous equivalent sale in October. Global government bonds have rallied over the past two (2) weeks as market expectations for further near-term tightening were pushed back in tandem with the Fed's decision to flag tapering despite fanning inflationary pressures. Expect attention to shift to the upcoming October CPI and jobless claims as at 6th November tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.42	-2
5-yr UST	1.08	-4
10-yr UST	1.44	-5
30-yr UST	1.82	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.65	4	2.68	-1
5-yr	3.10	0	3.14	0
7-yr	3.38	2	3.36	-6
10-yr	3.52	7	3.61	1
15-yr	4.04	0	4.15	-2
20-yr	4.16	-2	4.19	-4
30-yr	4.28	-1	4.47	-3

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.07	2
3-yr	2.68	1
5-yr	2.91	0
7-yr	3.14	0
10-yr	3.32	0

Source: Bloomberg

MGS/GII

- Local govies saw diverse fortunes on Tuesday with MGS belly pressured whilst GII were mostly better bid; amid a positive growth outlook based on the turn-around in industrial production for September. Overall benchmark yields closed between -6 to +7bps despite a further 10% pullback in secondary market volume @ RM2.44b. **The 5Y benchmark MGS 11/26 yield closed within 1bps higher at 3.10% whilst the 10Y benchmark MGS 4/31 yield spiked 7bps to 3.52%.** Interest was mainly seen in the off-the-run 21-22's, 29's and also 5Y MGS, 30Y GII. GII trades eased to form 28% of overall trades. Meanwhile, expect attention to shift to release of 3Q2021 GDP numbers on Friday with our expectations of a small contraction for the quarter; whilst we re-assess our current full-year estimates of 2.7% post 3Q GDP release.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw interest inch higher on Tuesday amid improved market volume of RM194m with some interest seen across the GG to single-A part of the curve. Overall yields closed mostly mixed, spanning across 18 names. Govt-guaranteed DANA 11/30 spiked 36bps compared to previous-done levels to 3.84% whereas the 10/36 tranche however declined 14bps at 4.31%. AAA-rated SEB saw mixed fortunes with the 11/28 tranche edging 2bps up at 3.87% whilst the 12/32 tranche closed 5bps lower at 4.09%. AA-rated highway operator ANIH 11/24 bonds jumped 45bps instead to 3.55% whilst energy-related bonds EDRA 32-33's closed mixed on yields between 4.43-51% area. DRB-Hicom 12/29 was the only single-A rated bond traded which exchanged hands some 30bps higher at 5.17%. Meanwhile the banking/finance space saw nil trades.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.769	203	1.836	08/11/2021	-7
MGS	03/22	1.796	344	1.780	08/11/2021	2
MGS	08/22	1.800	20	1.819	08/11/2021	-2
MGS	09/22	1.796	46	1.774	05/11/2021	2
MGS	03/23	2.252	12	2.237	08/11/2021	1
MGS	04/23	2.251	22	2.233	08/11/2021	2
MGS	08/23	2.333	8	2.297	08/11/2021	4
MGS	06/24	2.644	15	2.610	08/11/2021	3
MGS	07/24	2.655	1	2.667	08/11/2021	-1
MGS	09/24	2.683	8	2.788	05/11/2021	-11
MGS	09/25	2.972	109	2.943	08/11/2021	3
MGS	04/26	3.030	14	3.046	08/11/2021	-2
MGS	07/26	3.095	12	3.130	08/11/2021	-3
MGS	11/26	3.103	211	3.099	08/11/2021	0
MGS	05/27	3.205	11	3.205	08/11/2021	0
MGS	11/27	3.335	15	3.326	08/11/2021	1
MGS	06/28	3.375	22	3.358	08/11/2021	2
MGS	08/29	3.513	53	3.506	08/11/2021	1
MGS	04/31	3.516	38	3.445	08/11/2021	7
MGS	06/31	3.749	1	3.799	03/11/2021	-5
MGS	04/32	3.851	2	3.621	30/09/2021	23
MGS	04/33	3.948	91	3.970	05/11/2021	-2
MGS	11/33	3.999	21	4.048	03/11/2021	-5
MGS	07/34	4.065	161	4.088	08/11/2021	-2
MGS	04/37	4.244	84	4.206	08/11/2021	4
MGS	05/40	4.162	16	4.180	08/11/2021	-2
MGS	06/50	4.278	216	4.284	08/11/2021	-1
GII	03/22	1.789	100	1.800	08/11/2021	-1
GII	05/23	2.257	4	2.331	05/11/2021	-7
GII	10/24	2.681	8	2.690	08/11/2021	-1
GII	03/26	3.140	66	3.136	08/11/2021	0
GII	09/26	3.220	20	3.196	26/10/2021	2
GII	09/27	3.356	5	3.420	03/11/2021	-6
GII	08/28	3.539	50	3.063	05/08/2021	48
GII	10/28	3.496	63	3.450	08/11/2021	5
GII	07/29	3.662	180	3.698	03/11/2021	-4
GII	10/30	3.613	15	3.603	08/11/2021	1
GII	11/34	4.174	13	4.169	05/11/2021	1
GII	07/36	4.148	110	4.163	05/11/2021	-2
GII	09/39	4.317	4	4.329	02/11/2021	-1
GII	09/41	4.193	25	4.230	08/11/2021	-4
GII	11/49	4.468	25	4.500	08/11/2021	-3
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
DanaInfra Nasional Berhad	11/30	GG	3.850	30	3.487	07/09/2021	36	32
DanaInfra Nasional Berhad	10/36	GG	4.307	20	4.451	11/10/2021	-14	27
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.559	10	4.460	08/09/2021	10	38
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.600	5	-	-	-	42
Zamarad Assets Berhad	07/24	AAA	3.553	10	3.406	28/09/2021	15	93
Pengurusan Air SPV Berhad	04/28	AAA	3.769	10	3.877	01/11/2021	-11	48
Sarawak Energy Berhad	11/28	AAA	3.869	10	3.848	08/10/2021	2	50
Sarawak Energy Berhad	12/32	AAA	4.089	20	4.139	27/10/2021	-5	57
TNB Western Energy Berhad	07/33	AAA	4.399	20	4.460	28/10/2021	-6	88
GENM Capital Berhad	07/28	AA1	4.768	1	4.768	08/11/2021	0	140
Anih Berhad	11/24	AA	3.552	20	3.106	29/07/2021	45	93
SP Setia Berhad	06/28	AA	4.198	5	4.278	01/11/2021	-8	83
Edra Energy Sdn Berhad	07/32	AA3	4.429	10	4.567	29/10/2021	-14	91
Edra Energy Sdn Berhad	07/33	AA3	4.509	10	4.261	21/09/2021	25	99
TG Excellence Berhad	02/20	AA-	3.675	1	4.148	03/11/2021	-47	-51
DRB-Hicom Berhad	12/29	A+	5.168	10	4.871	14/10/2021	30	169
YNH Property Berhad	08/19	-	6.148	1	6.148	08/11/2021	0	196
YNH Property Berhad	08/19	-	6.074	1	5.953	05/11/2021	12	189
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Jimah Energy Ventures Sdn Bhd	RM4.85 bil Senior IMTN Facility (2005/2025)	AAA/Stable	Affirmed
Special Power Vehicle Berhad	RM800 mil Class A Islamic MTN (Class A IMTN) Facility (2005/2022)	A1/Stable	Reaffirmed
Sarawak Energy Berhad	RM15.0 bil Sukuk Musyarakah Programme (2011/2036)	AAA/Stable	Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & 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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