

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs saw the curve steepen again with the longer-ends pressured on Tuesday, following the surge in US retail sales data for October and also hawkish comments from Fed Bullard. **The UST 2Y yield closed unchanged at 0.52% whilst the much-watched UST 10Y edged 2bps higher at 1.64%.** Meantime foreign holdings of USTs maintained near its record high in September, closing a tad lower at ~\$7.55 trillion from ~\$7.56 trillion the prior month. China increased its holdings by \$600m to ~\$1.05 trillion while Japan's holdings declined by \$20b to ~\$1.3 trillion. Elsewhere T-bills cheapened (i.e. resulting in higher yields) as Treasury Secretary Yellen said that the department has "very little time" left for borrowing past 3rd Dec. The new debt limit guidance is expected to be issued soon as the present legal debt limit expires on 15th December. Expect some attention tonight to shift to peripheral data covering housing starts and building permits for October.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.52	0
5-yr UST	1.27	1
10-yr UST	1.64	2
30-yr UST	2.03	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.64	-1	2.68	-2
5-yr	3.14	2	3.17	-1
7-yr	3.43	3	3.39	-3
10-yr	3.29	-23	3.60	3
15-yr	3.97	-2	4.11	2
20-yr	4.17	18	4.22	0
30-yr	4.24	-3	4.45	2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.12	1
3-yr	2.77	4
5-yr	3.00	3
7-yr	3.23	4
10-yr	3.40	5

Source: Bloomberg

MGS/GII

- Local govies ended mixed overall on Tuesday in a session where investors favoured off-the-run benchmarks as the continued belief in excess real yield for the MYR is viewed as a favorable factor. The GII curve steepened as overall benchmark yields closed mixed with prominent deviation between -23 to +18bps, amid the highest secondary market volume seen since February this year @ RM6.17b. **The 5Y benchmark MGS 11/26 yield edged 2bps up at 3.14% whilst the 10Y benchmark MGS 4/31 rallied strongly and pushed yields down by 23bps to 3.29%.** Interest was mainly seen in the off-the-run 21-22's, 3Y GII and 10Y GII. GII trades eased slightly to form 35% of overall trades. The data front remains light for the week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk similarly saw upbeat investor activity on Tuesday amid the tripling of secondary market volume @ RM529m. Interest was seen mainly across the GG-AA part of the curve as overall yields continued to close mostly mixed, spanning across 33 names. Govt-guaranteed PRASA 8/26 and 3/34 spiked 26-47bps compared to previous-done levels at 2.43% and 4.08% respectively. AAA-rated TELEKOM 3/24 closed 12bps higher at 2.75%. Nevertheless DANUM 5/30 and SEB 5/35 settled 4-15bps lower on strong bids at 4.07% and 4.31% each. The AA-space saw UEM Sunrise 22-decline 20bps at 3.32% whereas the 2023-2034 tranches edged 1-2bps lower between 3.48-95% levels. Meanwhile the banking/finance space saw UOB 28NC23 edge 2bps at 2.82% on huge volume totaling RM100m, whilst HSBC Amanah closed unchanged at 2.60%.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.749	669	1.774	11/11/2021	-2
MGS	03/22	1.709	2085	1.721	15/11/2021	-1
MGS	08/22	1.800	234	1.800	09/11/2021	0
MGS	09/22	1.729	131	1.796	09/11/2021	-7
MGS	03/23	2.315	1	2.334	15/11/2021	-2
MGS	04/23	2.359	4	2.256	11/11/2021	10
MGS	06/24	2.643	22	2.649	12/11/2021	-1
MGS	07/24	2.716	8	2.709	12/11/2021	1
MGS	09/25	2.925	66	2.934	15/11/2021	-1
MGS	04/26	3.065	6	3.020	10/11/2021	4
MGS	07/26	3.111	6	3.117	11/11/2021	-1
MGS	11/26	3.142	14	3.118	15/11/2021	2
MGS	05/27	3.273	85	3.293	15/11/2021	-2
MGS	11/27	3.324	24	3.306	15/11/2021	2
MGS	06/28	3.425	79	3.396	15/11/2021	3
MGS	08/29	3.541	10	3.542	15/11/2021	0
MGS	04/30	3.642	51	3.631	08/11/2021	1
MGS	04/31	3.285	184	3.519	15/11/2021	-23
MGS	06/31	3.620	11	3.662	15/11/2021	-4
MGS	04/33	3.900	32	3.859	15/11/2021	4
MGS	07/34	3.903	38	3.934	15/11/2021	-3
MGS	05/35	3.965	24	3.980	15/11/2021	-2
MGS	04/37	4.163	52	4.131	15/11/2021	3
MGS	05/40	4.170	57	3.988	15/11/2021	18
MGS	03/46	4.344	3	4.382	15/11/2021	-4
MGS	06/50	4.238	101	4.263	15/11/2021	-2
GII	03/22	1.729	516	1.799	11/11/2021	-7
GII	04/22	1.710	717	1.801	08/11/2021	-9
GII	05/23	2.358	3	2.298	11/11/2021	6
GII	11/23	2.212	5	2.449	12/11/2021	-24
GII	10/24	2.683	309	2.702	15/11/2021	-2
GII	03/26	3.167	73	3.172	15/11/2021	-1
GII	07/27	3.419	70	3.410	08/11/2021	1
GII	09/27	3.386	5	3.414	12/11/2021	-3
GII	08/28	3.559	30	3.550	12/11/2021	1
GII	12/28	3.576	20	3.586	10/11/2021	-1
GII	07/29	3.572	22	3.587	12/11/2021	-2
GII	10/30	3.597	327	3.564	15/11/2021	3
GII	07/36	4.110	49	4.086	15/11/2021	2
GII	09/39	4.297	2	4.285	10/11/2021	1
GII	11/49	4.453	23	4.437	15/11/2021	2
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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*	
Prasarana Malaysia Berhad	08/26	GG	3.423	50	2.949	26/08/2021	47	30
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.076	40	4.160	28/10/2021	-8	52
Prasarana Malaysia Berhad	03/34	GG	4.077	10	3.819	09/09/2021	26	52
DanaInfra Nasional Berhad	02/49	GG	4.590	10	4.530	24/09/2021	6	44
HSBC Amanah Malaysia Berhad	10/23	AAA	2.596	10	2.601	12/11/2021	0	24
Telekom Malaysia Berhad	03/24	AAA	2.750	50	2.627	16/06/2021	12	40
Pengurusan Air SPV Berhad	06/27	AAA	3.682	5	3.883	08/10/2021	-20	36
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hydro Power Generation Sdn Berhad)	08/27	AAA	3.669	20	3.448	29/09/2021	22	35
Infracap Resources Sdn Berhad	04/28	AAA	4.082	10	3.998	14/10/2021	8	76
Danum Capital Berhad	05/30	AAA	4.071	5	4.115	18/10/2021	-4	56
Sarawak Energy Berhad	08/35	AAA	4.310	10	4.461	18/10/2021	-15	35
West Coast Expressway Sdn Berhad	08/35	AAA	4.601	10	3.480	11/08/2020	112	64
Sabah Development Bank Berhad	07/24	AA1	3.560	1	3.560	12/11/2021	0	91
Sabah Development Bank Berhad	07/26	AA1	4.482	1	4.249	21/10/2021	23	135
GENM Capital Berhad	03/27	AA1	4.797	1	4.656	15/11/2021	14	167
GENM Capital Berhad	07/28	AA1	4.854	1	4.854	15/11/2021	0	143
United Overseas Bank (Malaysia) Berhad	07/28	AA1	2.818	100	2.833	21/09/2021	-2	-61
Celcom Networks Sdn Berhad	10/26	AA+	3.849	6	3.757	25/10/2021	9	72
Fortune Premiere Sdn Berhad	12/24	AA	3.688	20	3.880	16/12/2019	-19	104
CIMB Group Holdings Berhad	11/30	AA	3.717	30	3.429	02/11/2021	29	16
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.519	25	3.555	15/11/2021	-4	166
Edra Energy Sdn Berhad	01/32	AA3	4.339	10	4.536	29/10/2021	-20	78
Edra Energy Sdn Berhad	07/32	AA3	4.369	10	4.429	09/11/2021	-6	81
Malaysian Resources Corporation Berhad	04/22	AA-	3.212	25	3.241	15/11/2021	-3	135
Tanjung Bin O&M Berhad	07/22	AA-	2.488	2	2.749	14/06/2021	-26	63
UEM Sunrise Berhad	12/22	AA-	3.319	30	3.522	20/08/2021	-20	146
UEM Sunrise Berhad	05/23	AA-	3.481	20	3.493	12/11/2021	-1	113
UEM Sunrise Berhad	03/24	AA-	3.945	10	3.966	22/10/2021	-2	159
Alliance Bank Malaysia Berhad	10/35	A2	3.940	1	3.868	22/10/2021	7	-2
Bank Muamalat Malaysia Berhad	11/21	A	5.358	5	4.766	21/09/2021	59	350
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.407	1	4.150	22/10/2021	26	85
Eco World Capital Assets Berhad	08/24	-	4.841	1	5.379	10/11/2021	-54	220
YNH Property Berhad	08/19	-	5.850	1	5.851	15/11/2021	0	170
				<u>529</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
First Abu Dhabi Bank P.J.S.C.	Financial institution (FI) rating	AAA/Stable/P1	Affirmed
	Senior and subordinated notes under the RM3 billion Islamic/Conventional Medium-Term Note Programme (2010/2030)	AA1/Stable	Reaffirmed
Manulife Holdings Berhad	RM650 mil Sukuk Wakalah Programme (2020/2050)	AA3/Stable/P1	Reaffirmed
SEP Resources (M) Sdn Bhd	RM150 mil Islamic Medium Term Notes	From AA1/Stable to AA1/Positive	Upgraded
Teknologi Tenaga Perlis Consortium Sdn Bhd	RM835 mil Sukuk Murabahah (2013/2023)	AA1/Stable	Reaffirmed
Jati Cakerawala Sdn Bhd	RM540 mil Sukuk Murabahah (2013/2023)	From A1/Stable to AA3/Stable	UPgraded

Source: RAM, MARC

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