

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.63	-4
5-yr UST	1.18	-7
10-yr UST	1.43	-3
30-yr UST	1.87	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.87	-2	2.91	-4
5-yr	3.15	-2	3.14	0
7-yr	3.46	0	3.34	-3
10-yr	3.58	0	3.65	0
15-yr	3.88	2	4.01	0
20-yr	4.12	-2	4.18	0
30-yr	4.29	3	4.47	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	0
3-yr	2.73	0
5-yr	2.94	0
7-yr	3.18	0
10-yr	3.40	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs ended mostly stronger on Thursday with the 2-10Y notes rallying as traders re-assessed policy outlook and priced-in lower odds of Fed rate increases after next year; whilst shrugging-off BOE's rate hike. The surprising slide in yields post-FOMC may be reflective of the view that central banks worldwide may overdo rate rise exercises aggressively going forward; thus possibly shortening the tightening cycle. The curve ended lower extending out to 10Y tenures with overall benchmark yields closing lower between 3-7bps across, save for the long-bond. **The UST 2Y yield fell 4bps at 0.63% whilst the much-watched 10Y declined 3bps to 1.43%.** Other factors weighing on investors include the nervous view that the US and other global economies may be heading for a slowdown partly due to the Omicron variant of COVID-19 and policy tightening. Elsewhere, the economic calendar remains light today.

MGS/GII

- Local govovies saw slight improvement with the shorter-ends and belly generally richer on Thursday amid a sharp 50% drop in secondary market volume @ RM1.39b. Overall benchmark MGS/GII yields closed mixed between -4 to +3bps across the curve save for the 7Y MGS. **The 5Y benchmark MGS 11/26 yield edged 2bps lower at 3.15% whilst the 10Y benchmark MGS 4/31 yield ended within 1bps up at 3.58%** compared to prior day's close. Interest was mainly seen in the off-the-run 22-23's and also 3Y MGS. GII transactions fell to form a mere 9% of overall trades. Whilst the economic calendar remains light, expect investors to await the announcement of the new 2022 auction calendar, nearer next week.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space witnessed lower interest on Thursday amid the halving of secondary market volume @ RM137m. Nevertheless, transactions were seen across the GG to single-A part of the curve as overall yields closed mostly higher, spanning across a mere 18 names. Govt-guaranteed PRASA 9/42 and 3/45 saw different fortunes with the former closing 3bps higher at 4.39% compared to previous-done levels whilst the latter ended 3bps lower instead at 4.40%. AAA-rated TNB Western 29 spiked 45bps to 4.05%. Energy-related bonds Tg Bin Energy (TBEI) notched its maiden trade for the 3/23 tranche at 3.02%, whilst JEP 12/26 ballooned 78bps to 4.07%. Meanwhile the banking/finance space was relatively quiet with BPMB 3/32 closing unchanged at 4.15%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.760	474	1.731	15/12/2021	3
MGS	03/23	2.253	112	2.182	15/12/2021	7
MGS	04/23	2.299	10	2.215	14/12/2021	8
MGS	06/24	2.868	382	2.890	15/12/2021	-2
MGS	07/24	2.940	2	2.872	15/12/2021	7
MGS	09/24	2.944	20	2.843	15/12/2021	10
MGS	03/25	2.934	20	2.936	15/12/2021	0
MGS	09/25	3.041	35	2.987	15/12/2021	5
MGS	04/26	3.095	2	3.085	14/12/2021	1
MGS	11/26	3.152	43	3.174	15/12/2021	-2
MGS	06/28	3.456	33	3.452	15/12/2021	0
MGS	08/29	3.568	10	3.554	15/12/2021	1
MGS	04/31	3.579	32	3.579	15/12/2021	0
MGS	06/31	3.677	41	3.670	14/12/2021	1
MGS	04/33	3.670	12	3.767	15/12/2021	-10
MGS	07/34	3.909	1	3.896	15/12/2021	1
MGS	05/35	3.883	10	3.865	15/12/2021	2
MGS	05/40	4.115	30	4.135	15/12/2021	-2
GII	10/24	2.909	1	2.948	15/12/2021	-4
GII	08/25	3.092	10	3.064	15/12/2021	3
GII	10/25	3.097	20	3.085	09/12/2021	1
GII	07/27	3.379	20	3.397	15/12/2021	-2
GII	09/27	3.336	20	3.365	15/12/2021	-3
GII	10/28	3.490	43	3.491	15/12/2021	0
GII	09/39	4.252	6	4.226	14/12/2021	3
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread Against MGS*	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)		
Danainfra Nasional Berhad	02/28	GG	3.694	10	3.693	15/12/2021	0	39
Danainfra Nasional Berhad	02/29	GG	3.789	1	3.754	09/12/2021	4	33
Prasarana Malaysia Berhad	09/42	GG	4.386	20	4.359	08/09/2021	3	25
Prasarana Malaysia Berhad	03/45	GG	4.402	30	4.429	14/12/2021	-3	27
TNB Western Energy Berhad	01/29	AAA	4.049	10	3.599	10/06/2021	45	59
Pengerang LNG (Two) Sdn Berhad	10/31	AAA	4.022	10	3.669	19/08/2021	35	45
Bank Pembangunan Malaysia Berhad	03/32	AAA	4.149	10	4.150	10/12/2021	0	58
Tenaga Nasional Berhad	11/41	AAA	4.594	1	4.594	15/12/2021	0	46
Sabah Development Bank Berhad	06/23	AA1	3.752	0	4.137	15/12/2021	-39	191
GENM Capital Berhad	07/23	AA1	4.141	1	4.155	25/11/2021	-1	179
Sabah Development Bank Berhad	07/26	AA1	4.161	4	4.136	14/12/2021	2	99
GENM Capital Berhad	07/28	AA1	4.499	1	4.517	15/12/2021	-2	104
Tanjung Bin Energy Sdn Berhad	03/23	AA3	3.020	12	-	-	-	118
Jimah East Power Sdn Berhad	12/26	AA-	4.065	10	3.282	05/01/2021	78	89
TG Excellence Berhad	02/20	AA-	4.418	1	3.714	14/12/2021	70	29
Pujian Bayu Sdn Berhad	07/29	AA3	5.420	2	5.530	13/08/2021	-11	191
Hong Leong Financial Group Berhad	11/17	A1	2.535	1	3.385	14/12/2021	-85	-160
Abu Dhabi National Energy Company PJSC	03/22	-	3.176	15	3.160	17/11/2021	2	134
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Fortune Premiere Sdn Bhd	RM3.0 billion Multi-Currency Islamic Medium-Term Notes Programme (Sukuk Murabahah)	AA-IS/Stable	Affirmed
Cenergi SEA Berhad	Combined limit of RM1.5 bil under the Group's Senior Sukuk/Subordinated Perpetual Sukuk Programme (the Sukuk Programme)	A1/Stable and A3/Stable	Assigned
Bakun Hydro Power Generation Sdn Bhd	RM5.54 bil Sukuk Murabahah (2016/2031)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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