

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- Financial markets were closed in the US to celebrate Columbus Day on Monday. Treasury futures however fell on Monday, pointing to higher yields. At the time of writing cash trading is resuming with the curve seen bear-flattening as the UST 2Y yield climbs 3bps to 0.35% whilst the much-watched UST 10Y yield is seen edging 1bps up at 1.62%. USTs lagged and underperformed the global sovereign bond markets last week; notching a loss of 0.8% whilst total YTD returns registered a loss of 3.0%. Meanwhile expect a slew of upcoming events beginning with the 3Y note auction tonight. Investors will then turn their attention to Fed Speaks in the coming days whereby several Fed officials are likely to reinforce the view that asset-tapering will go ahead. Next comes the release of September inflation data on Wednesday, followed by minutes of the FOMC meeting on Thursday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.32	0
5-yr UST	1.06	0
10-yr UST	1.61	0
30-yr UST	2.17	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.48	1	2.63	9
5-yr	3.19	9	3.07	-1
7-yr	3.57	6	3.27	0
10-yr	3.67	4	3.75	11
15-yr	4.13	0	4.26	3
20-yr	4.32	8	4.30	-2
30-yr	4.37	5	4.50	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.62	3
5-yr	2.99	6
7-yr	3.21	7
10-yr	3.52	6

Source: Bloomberg

MGS/GII

- Local govies saw no let-up in weakness as sellers outnumbered bidders in the beginning of this week, taking cue from continued fixed-rate payers for IRS. Overall benchmark yields closed mostly higher with MGS yields rising between 0-9bps whilst GII closed mixed between -2 to +11bps. Secondary market volume rose ~20% to RM3.33b worth of trades. The 5Y benchmark MGS 11/26 yield spiked 9bps to 3.19% whilst the 10Y MGS 4/31 yield rose another 4bps to 3.67%. Interest was mainly seen in the off-the-run 23's and also 5Y MGS/GII, 7Y MGS, 10Y MGS/GII, 15Y GII. GII trades jumped to form ~37% of overall trades. The strong views over asset-tapering exercise and inflationary pressures in the US is seen to impact bond yields.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw improved investor appetite in the secondary market amid volume of RM429m with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-higher, spanning across 27 names. The gov-guaranteed DANA 10/23 and 10/26 ended 27bps higher each compared to previous-done levels at 2.52 and 4.45%; with both notching trades worth RM125m in total. AAA-rated telco provider TELEKOM saw both its 12/24 and 10/28 tranches also rise 17-19bps at 3.04% and 3.87% each. In the AA-space Quantum Solar 25-26's were well-bid, resulting in yields declining 11-26bps to between 3.82-4.00%. Meanwhile the banking/finance space saw PUBLIC Islamic 31NC26 move 23bps up at 3.20% whereas MAYBANK 31NC26 spiked 49bps to 3.83%.

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	1.752	85	1.753	07/10/2021	0
MGS	03/22	1.779	37	1.759	08/10/2021	2
MGS	03/23	1.960	117	1.912	08/10/2021	5
MGS	04/23	1.960	40	1.948	08/10/2021	1
MGS	06/24	2.483	4	2.473	08/10/2021	1
MGS	09/24	2.595	32	2.531	08/10/2021	6
MGS	07/25	2.694	11	2.624	22/09/2021	7
MGS	04/26	2.990	9	2.979	08/10/2021	1
MGS	07/26	3.220	60	3.015	08/10/2021	21
MGS	11/26	3.186	441	3.093	08/10/2021	9
MGS	11/27	3.440	21	3.437	08/10/2021	0
MGS	06/28	3.569	658	3.512	08/10/2021	6
MGS	08/29	3.673	23	3.633	08/10/2021	4
MGS	04/31	3.668	482	3.625	08/10/2021	4
MGS	07/34	4.210	1	4.164	08/10/2021	5
MGS	04/37	4.247	2	4.226	07/10/2021	2
MGS	05/40	4.317	2	4.233	08/10/2021	8
MGS	09/43	4.433	1	4.298	30/09/2021	14
MGS	06/50	4.366	81	4.312	08/10/2021	5
GII	03/22	1.860	70	1.799	08/10/2021	6
GII	04/22	1.860	40	1.799	07/10/2021	6
GII	05/23	2.217	140	1.985	07/10/2021	23
GII	11/23	2.398	70	2.073	05/10/2021	33
GII	10/24	2.628	90	2.534	07/10/2021	9
GII	03/26	3.074	540	3.086	08/10/2021	-1
GII	10/28	3.623	21	3.545	08/10/2021	8
GII	07/29	3.710	20	3.607	07/10/2021	10
GII	10/30	3.750	203	3.645	08/10/2021	11
GII	07/36	4.264	22	4.231	08/10/2021	3
GII	09/41	4.304	10	4.327	08/10/2021	-2
			<u>3330</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Danainfra Nasional Berhad	07/22	GG	2.099	35	1.951	03/09/2020	15	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/23	GG	2.300	15	2.357	08/10/2021	-6	25
Danainfra Nasional Berhad	10/23	GG	2.519	105	2.248	05/08/2021	27	47
Prasarana Malaysia Berhad	09/25	GG	3.249	15	2.660	15/07/2021	59	40
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.451	30	4.084	24/09/2021	37	28
Danainfra Nasional Berhad	10/36	GG	4.451	20	4.181	27/09/2021	27	28
Sarawak Energy Berhad	07/24	AAA	2.865	5	2.773	30/09/2021	9	34
Telekom Malaysia Berhad	12/24	AAA	3.039	5	2.846	16/06/2021	19	51
Danga Capital Berhad	02/26	AAA	3.338	5	2.962	13/07/2021	38	49
Pengurusan Air SPV Berhad	04/28	AAA	3.926	10	3.930	07/10/2021	0	36
Telekom Malaysia Berhad	10/28	AAA	3.870	20	3.701	30/09/2021	17	30
Infracap Resources Sdn Berhad	04/29	AAA	4.068	10	3.679	21/09/2021	39	46
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Berhad)	08/30	AAA	3.898	40	3.970	08/10/2021	-7	26
Sarawak Energy Berhad	12/32	AAA	4.061	20	3.859	01/10/2021	20	39
Encorp Systembilt Sdn Berhad	05/22	AA1	2.358	10	3.426	22/01/2020	-107	48
GENM Capital Berhad	08/25	AA1	4.120	1	4.089	27/09/2021	3	128
Kuala Lumpur Kepong Berhad	04/26	AA1	3.490	5	3.145	26/07/2021	35	30
Public Islamic Bank Berhad	10/29	AA1	3.204	20	2.978	06/08/2021	23	-40
Malayan Banking Berhad	01/31	AA1	3.830	10	3.336	07/09/2021	49	19
Fortune Premiere Sdn Berhad	11/23	AA	3.204	10	3.115	14/07/2021	9	115
BGSM Management Sdn Berhad	12/23	AA3	2.932	13	2.819	19/08/2021	11	88
UEM Sunrise Berhad	05/23	AA-	3.620	3	3.616	08/10/2021	0	157
Quantum Solar Park (Semenanjung) Sdn Berhad	10/25	AA-	3.818	10	3.928	30/06/2021	-11	97
Quantum Solar Park (Semenanjung) Sdn Berhad	10/26	AA-	3.996	10	4.256	06/04/2021	-26	81
TG Excellence Berhad	02/20	AA-	4.103	1	3.633	05/10/2021	47	-20
CIMB Group Holdings Berhad	05/16	A1	3.097	1	3.159	24/09/2021	-6	-121
Eco World International Berhad	05/23	-	4.357	1	5.399	06/10/2021	-104	231
				<u>429</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
George Kent (Malaysia) Berhad	RM100.0 million Islamic Commercial Papers Programme	MARC-1 IS	Affirmed
	RM500.0 million Islamic Medium-Term Notes Programme	A+ IS	Affirmed

Source: RAM/ MARC

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