

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs saw the front-end underperform whilst the longer-ends were well-bid on Wednesday after a faster-than-expected rise in consumer prices for September prompted investors and traders to believe that the Fed may raise rates earlier. The curve continued to flatten as overall benchmark yields settled between -7 to +2bps. The UST 2Y yield climbed 2bps to 0.36% whilst the much-watched UST 10Y yield declined 3bps to 1.54%. Treasury's \$24b 30Y bond auction was decent on a cover of 2.36x (6 previous auction average: 2.36x) and awarded at 2.049% despite inflationary concerns due to the hunt for yield. The low dealer allocation reflected strong demand from indirect bidders. The minutes of the FOMC meeting provided little reaction for USTs besides discussion that surrounded the taper deadline which may be expected to commence either by mid-November or mid-December period and end by mid-2022. Expect attention tonight to shift to the release the jobless claims data as at 9<sup>th</sup> October.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.36	2
5-yr UST	1.07	0
10-yr UST	1.54	-4
30-yr UST	2.03	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.53	0	2.61	0
5-yr	3.13	-2	3.11	-1
7-yr	3.49	-2	3.45	4
10-yr	3.57	-5	3.70	0
15-yr	4.15	-2	4.22	0
20-yr	4.30	7	4.30	0
30-yr	4.46	9	4.50	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	1
3-yr	2.60	-2
5-yr	2.93	-4
7-yr	3.18	-1
10-yr	3.46	-3

Source: Bloomberg

#### 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

##### MGS/GII

- Local govies saw the MGS belly well-supported whilst GII were mostly either unchanged or untraded as IRS levels continued to ease after the recent rise. Overall benchmark yields closed mostly mixed between -5 to +9bps amid a drop in secondary market volume of only RM2.31b; implying a cautious stance by traders and investors. The 5Y benchmark MGS 11/26 yield edged 2bps lower to 3.13% whilst the 10Y MGS 4/31 yield closed 5bps lower again at 3.57%. Interest was mainly seen in the off-the-run 21-22's, 25's and also 3Y MGS. GII trades eased further to form ~15% of overall trades. Expect attention to shift to the 30Y GII auction today.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a jump in investor appetite amid the doubling of secondary market volume of RM478m with interest seen across the GG to single-A part of the curve. Overall yields closed again mostly higher, spanning across 29 names. A slew of bonds maturing in 2022 dominated the gov-guaranteed space with PTPTN 22's closing 1-5bps higher compared to previous-done levels between 2.07-08% levels. KHAZANAH and PR1MA 22's however jumped 12-15bps to 2.07% and 2.25% instead. AAA-rated PLUS 24 settled unchanged at 2.89% whilst DANGA 33 moved 13bps up to 4.25%. In the AA-space, power generator MALAKOFF saw several tranches between 2026-2032 exchange hands; closing mixed on yields between 3.83-4.44%. Meanwhile the banking/finance space saw RHB 30NC25 spike 44bps to 3.80% whereas CIMB Group Holdings 30NC25 too jumped 39bps to 3.77%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.729	164	1.737	12/10/2021	-1
MGS	03/22	1.751	206	1.780	12/10/2021	-3
MGS	08/22	1.875	100	1.788	12/10/2021	9
MGS	09/22	1.850	79	1.979	08/10/2021	-13
MGS	03/23	1.987	2	1.997	12/10/2021	-1
MGS	08/23	2.080	110	2.111	12/10/2021	-3
MGS	06/24	2.534	203	2.529	12/10/2021	0
MGS	07/24	2.565	61	2.535	12/10/2021	3
MGS	03/25	2.809	1	2.799	12/10/2021	1
MGS	09/25	2.921	152	2.802	12/10/2021	12
MGS	04/26	3.132	35	3.101	12/10/2021	3
MGS	07/26	3.125	19	3.209	12/10/2021	-8
MGS	11/26	3.134	144	3.151	12/10/2021	-2
MGS	05/27	3.325	21	3.344	12/10/2021	-2
MGS	11/27	3.395	34	3.442	12/10/2021	-5
MGS	06/28	3.487	92	3.512	12/10/2021	-2
MGS	08/29	3.597	52	3.633	12/10/2021	-4
MGS	04/30	3.685	8	3.690	12/10/2021	0
MGS	04/31	3.570	148	3.616	12/10/2021	-5
MGS	06/31	3.647	7	3.580	06/10/2021	7
MGS	04/33	3.995	6	4.009	12/10/2021	-1
MGS	11/33	4.050	10	4.091	12/10/2021	-4
MGS	07/34	4.135	147	4.133	12/10/2021	0
MGS	05/35	4.149	1	4.166	12/10/2021	-2
MGS	05/40	4.297	49	4.226	12/10/2021	7
MGS	09/43	4.447	2	4.433	11/10/2021	1
MGS	03/46	4.451	1	4.353	06/10/2021	10
MGS	07/48	4.519	2	4.387	01/10/2021	13
MGS	06/50	4.456	109	4.366	12/10/2021	9
GII	03/22	1.779	110	1.860	11/10/2021	-8
GII	04/22	1.799	40	1.860	11/10/2021	-6
GII	08/24	2.587	54	2.579	08/10/2021	1
GII	10/24	2.609	53	2.610	12/10/2021	0
GII	08/25	2.933	5	2.700	05/10/2021	23
GII	03/26	3.109	20	3.121	12/10/2021	-1
GII	09/27	3.450	13	3.413	12/10/2021	4
GII	10/28	3.557	10	3.592	12/10/2021	-4
GII	12/28	3.597	2	3.100	03/08/2021	50
GII	07/29	3.715	30	3.723	12/10/2021	-1
GII	08/37	4.272	9	4.105	06/10/2021	17
			<u>2309</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*
Danainfra Nasional Berhad	05/22	GG	2.045	25	2.150	21/05/2021	-11	19
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.061	20	2.007	01/10/2021	5	20
Khazanah Nasional Berhad	09/22	GG	2.070	60	1.953	27/07/2021	12	21
Perbadanan Tabung Pendidikan Tinggi Nasional	09/22	GG	2.068	5	2.055	30/07/2021	1	21
PR1MA Corporation Malaysia	10/22	GG	2.251	20	2.100	19/08/2021	15	39
Lembaga Pembiayaan Perumahan Sektor Awam	09/28	GG	3.798	5	3.618	29/09/2021	18	29
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.891	10	2.893	12/10/2021	0	85
Pengurusan Air SPV Berhad	02/24	AAA	2.906	20	2.634	11/08/2021	27	86
Pengurusan Air SPV Berhad	02/24	AAA	2.911	10	2.829	08/09/2021	8	87
Hanwha Q CELLS Malaysia Sdn Berhad	08/24	AAA	3.439	10	3.231	29/09/2021	21	92
Sarawak Energy Berhad	12/32	AAA	4.119	20	4.061	11/10/2021	6	51
Danga Capital Berhad	01/33	AAA	4.250	20	4.119	21/05/2021	13	64
Imtiaz Sukuk II Berhad	04/28	AA2	4.059	20	3.608	27/09/2021	45	55
Mukah Power Generation Sdn Berhad	12/21	AA1	2.290	10	4.997	10/09/2014	-271	43
GENM Capital Berhad	03/27	AA1	5.005	10	4.511	17/08/2021	49	185
CIMB Group Holdings Berhad	11/30	AA	3.769	10	3.376	26/07/2021	39	16
RHB Bank Berhad	11/30	AA3	3.800	40	3.357	25/06/2021	44	19
Jimah East Power Sdn Berhad	06/24	AA-	3.447	10	3.205	04/08/2021	24	92
Malakoff Power Berhad	12/26	AA-	3.827	20	4.819	19/10/2017	-99	67
Malakoff Power Berhad	12/28	AA-	4.198	10	3.802	06/07/2021	40	69
Malakoff Power Berhad	12/29	AA-	4.299	30	4.225	31/03/2021	7	71
Malakoff Power Berhad	12/30	AA-	4.372	30	3.998	26/07/2021	37	76
Malakoff Power Berhad	12/31	AA-	4.439	30	4.749	15/09/2021	-31	83
TG Excellence Berhad	02/20	AA-	4.349	1	4.103	11/10/2021	25	7
TSH Sukuk Ijarah Sdn Berhad	03/22	A+	3.278	30	3.179	29/09/2021	10	142
Tropicana Corporation Berhad	10/23	A+	4.071	1	3.872	06/10/2021	20	203
CIMB Group Holdings Berhad	05/16	A1	3.418	1	3.372	01/10/2021	5	-86
Alliance Bank Malaysia Berhad	10/32	A2	3.664	1	3.614	11/10/2021	5	5
Eco World Capital Assets Berhad	08/24	-	5.392	1	4.820	07/10/2021	57	287
				<u>478</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd's (Kesturi)	RM2.3 billion Sukuk Musharakah (Senior Sukuk) and RM180 million Redeemable Secured Junior Bonds	From AA-IS/Stable and A-/Stable to AA-IS/Negative and A-/Negative	Revised

Source: RAM/ MARC

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