

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.40	3
5-yr UST	1.13	8
10-yr UST	1.57	6
30-yr UST	2.05	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.54	-2	2.61	0
5-yr	3.13	3	3.04	-1
7-yr	3.41	0	3.34	-4
10-yr	3.56	2	3.62	-1
15-yr	4.08	0	4.22	0
20-yr	4.21	0	4.30	0
30-yr	4.43	1	4.54	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	0
3-yr	2.59	0
5-yr	2.90	1
7-yr	3.13	0
10-yr	3.40	2

Source: Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs ended weaker going into the weekend as at last Friday, amid better-than expected retail sales data coupled with ongoing Fed rate-hike expectations. The curve shifted higher as overall benchmark yields rose between 3-8bps. **The UST 2Y yield moved 3bps to its highest levels at 0.40% since March 2020 whilst the much-watched UST 10Y spiked 6bps to 1.57%.** Earlier in the session, stronger corporate earning results saw UST's take a backseat before the strong 0.7% rise in September retail sales print took a toll on bonds. This may underline robust consumer demand that may exacerbate supply-chain blocks going forward. We note that longer-dated yields that have fallen of late has flattened the curve. Meanwhile usage of the Reverse Repo facility rose to its 2<sup>nd</sup> highest level @ \$1.46 trillion; but still below the record \$1.61 trillion seen during the month-end closing in September.

MGS/GIII

- Local govies close mixed last Friday on bouts of profit-taking following the recent rebound with the belly seeing wider movements. Overall benchmark yields closed between -4 to +3bps amid a 26% increase in secondary market volume of RM3.39b. The 5Y benchmark MGS 11/26 yield closed 3bps higher at 3.13% whilst the 10Y MGS 4/31 yield edged 2bps up at 3.56%. Interest was mainly seen in the off-the-run 22's and also 5Y GII, 7Y MGS, 20Y MGS. GII trades jumped to form ~32% of overall trades. Elsewhere, the government has revived an earlier plan for a proposed high-speed rail project; but this time between Kuala Lumpur and Iskandar Puteri in Johor Bahru.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a another massive jump in investor appetite last Friday amid secondary market volume of RM1.07b; which was last seen in August this year. Nevertheless, interest was seen across AAA-AA part of the curve. Overall yields closed again mostly higher, spanning across 22 names. There were no govt-guaranteed trades. AAA-rated PUTRAJAYA 4/24 spiked 62bps compared to previous-done levels at 3.21% on substantial trades totaling RM165m. Utility giant TNB saw its 8/38 tranche rise 26bps to 4.59%. In the AA-space, energy-related bonds i.e. YTL Power saw a slew of tranches exchn g hands. The 10/24 tranche jumped 34bps to 4.14% whereas both the 2027-2028 tranches settled unchanged at 4.72% and 4.93% each. Meanwhile the banking/finance space saw RHB Islamic 29NC24 edge 1bps lower to 3.34%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.725	102	1.727	14/10/2021	0
MGS	03/22	1.75	409	1.739	14/10/2021	1
MGS	08/22	1.813	64	1.83	14/10/2021	-2
MGS	09/22	1.85	3	1.83	14/10/2021	2
MGS	03/23	2.055	1	2.068	14/10/2021	-1
MGS	08/23	2.143	123	2.175	14/10/2021	-3
MGS	06/24	2.535	4	2.556	14/10/2021	-2
MGS	09/24	2.627	6	2.623	14/10/2021	0
MGS	03/25	2.826	30	2.843	14/10/2021	-2
MGS	09/25	2.881	15	2.931	14/10/2021	-5
MGS	04/26	3.129	62	3.107	14/10/2021	2
MGS	07/26	3.172	3	3.173	14/10/2021	0
MGS	11/26	3.132	145	3.101	14/10/2021	3
MGS	03/27	3.231	20	3.272	14/10/2021	-4
MGS	05/27	3.246	62	3.271	14/10/2021	-2
MGS	11/27	3.298	109	3.331	14/10/2021	-3
MGS	06/28	3.414	638	3.419	14/10/2021	0
MGS	08/29	3.589	45	3.571	14/10/2021	2
MGS	04/30	3.579	1	3.603	14/10/2021	-2
MGS	04/31	3.554	162	3.531	14/10/2021	2
MGS	06/31	3.676	20	3.681	14/10/2021	0
MGS	04/33	3.937	9	3.953	14/10/2021	-2
MGS	11/33	3.984	10	4.048	14/10/2021	-6
MGS	07/34	4.051	31	4.051	14/10/2021	0
MGS	05/40	4.206	206	4.21	14/10/2021	0
MGS	06/50	4.427	28	4.421	14/10/2021	1
GII	04/22	1.78	130	1.8	14/10/2021	-2
GII	07/22	1.734	1	1.83	05/10/2021	-10
GII	10/24	2.611	85	2.609	13/10/2021	0
GII	03/26	3.04	395	3.048	14/10/2021	-1
GII	07/27	3.354	30	3.373	14/10/2021	-2
GII	09/27	3.338	15	3.375	14/10/2021	-4
GII	10/28	3.429	160	3.489	14/10/2021	-6
GII	07/29	3.702	2	3.709	14/10/2021	-1
GII	10/30	3.616	210	3.623	14/10/2021	-1
GII	06/33	3.985	1	3.999	11/10/2021	-1
GII	11/34	4.139	8	4.048	06/10/2021	9
GII	09/39	4.345	6	4.357	14/10/2021	-1
GII	11/49	4.54	37	4.535	14/10/2021	0
			3386			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)			
Danga Capital Berhad	02/26	AAA	3.457	10	3.338	11/10/2021	12	57
Putrajaya Holdings Sdn Berhad	04/24	AAA	3.212	165	2.593	09/09/2021	62	112
Tenaga Nasional Berhad	08/38	AAA	4.585	50	4.321	28/09/2021	26	49
YTL Corporation Berhad	04/23	AA1	3.762	10	3.400	02/09/2021	36	167
Sabah Development Bank Berhad	04/24	AA1	3.944	16	3.948	12/10/2021	0	140
YTL Power International Berhad	10/24	AA1	4.135	40	3.795	22/09/2021	34	159
GENM Capital Berhad	03/27	AA1	5.005	10	5.005	13/10/2021	0	188
YTL Power International Berhad	05/27	AA1	4.718	10	4.719	14/10/2021	0	136
YTL Power International Berhad	08/28	AA1	4.928	10	4.929	14/10/2021	0	148
Gamuda Berhad	11/22	AA3	2.778	5	2.770	08/10/2021	1	94
Bumitama Agri Ltd	07/24	AA3	3.298	10	3.117	19/07/2021	18	76
Besraya (M) Sdn Berhad	07/24	AA3	3.448	10	4.847	25/01/2019	-140	91
RHB Islamic Bank Berhad	05/29	AA3	3.339	110	3.347	12/10/2021	-1	-20
Press Metal Aluminium Holdings Berhad	10/29	AA3	4.819	10	4.269	03/09/2021	55	128
Edra Energy Sdn Berhad	01/30	AA3	4.500	10	4.459	14/10/2021	4	97
Edra Energy Sdn Berhad	07/31	AA3	4.528	20	4.159	08/09/2021	37	98
Malaysian Resources Corporation Berhad	10/26	AA-	4.610	120	4.610	14/10/2021	0	148
Malaysian Resources Corporation Berhad	10/28	AA-	5.040	419	5.040	14/10/2021	0	159
Malaysian Resources Corporation Berhad	10/31	AA-	5.150	30	5.150	14/10/2021	0	160
Tropicana Corporation Berhad	10/23	A+	4.189	1	4.071	13/10/2021	12	210
Alliance Bank Malaysia Berhad	10/30	A2	3.530	1	3.530	14/10/2021	0	-3
Eco World International Berhad	04/23	-	4.635	1	5.254	12/10/2021	-62	255
				<u>1068</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Edra Solar Sdn Bhd	RM245 mil ASEAN Sustainability SRI Sukuk	AA2/Stable	Reaffirmed
WCT Holdings Berhad	RM1.0 billion Medium-Term Notes (MTN) Programme	AA-/Stable	Affirmed
	RM1.5 billion Sukuk Murabahah Programme	AA-IS/Stable	Affirmed
Segi Astana Sdn Bhd	RM415.0 million ASEAN Green Medium-Term Notes (MTN) facility	From AA-/Negative to A+/Negative	Downgraded

Source: RAM/ MARC

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