

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs reopened after the Columbus Day holiday with the longer-ends richer on Tuesday after a strong 10Y bond auction. Nevertheless rate hike premium continue to build into the front-ends following similar expectations not just in the US but also across several global central banks. The curve ended at its flattest levels of the day as overall benchmark yields settled between -7 to +2bps. The UST 2Y yield climbed 2bps to 0.34% whilst the much-watched UST 10Y yield declined 3bps to 1.58%. Treasury's \$58b 3Y note auction was tepid with a soft cover of 2.36x (6 previous auction average: 2.44x) and awarded at 0.635% (6 previous auction average: 0.395%). However the other auction consisting of \$38b 10Y auction fared better; drawing a yield of 1.584% (6 previous auction average: 1.338%) on a BTC ratio of 2.58x (6 previous auction average: 2.59x). Expect attention to shift to the release of September inflation data tonight, followed by minutes of the FOMC meeting.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.34	2
5-yr UST	1.07	1
10-yr UST	1.58	-3
30-yr UST	2.10	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.53	4	2.61	-2
5-yr	3.15	-4	3.12	5
7-yr	3.51	-6	3.41	14
10-yr	3.62	-5	3.70	-6
15-yr	4.17	4	4.22	-5
20-yr	4.23	-9	4.30	0
30-yr	4.37	0	4.50	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.62	0
5-yr	2.98	-1
7-yr	3.19	-2
10-yr	3.49	-2

Source: Bloomberg

##### MGS/GII

- Local govies saw signs of recovery on attractive levels whilst levels for IRS eased following a recent string of rises. Overall benchmark yields closed mostly mixed between -9 to +14bps amid sustained secondary market volume of RM3.48b. The 5Y benchmark MGS 11/26 yield declined 4bps to 3.15% whilst the 10Y MGS 4/31 yield closed 5bps lower at 3.62%. Interest was mainly seen in the off-the-run 21's, 28's and also 7Y MGS, 10Y MGS/GII. GII trades eased to form ~26% of overall trades. Expect attention to shift to the 30Y GII auction tomorrow.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw investor appetite taper-off amid the halving of secondary market volume of RM237m with interest seen across the GG-AA part of the curve. Overall yields closed mostly higher, spanning across 21 names. The govt-guaranteed DANA 11/28 spiked 48bps compared to previous-done levels to 3.86% whilst PTPTN 3/29 carved its first maiden trade at 3.94%; about 58bps higher than its coupon of 3.36%. AAA-rated telco provider TELEKOM traded back-to-back again closing unchanged at 3.84% whereas DANGA 9/33 rose 31bps higher at 4.20%. In the AA-space construction giant IJM saw its 6/22 tranche rallied 7bps to 2.56% on RM40m in nominal amount of trades. Energy-related bonds BGSM saw its 2026-2027 tranches spike 41-54bps to between 3.68-4.00%. Meanwhile the banking/finance space saw RHB Islamic 29NC24 move 14bps higher at 3.35% whereas SABAH Dev Bank 24-26's edged 0-2bps lower between 3.92-94% levels.

#### Upcoming Government Bond Tender

Reopening of RM2.0b (+ RM2.0b private placement) of 30Y GII 11/49 on Thursday, 14<sup>th</sup> October, 2021

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.737	677	1.752	11/10/2021	-1
MGS	03/22	1.780	67	1.779	11/10/2021	0
MGS	08/22	1.788	5	1.780	07/10/2021	1
MGS	03/23	1.997	23	1.960	11/10/2021	4
MGS	04/23	1.981	1	1.960	11/10/2021	2
MGS	08/23	2.111	1	2.037	08/10/2021	7
MGS	06/24	2.529	40	2.483	11/10/2021	5
MGS	07/24	2.535	8	2.482	08/10/2021	5
MGS	03/25	2.799	171	2.694	07/10/2021	11
MGS	09/25	2.802	101	2.817	08/10/2021	-2
MGS	04/26	3.101	25	2.990	11/10/2021	11
MGS	07/26	3.209	2	3.220	11/10/2021	-1
MGS	11/26	3.151	44	3.186	11/10/2021	-4
MGS	05/27	3.344	15	3.327	08/10/2021	2
MGS	11/27	3.442	38	3.440	11/10/2021	0
MGS	06/28	3.512	670	3.569	11/10/2021	-6
MGS	08/29	3.633	2	3.673	11/10/2021	-4
MGS	04/30	3.690	5	3.506	06/10/2021	18
MGS	04/31	3.616	586	3.668	11/10/2021	-5
MGS	04/33	4.009	4	3.985	11/10/2021	2
MGS	11/33	4.091	1	3.858	06/10/2021	23
MGS	07/34	4.133	10	4.210	11/10/2021	-8
MGS	05/35	4.166	29	4.130	08/10/2021	4
MGS	06/38	4.309	1	4.301	08/10/2021	1
MGS	05/40	4.226	10	4.317	11/10/2021	-9
MGS	06/50	4.366	20	4.366	11/10/2021	0
GII	11/23	2.301	80	2.398	11/10/2021	-10
GII	10/24	2.610	40	2.628	11/10/2021	-2
GII	03/26	3.121	200	3.074	11/10/2021	5
GII	09/27	3.413	45	3.270	06/10/2021	14
GII	10/28	3.592	319	3.623	11/10/2021	-3
GII	07/29	3.723	5	3.710	11/10/2021	1
GII	10/30	3.695	160	3.750	11/10/2021	-6
GII	07/36	4.215	72	4.264	11/10/2021	-5
			<u>3477</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	11/28	GG	3.858	20	3.375	09/09/2021	48	37
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.941	15	-	-	-	45
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.620	5	2.589	05/10/2021	3	57
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.893	10	2.774	30/09/2021	12	84
Danum Capital Berhad	02/25	AAA	3.269	5	2.831	30/06/2021	44	76
Telekom Malaysia Berhad	10/28	AAA	3.868	20	3.870	11/10/2021	0	38
Danga Capital Berhad	09/33	AAA	4.198	10	3.884	22/09/2021	31	59
Sabah Development Bank Berhad	04/24	AA1	3.948	10	3.964	20/09/2021	-2	144
Sabah Development Bank Berhad	07/26	AA1	3.922	1	3.923	08/10/2021	0	87
Kuala Lumpur Kepong Berhad	09/29	AA1	4.119	10	3.590	05/08/2021	53	58
Fortune Premiere Sdn Berhad	03/23	AA	3.045	10	3.014	28/09/2021	3	119
IJM Corporation Berhad	06/22	AA3	2.555	40	2.629	30/09/2021	-7	70
Grand Sepadu (NK) Sdn Berhad	06/23	AA-	-	10	-	08/08/2019	-	-
UEM Sunrise Berhad	02/24	AA-	3.935	10	3.882	02/09/2021	5	189
BGSM Management Sdn Berhad	03/26	AA3	3.680	10	3.207	06/08/2021	47	89
BGSM Management Sdn Berhad	12/26	AA3	3.803	30	3.394	28/07/2021	41	75
BGSM Management Sdn Berhad	12/27	AA3	4.001	10	3.462	13/09/2021	54	65
RHB Islamic Bank Berhad	05/29	AA3	3.347	10	3.205	04/10/2021	14	-20
Eco World Capital Services Berhad	03/26	-	5.482	1	4.953	08/10/2021	53	269
Gamuda Land (T12) Sdn Berhad	10/28	-	4.353	1	4.400	08/10/2021	-5	87
Mah Sing Group Berhad	04/17	-	4.511	1	4.709	28/09/2021	-20	24
				<u>237</u>				

*\*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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