

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.36	0
5-yr UST	1.05	-2
10-yr UST	1.51	-3
30-yr UST	2.02	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.56	2	2.61	0
5-yr	3.10	-3	3.05	-6
7-yr	3.42	-7	3.38	-8
10-yr	3.53	-4	3.62	-7
15-yr	4.08	-7	4.22	0
20-yr	4.21	-9	4.30	0
30-yr	4.42	-4	4.54	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	0
3-yr	2.59	-2
5-yr	2.88	-5
7-yr	3.13	-5
10-yr	3.38	-8

Source: Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs performed creditably well amid September producer prices showing a slower pace in the increase; which may still be unable to dissuade inflationary concerns going forward. Interestingly, bonds have now performed creditably well despite the bigger-than-expected decrease in jobless claims as at 9<sup>th</sup> October. The curve shifted lower beyond 2-year tenures as overall benchmark yields ended lower between 0-3bps. **The UST 2Y yield ended almost unchanged at 0.36% whilst the much-watched UST 10Y yield declined another 3bps to 1.51%.** The Treasury yield curve is seen getting flatter despite inflation expectations whilst concerns around whether the Fed will tighten policy into a stagnating economy. Fed officials have mentioned that the higher supply of T-Bills may reduce the Reverse Repo usage.

MGS/GII

- Local govies performed well for the 3<sup>rd</sup> session, taking cue from steadier UST movements and also lower MYR IRS levels. MGS movements were seen to be more significant. Overall benchmark yields closed mostly lower between 0-9bps (save for the short 3Y MGS and 30Y GII) amid a slight increase in secondary market volume of RM2.70b; garnering improved participation by both traders and investors. The 5Y benchmark MGS 11/26 yield moved 3bps lower to 3.10% whilst the 10Y MGS 4/31 yield closed 4bps lower again at 3.53%. Interest was mainly seen in the off-the-run 21-22's and also 5Y GII, 7Y MGS. GII trades inched higher to form ~18% of overall trades. The 30Y GII auction exercise saw strong BTC ratio of 2.521x and awarded at 4.557%, depicting robust participation by offshore and lifers. Nevertheless, expect a quieter session for bonds going into the weekend.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a massive jump in investor appetite secondary market volume of RM896m with interest seen across the GG to single-A part of the curve. Overall yields closed again mostly mixed-to-higher, spanning across 28 names. Govt-guaranteed DANA 28's spiked 60-62bps compared to previous-done levels between 3.80-83%. AAA-rated TNB 8/33 and DANUM 2/34 too saw yields jump 34-37bps to 4.26% and 4.34% respectively. In the AA-space, energy-related bonds i.e. YTL Power saw the 5/27 tranche move 11bps higher to 4.72% whereas the 8/28 tranche spiked 73 bps since its last trade in September, to 4.93% levels. Meanwhile the banking/finance space saw AmBank Islamic 27NC22 edge 2bps up at 3.04%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.727	315	1.729	13/10/2021	0
MGS	03/22	1.739	294	1.751	13/10/2021	-1
MGS	08/22	1.830	130	1.875	13/10/2021	-4
MGS	09/22	1.830	77	1.850	13/10/2021	-2
MGS	03/23	2.068	41	1.987	13/10/2021	8
MGS	04/23	2.029	26	1.981	12/10/2021	5
MGS	08/23	2.175	10	2.080	13/10/2021	9
MGS	06/24	2.556	18	2.534	13/10/2021	2
MGS	07/24	2.539	2	2.565	13/10/2021	-3
MGS	09/24	2.623	110	2.595	11/10/2021	3
MGS	03/25	2.843	160	2.809	13/10/2021	3
MGS	09/25	2.931	179	2.921	13/10/2021	1
MGS	04/26	3.107	11	3.132	13/10/2021	-2
MGS	07/26	3.173	58	3.125	13/10/2021	5
MGS	11/26	3.101	92	3.134	13/10/2021	-3
MGS	05/27	3.271	8	3.325	13/10/2021	-5
MGS	11/27	3.331	7	3.395	13/10/2021	-6
MGS	06/28	3.419	246	3.487	13/10/2021	-7
MGS	08/29	3.571	18	3.597	13/10/2021	-3
MGS	04/31	3.531	124	3.570	13/10/2021	-4
MGS	04/33	3.953	5	3.995	13/10/2021	-4
MGS	11/33	4.048	1	4.050	13/10/2021	0
MGS	07/34	4.051	1	4.135	13/10/2021	-8
MGS	05/35	4.081	46	4.149	13/10/2021	-7
MGS	06/38	4.307	1	4.309	12/10/2021	0
MGS	05/40	4.210	126	4.297	13/10/2021	-9
MGS	06/50	4.421	112	4.456	13/10/2021	-4
GII	04/22	1.800	50	1.799	13/10/2021	0
GII	10/23	2.180	26	2.126	05/10/2021	5
GII	03/26	3.048	185	3.109	13/10/2021	-6
GII	07/27	3.373	20	3.219	04/10/2021	15
GII	09/27	3.375	50	3.450	13/10/2021	-8
GII	10/28	3.489	20	3.557	13/10/2021	-7
GII	07/29	3.709	8	3.715	13/10/2021	-1
GII	10/30	3.623	65	3.695	12/10/2021	-7
GII	10/35	4.197	10	4.134	07/10/2021	6
GII	11/49	4.535	50	4.499	11/10/2021	4
			<u>2703</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	02/28	GG	3.798	10	3.176	14/07/2021	62	44
Danainfra Nasional Berhad	05/28	GG	3.828	10	3.228	25/08/2021	60	38
Malaysia Rail Link Sdn Berhad	07/35	GG	4.429	40	4.000	17/08/2021	43	34
Infracap Resources Sdn Berhad	04/28	AAA	3.998	15	3.578	21/09/2021	42	55
Tenaga Nasional Berhad	08/33	AAA	4.261	40	3.919	08/09/2021	34	72
Danum Capital Berhad	02/34	AAA	4.343	30	3.978	10/09/2021	37	80
Sabah Development Bank Berhad	07/24	AA1	3.572	2	4.175	13/10/2021	-60	103
YTL Power International Berhad	05/27	AA1	4.719	50	4.610	01/10/2021	11	136
GENM Capital Berhad	07/28	AA1	5.227	1	4.594	08/10/2021	63	178
YTL Power International Berhad	08/28	AA1	4.929	10	4.197	06/09/2021	73	148
Fortune Premiere Sdn Berhad	03/23	AA	3.057	20	3.045	12/10/2021	1	122
SPR Energy (M) Sdn Berhad	07/24	AA3	3.762	10	3.803	25/02/2020	-4	122
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.888	20	3.713	05/08/2021	18	135
RHB Bank Berhad	09/27	AA3	2.778	20	2.792	07/10/2021	-1	-58
Edra Energy Sdn Berhad	01/30	AA3	4.459	10	3.974	23/09/2021	48	92
Malaysian Resources Corporation Berhad	10/26	AA-	4.610	272	-	-	-	148
Malaysian Resources Corporation Berhad	10/28	AA-	5.040	220	-	-	-	159
Malaysian Resources Corporation Berhad	10/31	AA-	5.150	90	-	-	-	160
Tropicana Corporation Berhad	06/25	A+	4.651	1	4.558	07/10/2021	9	177
DRB-Hicom Berhad	12/29	A+	4.871	1	4.835	01/10/2021	4	134
AmBank Islamic Berhad	03/27	A1	3.043	20	3.023	13/08/2021	2	-9
MNRB Holdings Berhad	03/29	A1	4.102	1	3.988	19/07/2021	11	66
Hong Leong Financial Group Berhad	11/17	A1	3.245	1	3.726	06/10/2021	-48	-100
Alliance Bank Malaysia Berhad	10/30	A2	3.530	1	3.384	07/10/2021	15	-3
IJM Land Berhad	03/19	A2	4.574	1	4.942	11/10/2021	-37	33
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.229	2	4.162	29/09/2021	7	68
Eco World International Berhad	05/23	-	5.403	1	4.357	11/10/2021	105	332
Eco World Capital Assets Berhad	08/24	-	4.831	1	5.392	13/10/2021	-56	229
				<u>896</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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