

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.69	1
5-yr UST	1.27	-1
10-yr UST	1.50	-2
30-yr UST	1.88	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	4	2.78	0
5-yr	3.12	1	3.16	2
7-yr	3.45	3	3.38	1
10-yr	3.55	2	3.63	2
15-yr	3.86	0	3.98	-1
20-yr	4.10	3	4.21	4
30-yr	4.20	4	4.39	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.16	3
3-yr	2.72	4
5-yr	2.94	2
7-yr	3.20	5
10-yr	3.39	6

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- USTs managed to eke out small gains from earlier lows seen on Thursday despite a rather weak demand for the 30Y bond auction. The curve flattened slightly with overall benchmark yields closing between -2 to +1bps across. **The UST 2Y yield ended 1bps up at 0.69% whilst the much-watched 10Y edged 2bps lower at 1.50%**. The \$22b 30Y bond auction saw poor bidding metrics with a soft cover of 2.22x (previous auction: 2.20x; previous six auction average: 2.35x) and awarded at 1.895%; about 4bps below previous month's equivalent exercise. Extreme volatility has been seen especially in short-maturity yields over the past one (1) month, reflecting shifting expectations for the Fed to address inflation. Hopes to rein in the infectious but less-deadly Omicron variant is expected to clear the path for inflation with rate hike focus in the horizon. Expect attention to shift to the release of November CPI for which consensus for both headline and core remain elevated .

#### MGS/GII

- Local govvnies, followed through weaker for the 2<sup>nd</sup> consecutive session breaking the recent "whipsaw" trend seen the past one (1) week. Overall benchmark MGS/GII yields closed higher between 0-4bps across the curve (save for the 15Y GII) amid an increase in secondary market volume to RM2.75b. **The 5Y benchmark MGS 11/26 yield edged 1bps up at 3.12% whilst the 10Y benchmark MGS 4/31 yield settled 2bps higher at 3.55%** compared to prior day's close. Interest was mainly seen in the off-the-run 22's, and 39's. GII transactions jumped to form 57% of overall trades. Expect attention to shift to the industrial production data for October and also further updates over the Omicron variant.

#### Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw solid investor interest on Thursday amid a 17.2% rise in secondary market volume @ RM476m. Interest was seen across the GG-AA part of the curve as overall yields closed mixed again, spanning across 25 names. Govt-guaranteed DANA 12/29 closed unchanged compared to previous-done levels at 3.75% whilst PRASA 12/38 spiked 55bps to 4.36%. AAA-rated SEB 1/22 declined 11bps to 1.94% whereas the 11/33 tranche edged 1bps lower at 4.10%. In the AA-space, property-related UEM Sunrise 3/24 bonds notched RM100m in nominal amounts; moving 3bps lower to 3.92% whilst MRCB 10/31 edged 2bps up at 5.12%. Meanwhile the banking/finance space saw several odd-lot trades in MAYBANK and ALLIANCE Bank bonds. SABAH Development Bank 12/23 saw its maiden trade at 3.68%; 52bps lower than its issued coupon.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	
MGS	03/22	1.750	442	1.836	08/12/2021	-9
MGS	03/23	2.178	24	2.209	07/12/2021	-3
MGS	04/23	2.231	23	2.291	08/12/2021	-6
MGS	08/23	2.313	2	2.250	08/12/2021	6
MGS	06/24	2.722	6	2.678	08/12/2021	4
MGS	09/25	2.893	13	2.862	08/12/2021	3
MGS	07/26	3.118	10	3.099	07/12/2021	2
MGS	11/26	3.122	113	3.113	08/12/2021	1
MGS	05/27	3.235	2	3.217	08/12/2021	2
MGS	11/27	3.255	2	3.236	08/12/2021	2
MGS	06/28	3.448	117	3.422	08/12/2021	3
MGS	08/29	3.532	88	3.511	08/12/2021	2
MGS	04/31	3.551	2	3.534	08/12/2021	2
MGS	06/31	3.667	1	3.650	08/12/2021	2
MGS	04/33	3.754	1	3.751	08/12/2021	0
MGS	07/34	3.900	10	3.848	08/12/2021	5
MGS	05/35	3.861	17	3.856	08/12/2021	1
MGS	04/37	4.022	2	4.001	08/12/2021	2
MGS	05/40	4.099	89	4.067	08/12/2021	3
MGS	09/43	4.278	39	4.305	06/12/2021	-3
MGS	03/46	4.356	105	4.303	08/12/2021	5
MGS	07/48	4.389	1	4.372	08/12/2021	2
MGS	06/50	4.198	75	4.155	08/12/2021	4
GII	03/22	1.751	460	1.592	07/12/2021	16
GII	04/22	1.755	340	1.749	07/12/2021	1
GII	07/22	1.781	100	1.767	03/12/2021	1
GII	05/23	2.235	1	2.259	07/12/2021	-2
GII	07/23	2.319	1	2.259	08/12/2021	6
GII	11/23	2.352	1	2.372	08/12/2021	-2
GII	05/24	2.747	1	2.718	30/11/2021	3
GII	10/24	2.783	73	2.778	08/12/2021	0
GII	10/25	3.085	20	3.059	08/12/2021	3
GII	03/26	3.156	13	3.140	08/12/2021	2
GII	07/27	3.386	29	4.206	06/12/2021	-82
GII	09/27	3.379	1	3.365	08/12/2021	1
GII	08/28	3.573	20	3.566	08/12/2021	1
GII	10/28	3.489	112	3.480	08/12/2021	1
GII	07/29	3.594	2	3.554	06/12/2021	4
GII	10/30	3.627	79	3.611	08/12/2021	2
GII	07/36	3.976	1	3.988	08/12/2021	-1
GII	09/39	4.225	160	4.225	08/12/2021	0
GII	09/41	4.210	91	4.168	07/12/2021	4
GII	05/47	4.445	60	4.481	01/12/2021	-4
			<u>2748</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*
Lembaga Pembiayaan Perumahan Sektor Awam	04/27	GG	3.459	15	3.100	22/04/2021	36	33
DanaInfra Nasional Berhad	02/29	GG	3.754	20	3.758	06/12/2021	0	33
Prasarana Malaysia Berhad	12/38	GG	4.359	20	3.809	02/02/2021	55	48
Sarawak Energy Berhad	01/22	AAA	1.941	59	2.052	23/11/2021	-11	10
Telekom Malaysia Berhad	08/23	AAA	2.436	20	2.479	24/11/2021	-4	13
Malaysia Airports Capital Berhad	12/24	AAA	3.676	10	3.265	11/03/2021	41	100
Zamarad Assets Berhad	01/28	AAA	4.050	5	4.053	08/12/2021	0	77
Infracap Resources Sdn Berhad	04/31	AAA	4.252	20	4.199	01/12/2021	5	71
Sarawak Energy Berhad	11/33	AAA	4.097	10	4.109	17/11/2021	-1	56
Sabah Development Bank Berhad	06/23	AA1	4.138	1	4.138	08/12/2021	0	183
Sabah Development Bank Berhad	12/23	AA1	3.675	100			368	137
GENM Capital Berhad	07/28	AA1	4.588	1	4.954	08/12/2021	-37	117
Malayan Banking Berhad	01/29	AA1	2.985	5	2.992	08/12/2021	-1	-44
Malayan Banking Berhad	01/31	AA1	3.587	9	3.614	05/11/2021	-3	5
Edra Solar Sdn Berhad	10/22	AA2	2.536	10	2.939	12/03/2021	-40	70
Imtiaz Sukuk II Berhad	04/26	AA2	3.713	5	3.698	17/11/2021	2	79
Northport (Malaysia) Berhad	12/22	AA-	2.551	2	3.161	25/10/2021	-61	71
AZRB Capital Sdn Berhad	12/22	AA-	3.444	2	3.463	25/11/2021	-2	161
UEM Sunrise Berhad	03/24	AA-	3.917	100	3.947	17/11/2021	-3	161
Malaysian Resources Corporation Berhad	10/31	AA-	5.119	60	5.100	06/12/2021	2	158
Alliance Bank Malaysia Berhad	10/30	A2	3.599	1	3.711	07/12/2021	-11	6
IJM Land Berhad	03/19	A2	4.490	1	4.995	06/12/2021	-51	39
Tropicana Corporation Berhad	09/19	A	5.368	1	6.077	07/12/2021	-71	127
Eco World Capital Services Berhad	03/26	-	4.946	1	5.582	08/12/2021	-64	203
Cypark Renewable Energy Sdn Berhad	09/20	-	6.700	2	6.699	29/11/2021	0	260
				476				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Senai-Desaru Expressway Berhad	RM1.89 billion Islamic Medium-Term Notes Programme (Restructured Sukuk)	From BBB-IS/Negative to BB-IS/Negative	Downgraded
Bank Muamalat Malaysia Berhad	Financial institution ratings	A/MARC-1	Affirmed

Source: RAM, MARC

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