

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.66	-3
5-yr UST	1.25	-2
10-yr UST	1.49	-2
30-yr UST	1.86	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.74	1	2.81	
5-yr	3.14	1	3.16	
7-yr	3.47	2	3.38	
10-yr	3.56	1	3.65	
15-yr	3.87	1	3.98	
20-yr	4.10	0	4.21	
30-yr	4.22	2	4.39	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.17	1
3-yr	2.73	1
5-yr	2.95	0
7-yr	3.20	-1
10-yr	3.40	1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs surprisingly saw the front-end and belly outperforming despite the elevated inflation data for November; the highest pace seen in 40 years. The curve steepened slightly with overall benchmark yields closing between 0-3bps lower across. **The UST 2Y yield closed 3bps lower at 0.66% whilst the much-watched 10Y edged 2bps lower at 1.49%**. The keenly-watched figure on inflation matched expectations, with traders parring their bets on rate hikes by the Fed. Swaps tied to Fed meetings eased further to ~65bps of benchmark increases for 2022. Elsewhere, worries over inflation and higher prices are seen to be larger than concerns over the COVID-19 pandemic as the bulk of Americans cite inflation and paying their bills as their top concerns, whilst pointing to rising gasoline and grocery bills. The FOMC may be on course to expedite the pace of asset-tapering. Expect attention to shift to the all-important FOMC meeting being held over 2 days from 15-16th followed by Fed Chair Powell's press conference.

MGS/GII

- Local govies, followed through a weaker path for the 3rd consecutive session last Friday. Overall benchmark MGS/GII yields edged higher between 0-2bps across the curve amid the halving of secondary market volume @ RM1.37b. **Both the 5Y benchmark MGS 11/26 and 10Y benchmark MGS 4/31 yields edged 1bps up at 3.14% and 3.56%** compared to prior day's close. Interest was mainly seen in the off-the-run 22's, 34's and also 7Y MGS. GII transactions dropped to form 26% of overall trades. Elsewhere, growth in industrial production picked up more than expected to ~5.5% y/y for October. The economic calendar remains light this week as traders and investors keep a lookout for global-related news.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw slight easing in investor interest last Friday amid a 33% dip in secondary market volume @ RM315m. Interest was seen mainly across the GG-AA part of the curve as overall yields closed mixed again, spanning across 21 names. The sole govt-guaranteed trade consisted of LPPSA 9/22 which rose 12bpd to 2.07%. AAA-rated TNB Western 7/28 saw yields balloon by 95bps to 3.98% whereas CAGAMAS 5/23 closed 5bps higher at 2.30%. In the AA-space, energy-related bonds EDRA saw the 7/33 tranche move 3bps lower to 4.48% whereas the 1/38 tranche rose 8bps instead to 4.86%. Meantime highway operator KESTURI 12/28 spiked 75bps to 4.77%, on a mere standard lot trade. Meanwhile the banking/finance space saw BPMB spike 27bps to 4.15% whilst RHB 30NC25 closed unchanged at 3.80%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.759	327	1.750	09/12/2021	1
MGS	08/22	1.743	11	1.731	07/12/2021	1
MGS	09/22	1.692	106	1.730	07/12/2021	-4
MGS	03/23	2.198	5	2.178	09/12/2021	2
MGS	04/23	2.228	12	2.231	09/12/2021	0
MGS	06/24	2.736	93	2.722	09/12/2021	1
MGS	07/24	2.783	21	2.692	08/12/2021	9
MGS	03/25	2.795	31	2.783	08/12/2021	1
MGS	09/25	2.920	63	2.893	09/12/2021	3
MGS	07/26	3.128	5	3.118	09/12/2021	1
MGS	11/26	3.135	110	3.122	09/12/2021	1
MGS	11/27	3.263	16	3.255	09/12/2021	1
MGS	06/28	3.470	159	3.448	09/12/2021	2
MGS	08/29	3.525	8	3.532	09/12/2021	-1
MGS	04/30	3.613	4	3.603	08/12/2021	1
MGS	04/31	3.564	26	3.551	09/12/2021	1
MGS	04/33	3.771	5	3.754	09/12/2021	2
MGS	07/34	3.890	1	3.900	09/12/2021	-1
MGS	05/35	3.870	11	3.861	09/12/2021	1
MGS	06/38	4.168	3	4.121	08/12/2021	5
GII	10/24	2.807	20	2.783	09/12/2021	2
GII	08/25	3.068	50	3.043	08/12/2021	2
GII	10/30	3.651	70	3.627	09/12/2021	2
GII	11/34	4.010	170	4.012	01/12/2021	0
GII	09/39	4.220	40	4.225	09/12/2021	0
			<u>1366</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 Aw	09/22	GG	2.070	40	1.946	03/12/2021	12	24
Gulf Investment Corporation G.S.C	06/22	AAA	2.494	10	2.581	15/09/2021	-9	66
MUFG Bank (Malaysia) Berhad (fka Bank of T	03/23	AAA	2.463	20	2.526	27/08/2021	-6	63
Cagamas Berhad	05/23	AAA	2.303	10	2.249	06/10/2021	5	47
Bakun Hydro Power Generation Sdn Berhad (f	08/26	AAA	3.438	1	3.469	23/11/2021	-3	32
Zamarad Assets Berhad	07/28	AAA	4.789	5	-	-	-	138
TNB Western Energy Berhad	07/28	AAA	3.979	10	3.031	19/01/2021	95	57
Bank Pembangunan Malaysia Berhad	03/32	AAA	4.150	10	3.880	27/09/2021	27	62
Tenaga Nasional Berhad	11/41	AAA	4.594	2	4.670	24/11/2021	-8	49
TRPlc Medical Sdn Berhad	10/35	AA1	4.689	5	4.410	27/11/2019	28	82
Imtiaz Sukuk II Berhad	05/22	AA2	2.214	60	2.210	08/11/2021	0	38
Bandar Serai Development Sdn Berhad	08/23	AA3	2.899	30	2.975	20/09/2021	-8	60
Exsim Capital Resources Berhad	07/25	AA3	4.640	20	4.441	15/10/2021	20	175
RHB Bank Berhad	11/30	AA3	3.798	20	3.800	13/10/2021	0	26
Edra Energy Sdn Berhad	07/33	AA3	4.481	50	4.509	09/11/2021	-3	95
Edra Energy Sdn Berhad	01/38	AA3	4.860	5	4.779	13/09/2021	8	99
Konsortium Lebuhraya Utara-Timur (KL) Sdn E	12/28	AA-	4.770	5	4.023	28/09/2021	75	136
Tropicana Corporation Berhad	06/23	A+	5.035	1	5.031	07/12/2021	0	274
Tropicana Corporation Berhad	10/23	A+	4.539	1	5.068	08/12/2021	-53	224
WCT Holdings Berhad	09/19	A	5.811	10	5.767	07/10/2021	4	171
Naza TTDI Capital Berhad	06/26	-	5.973	1	5.981	03/11/2021	-1	286
				<u>315</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Serba Dinamik Holdings Berhad	Islamic Medium-Term Notes Programme (IMTN)	From BBB-IS/Negative to C-IS	Downgraded
	Islamic Commercial Papers (ICP) of RM100m	MARC-4 IS	Downgraded
Impian Ekspresi Sdn Bhd	RM450 mil Guaranteed Medium-Term Notes (MTN) Programme	AAA(FG) and AAA(BG)1	Reaffirmed
Bank Islam Malaysia Berhad	Financial Institution Rating	AA3/Stable/P1	Reaffirmed
DIALOG Group Berhad	RM3 bil Senior Islamic Medium-Term Notes and RM3 bil Subordinated Perpetual Islamic Notes	AA2/Stable and A1/Stable	Reaffirmed

Source: RAM, MARC

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