

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- Bond markets in US were closed on Thursday to celebrate Veterans Day. As at the time of writing USTs were seen to reopen on the backfoot as the fallout from the recently announced spike in US inflation print for October impacted global bonds. Overall, global bonds experienced substantial volatility as investors grappled earlier with the path of rate hikes, inflation and also asset-tapering decision by the Fed. Expect traders to await peripheral data from University of Michigan survey results whilst overnight-indexed swaps flash a potential Fed rate hike from July onwards next year.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.52	0
5-yr UST	1.22	0
10-yr UST	1.55	0
30-yr UST	1.90	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.61	-2	2.71	3
5-yr	3.11	0	3.15	0
7-yr	3.44	8	3.36	0
10-yr	3.56	4	3.68	6
15-yr	4.03	-1	4.14	6
20-yr	4.23	7	4.20	0
30-yr	4.32	6	4.39	-8

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.12	4
3-yr	2.76	8
5-yr	2.98	6
7-yr	3.19	6
10-yr	3.35	4

Source: Bloomberg

##### MGS/GII

- Local govies ended weaker influenced largely by higher MYR IRS levels which felt the brunt of spiking UST levels following the latest elevated CPI print for October. Overall benchmark yields closed mostly higher between 0-8bps amid secondary market volume of RM2.05b. The 5Y benchmark MGS 11/26 yield closed unchanged 3.11% whilst the 10Y MGS 4/31 yield rose 4bps to 3.56%. Interest was mainly seen in the off-the-run 21-23's, benchmark 5Y, 10Y MGS. GII trades dropped to form a mere ~13% of overall trades. Expect attention to shift to the release of 3Q2021 GDP numbers this afternoon followed by the 15Y MGS auction next Monday.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a decline in investor appetite amid secondary market volume of RM193m with interest seen mainly across the AAA-AA part of the curve. Overall yields closed mixed, spanning across 17 names. The sole gov-guaranteed trade consisted of DANA 11/34 which spiked 27bps compared to previous-done levels at 3.88%. AAA-rated telco provider DIGI too saw yields jump 35bps to 2.84% whilst SEB 12/32 eased 2bps instead to 4.07%. In the AA-space energy-related bonds EDRA 27 and 29 were well-bid; resulting in yields dropping 9-22bps to close at 3.90% and 4.21% respectively. UEM Edgenta 4/22 closed 11bps at 2.63%. Meanwhile the banking/finance space was relatively quiet with several odd-lot trades seen in AmBank Islamic 28NC23 and Affin perps.

#### Upcoming Government Bond Tender

Reopening of RM2.0b (+ RM2.0b private placement) of 15Y MGS 5/35 on Monday, 15<sup>th</sup> November, 2021

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.774	395	1.750	10/11/2021	2
MGS	03/22	1.780	230	1.790	10/11/2021	-1
MGS	03/23	2.442	122	2.237	10/11/2021	21
MGS	04/23	2.256	10	2.245	10/11/2021	1
MGS	08/23	2.372	31	2.372	10/11/2021	0
MGS	06/24	2.617	143	2.632	10/11/2021	-2
MGS	09/24	2.711	34	2.693	10/11/2021	2
MGS	09/25	2.981	22	2.972	09/11/2021	1
MGS	07/26	3.117	7	3.047	10/11/2021	7
MGS	11/26	3.109	225	3.107	10/11/2021	0
MGS	05/27	3.293	27	3.264	10/11/2021	3
MGS	11/27	3.317	10	3.326	10/11/2021	-1
MGS	06/28	3.442	72	3.357	10/11/2021	9
MGS	08/29	3.572	65	3.521	10/11/2021	5
MGS	04/31	3.555	144	3.517	10/11/2021	4
MGS	04/33	3.960	20	3.948	09/11/2021	1
MGS	07/34	4.052	40	3.990	10/11/2021	6
MGS	05/35	4.032	147	4.041	10/11/2021	-1
MGS	05/40	4.227	36	4.154	10/11/2021	7
MGS	06/50	4.322	9	4.259	10/11/2021	6
GII	03/22	1.799	40	1.789	09/11/2021	1
GII	11/22	1.880	8	1.820	23/08/2021	6
GII	05/23	2.298	5	2.257	09/11/2021	4
GII	05/24	2.693	7	2.700	29/10/2021	-1
GII	08/24	2.700	1	2.659	10/11/2021	4
GII	10/24	2.713	4	2.681	09/11/2021	3
GII	03/26	3.146	26	3.142	10/11/2021	0
GII	10/28	3.485	59	3.501	10/11/2021	-2
GII	10/30	3.677	77	3.617	10/11/2021	6
GII	07/36	4.142	30	4.081	10/11/2021	6
GII	11/49	4.388	2	4.468	10/11/2021	-8
			<u>2046</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*	
Danalnra Nasional Berhad	11/34	GG	4.147	20	3.880	03/09/2021	27	10
Cagamas Berhad	08/22	AAA	2.010	10	-	-	-	17
DiGi Telecommunications Sdn Berhad	04/24	AAA	2.843	20	2.495	06/08/2021	35	57
Infracap Resources Sdn Berhad	04/26	AAA	3.771	30	3.138	17/08/2021	63	80
TNB Northern Energy Berhad	05/32	AAA	4.188	5	4.402	26/10/2021	-21	63
Sarawak Energy Berhad	12/32	AAA	4.069	20	4.089	09/11/2021	-2	51
GENM Capital Berhad	07/28	AA1	4.681	2	4.768	10/11/2021	-9	122
OSK Rated Bond Sdn Berhad	04/28	AA	4.357	10	3.978	25/08/2021	38	101
Edra Energy Sdn Berhad	07/27	AA3	3.897	10	3.988	03/11/2021	-9	55
Edra Energy Sdn Berhad	07/29	AA3	4.208	10	4.425	29/10/2021	-22	70
UEM Edgenta Berhad	04/22	AA-	2.627	30	2.739	04/10/2021	-11	78
UEM Sunrise Berhad	05/26	AA-	4.627	10	4.361	30/08/2021	27	147
AmBank Islamic Berhad	02/28	A1	4.455	1	2.826	27/08/2020	163	111
DRB-Hicom Berhad	08/31	A+	5.209	10	5.238	10/11/2021	-3	165
Affin Bank Berhad	07/18	A3	3.748	1	3.716	18/10/2021	3	-44
YNH Property Berhad	08/19	-	6.641	4	6.074	09/11/2021	57	246
Tropicana Corporation Berhad	09/19	A	5.716	1	6.301	10/11/2021	-59	153
				<u>193</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Pembangunan Malaysia Berhad	Financial institution (FI) rating	AAA-IS/Stable	Affirmed

Source: RAM/ MARC

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