

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.64	-1
5-yr UST	1.21	-4
10-yr UST	1.42	-6
30-yr UST	1.81	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.74	0	2.79	-2
5-yr	3.13	-1	3.16	0
7-yr	3.47	0	3.37	0
10-yr	3.57	1	3.65	0
15-yr	3.86	-2	3.98	0
20-yr	4.02	-8	4.21	0
30-yr	4.18	-3	4.45	6

* Market indicative levels

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

Source : Bloomberg

US Treasuries

- USTs ended firmer, extending last Friday's gains as risk-off mode triggered demand for the safety of bonds; with some concerns over the COVID variant and its impact on growth making its rounds again ahead of the important FOMC meeting scheduled over the next two (2) days. The curve shifted lower with overall benchmark yields closing between 1-6bps lower across. **The UST 2Y yield edged 1bps lower at 0.64% whilst the much-watched 10Y rallied 6bps to 1.42%.** The derivatives market maintained its implied outlook for Fed hikes at slightly over two 25bps increases in 2022. The Fed policy outlook is expected to see the announcement on the acceleration of asset-tapering exercise over the next two (2) days following ongoing inflationary pressures with the QE exercise possibly being completed earlier than mid-2022. Expect attention to shift to the all-important FOMC meeting being held over 2 days that will be concluded by Wednesday night, followed by Fed Chair Powell's press conference thereafter.

MGS/GII

- Local govies closed mixed on Monday with the longer-end MGS richer whereas GII ended mostly unchanged on tepid volumes. Overall benchmark MGS/GII yields closed between 0-8bps lower across the curve save for the odd-lot trade in the 30Y GII and 10Y MGS; amid an 8% increase in secondary market volume @ RM1.48b. **The 5Y benchmark MGS 11/26 yield edged 1bps down at 3.13% whilst the 10Y benchmark MGS 4/31 settled 1bps higher instead at 3.57%** compared to prior day's close. Interest was mainly seen in the off-the-run 22-23's. GII transactions dropped further to form 12% of overall trades. The economic calendar remains light this week with global-related news expected to provide leads for now.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw decent investor interest on Monday amid sustained secondary market volume of RM323m. Interest was however seen across the GG to single-A part of the curve as overall yields closed mixed again, spanning across 20 names. Govt-guaranteed PRASA 9/22 edged 2bps higher at 2.02% compared to previous-done levels whilst the 9/37 tranche eased 5bps instead at 4.33%. AAA-rated SEB 4/36 saw yields rally by 25bps to 4.27%. 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. Single-A rated YINSON 12/26 notched RM30m worth of trades; moving 3bps higher to 5.35%. Meanwhile the banking/finance space saw MBSB 31NC26 edge 1bps up 4.21% whilst AFFIN Islamic 2117NC23 declined 9bps to 3.85%.

Upcoming Government Bond Tender

Re-opening of RM4.5b 3Y MGS 6/24 on Wednesday, 15th December, 2021

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.768	688	1.759	10/12/2021	1
MGS	03/23	2.186	180	2.198	10/12/2021	-1
MGS	04/23	2.276	42	2.228	10/12/2021	5
MGS	08/23	2.208	9	2.313	09/12/2021	-11
MGS	07/24	2.851	2	2.783	10/12/2021	7
MGS	09/24	2.820	50	2.748	10/12/2021	7
MGS	03/25	2.890	32	2.795	10/12/2021	10
MGS	09/25	2.877	10	2.920	10/12/2021	-4
MGS	04/26	3.135	4	3.054	08/12/2021	8
MGS	07/26	3.111	13	3.128	10/12/2021	-2
MGS	11/26	3.130	9	3.135	10/12/2021	0
MGS	05/27	3.235	8	3.235	09/12/2021	0
MGS	11/27	3.290	14	3.263	10/12/2021	3
MGS	06/28	3.468	52	3.470	10/12/2021	0
MGS	08/29	3.554	8	3.525	10/12/2021	3
MGS	04/30	3.622	6	3.613	10/12/2021	1
MGS	04/31	3.571	73	3.564	10/12/2021	1
MGS	07/34	3.889	56	3.890	10/12/2021	0
MGS	05/35	3.855	2	3.870	10/12/2021	-2
MGS	04/37	4.011	1	4.022	09/12/2021	-1
MGS	06/38	4.149	3	4.168	10/12/2021	-2
MGS	05/40	4.020	24	4.099	09/12/2021	-8
MGS	06/50	4.182	7	4.217	10/12/2021	-3
GII	03/22	1.779	3	1.751	09/12/2021	3
GII	04/22	1.779	104	1.755	09/12/2021	2
GII	10/24	2.789	16	2.807	10/12/2021	-2
GII	09/27	3.374	10	3.379	09/12/2021	0
GII	10/28	3.511	40	3.489	09/12/2021	2
GII	10/30	3.653	6	3.651	10/12/2021	0
GII	11/49	4.449	3	4.388	08/12/2021	6
			<u>1475</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*	
Prasarana Malaysia Berhad	09/22	GG	2.024	60	2.001	06/12/2021	2	18
Prasarana Malaysia Berhad	09/37	GG	4.329	30	4.375	25/11/2021	-5	44
Lembaga Pembiayaan Perumahan Sektor Awam	03/46	GG	4.447	40	-	-	-	33
Zamarad Assets Berhad	07/28	AAA	4.788	5	4.789	10/12/2021	0	133
Sarawak Energy Berhad	04/36	AAA	4.270	20	4.519	03/11/2021	-25	39
Tenaga Nasional Berhad	11/36	AAA	4.398	1	4.398	10/12/2021	0	51
Sepangar Bay Power Corporation Sdn Berhad	07/22	AA1	2.218	6	2.352	04/08/2021	-13	38
Kuala Lumpur Kepong Berhad	04/26	AA1	3.528	10	3.599	21/10/2021	-7	59
TRIplic Medical Sdn Berhad	10/35	AA1	4.688	5	4.689	10/12/2021	0	80
IJM Corporation Berhad	10/24	AA3	3.337	10	3.233	29/09/2021	10	60
Exsim Capital Resources Berhad	07/25	AA3	4.637	20	4.640	10/12/2021	0	169
IJM Corporation Berhad	08/28	AA3	4.191	10	3.958	30/09/2021	23	73
Edra Energy Sdn Berhad	01/38	AA3	4.859	5	4.860	10/12/2021	0	97
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	12/28	AA-	4.768	5	4.770	10/12/2021	0	131
Dialog Group Berhad	11/20	A1	4.438	36	4.079	26/11/2021	36	32
Yinson Holdings Berhad	12/26	A+	5.348	30	5.320	06/12/2021	3	221
WCT Holdings Berhad	09/19	A	5.809	10	5.811	10/12/2021	0	170
MBSB Bank Berhad (fka Asian Finance Bank Ltd)	12/31	A3	4.205	10	4.197	24/11/2021	1	65
Affin Islamic Bank Berhad	10/17	A3	3.852	10	3.939	06/09/2021	-9	-26
Affin Bank Berhad	07/18	A3	3.798	1	4.275	06/12/2021	-48	-32
				<u>323</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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