

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.51	0
5-yr UST	1.22	1
10-yr UST	1.56	1
30-yr UST	1.93	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.65	4	2.71	0
5-yr	3.14	3	3.12	-2
7-yr	3.45	1	3.41	6
10-yr	3.57	1	3.62	-6
15-yr	4.03	0	4.11	-4
20-yr	4.19	-4	4.20	0
30-yr	4.31	-1	4.45	7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.11	-1
3-yr	2.74	-2
5-yr	2.97	-1
7-yr	3.18	-2
10-yr	3.35	0

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM2.0b (+ RM2.0b private placement) of 15Y MGS 5/35 on Monday, 15th November, 2021

US Treasuries

- USTs saw the long-ends slide weaker last Friday as fast money option sellers emerged; thus causing the curve to end steeper. Overall benchmark yields closed between 0-3bps higher. **The UST 2Y yield closed within 1bps lower at 0.51% whilst the much-watched UST 10Y yield edged 1bps up at 1.56%**. The bond market's expectations for the pace of inflation saw a voracious climb with the breakeven rate on the 10Y TIPS rising more than 5bps last Friday to 2.76%; largely due to the higher-than-expected October US CPI readings. Consumer sentiment plunged with anxiety over inflation helping to push the University of Michigan's sentiment index to the lowest level in 10 years. Elsewhere yield rises in the T-Bills sector due to anxiety over the debt ceiling topic yet again.

MGS/GII

- Local govies saw the MGS front-end and belly pressured following the nation's 3Q2021 GDP contraction of 4.5% y/y and 3.6% q/q; confirming a technical recession. GII were however mostly mixed with the 7Y and 10Y sharply weaker. Overall benchmark yields closed between -6 to +7bps despite a marginal rise in secondary market volume @ RM2.22b. **The 5Y benchmark MGS 11/26 yield closed 3bps higher at 3.14% whilst the 10Y benchmark MGS 4/31 yield edged 1bps up at 3.57%**. Interest was mainly seen in the 3Y MGS, 10Y MGS/GII and also 15Y MGS. GII trades rose to form 35% of overall trades. Meanwhile, we expect an improvement in 4Q2021 GDP going forward due to the easing of movement restrictions, high vaccination rates and improving pent up demand.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw improved investor appetite last Friday amid the doubling of secondary market volume of RM408m. Interest was seen mainly across the GG-AA part of the curve as overall yields continued to close mostly mixed-to-higher, spanning across 22 names. Govt-guaranteed DANA 11/29 edged spiked 37bps compared to previous-done levels to 3.80% whereas the 11/30 tranche edged 1bps up at 3.86%. AAA-rated PASB and TELEKOM 28's settled 0-16bps higher between 3.63-77% area. In the AA-space, BGSM 12/23 moved 3bps higher to 2.95% whilst GAMUDA 11/26 declined 6bps to 3.94%. Meanwhile the banking/finance space saw Bank ISLAM 31NC26 rise 17bps to 4.05% on substantial trades totaling RM80m whilst RHB Islamic 29NC24 moved 8bps higher at 3.39%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.819	144	1.780	11/11/2021	4
MGS	03/23	2.385	61	2.442	11/11/2021	-6
MGS	06/24	2.649	300	2.617	11/11/2021	3
MGS	07/24	2.709	2	2.693	10/11/2021	2
MGS	09/24	2.716	1	2.711	11/11/2021	1
MGS	09/25	2.986	3	2.981	11/11/2021	1
MGS	11/26	3.135	100	3.109	11/11/2021	3
MGS	05/27	3.283	1	3.293	11/11/2021	-1
MGS	06/28	3.450	20	3.442	11/11/2021	1
MGS	08/29	3.589	3	3.572	11/11/2021	2
MGS	04/31	3.569	270	3.555	11/11/2021	1
MGS	06/31	3.674	70	3.761	11/11/2021	-9
MGS	04/33	3.960	35	3.960	11/11/2021	0
MGS	07/34	3.990	22	4.052	11/11/2021	-6
MGS	05/35	4.030	220	4.032	11/11/2021	0
MGS	04/37	4.186	20	4.212	10/11/2021	-3
MGS	05/40	4.185	90	4.227	11/11/2021	-4
MGS	03/46	4.392	0	4.412	09/11/2021	-2
MGS	06/50	4.310	83	4.322	11/11/2021	-1
GII	07/22	1.849	70	1.840	10/11/2021	1
GII	11/23	2.449	40	2.428	10/11/2021	2
GII	03/26	3.122	31	3.146	11/11/2021	-2
GII	09/27	3.414	60	3.356	09/11/2021	6
GII	08/28	3.550	70	3.539	09/11/2021	1
GII	10/28	3.513	1	3.485	11/11/2021	3
GII	07/29	3.587	40	3.602	10/11/2021	-1
GII	10/30	3.617	208	3.677	11/11/2021	-6
GII	07/36	4.105	168	4.142	11/11/2021	-4
GII	08/37	4.176	25	4.210	10/11/2021	-3
GII	11/49	4.454	60	4.388	11/11/2021	7
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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	11/29	GG	3.800	5	3.428	07/09/2021	37	28
DanaInfra Nasional Berhad	11/30	GG	3.860	5	3.850	09/11/2021	1	30
HSBC Amanah Malaysia Berhad	10/23	AAA	2.601	65	3.035	15/06/2020	-43	25
Pengurusan Air SPV Berhad	04/28	AAA	3.769	15	3.769	09/11/2021	0	44
Telekom Malaysia Berhad	05/28	AAA	3.787	10	3.629	01/10/2021	16	35
Sabah Development Bank Berhad	07/24	AA1	3.560	1	4.178	08/11/2021	-62	90
GENM Capital Berhad	03/27	AA1	4.851	15	4.851	10/11/2021	0	172
GENM Capital Berhad	07/28	AA1	4.767	1	4.681	11/11/2021	9	133
Imtiaz Sukuk II Berhad	10/22	AA2	2.353	10	2.833	16/04/2021	-48	50
Pac Lease Berhad	06/22	AA3	2.827	30	-	-	-	97
BGSM Management Sdn Berhad	12/23	AA3	2.946	10	2.920	25/10/2021	3	60
Gamuda Berhad	11/26	AA3	3.935	20	3.998	21/10/2021	-6	80
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.369	1	4.386	09/11/2021	-2	93
RHB Islamic Bank Berhad	05/29	AA3	3.386	20	3.305	29/10/2021	8	-13
UEM Sunrise Berhad	05/23	AA-	3.493	10	3.530	10/11/2021	-4	114
Quantum Solar Park (Semenanjung) Sdn Berhad	10/26	AA-	3.969	20	3.996	11/10/2021	-3	83
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA-	4.048	10	4.067	27/10/2021	-2	71
Pelabuhan Tanjung Pelepas Sdn Berhad	08/27	AA-	4.097	40	3.572	08/09/2021	53	76
TG Excellence Berhad	02/20	AA-	4.130	40	3.675	09/11/2021	46	-5
Affin Bank Berhad	09/27	A1	3.652	1	3.198	27/09/2021	45	32
Bank Islam Malaysia Berhad	11/31	A1	4.049	80	3.880	10/11/2021	17	48
Alliance Bank Malaysia Berhad	10/30	A2	3.526	1	3.526	10/11/2021	0	-4
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Serba Dinamik Holdings Berhad (Serba Dinamik)	Outstanding USD222 million senior sukuk issued by its wholly-owned indirect subsidiary, SD International Sukuk Ltd	CC by S&P, C by Fitch	Nil
	Islamic Commercial Papers and Islamic Medium-Term Notes Programme (ICP/IMTN programmes) under of RM100 million	Downgraded to MARC4-IS/BBIS	Downgraded
IGB REIT Capital Sdn Bhd	RM1.2 bil First Tranche MTN. This is the first issuance under the Issuer's RM5.0 bil MTN Programme	AAA/Stable	Reaffirmed
Bank of China (Malaysia) Berhad	Financial institution rating	AA1/Stable/P1	Reaffirmed

Source: RAM, MARC

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