

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs saw the curve bull-flatten instead on Wednesday, on bargain-hunting activities amid decent demand for the 20Y bond auction whilst shrugging-off a heavy day for corporate issuance which recorded ~\$20b in total. Overall benchmark yields ended mostly between 2-5bps lower. **The UST 2Y yield closed 2bps lower at 0.50% whilst the much-watched UST 10Y rallied and pushed yields 5bps down to 1.59%.** Meantime, Treasury sold \$23b of 20Y bonds at a BTC ratio of 2.34x (average 6 previous auctions: 2.32x) and awarded at 2.065% (previous auction: 2.10%). The sale stopped ~1.4bps above expectations. Investors continue to focus on the potential impact of the Fed's future path policy. Some are mulling whether the flattening of curve is a warning that the Fed may move aggressively that it may warrant an economic downturn whilst others are content to believe that inflation is underestimated. Expect some attention tonight to shift to the announcement of the upcoming sizes of the 2Y, 5Y and 7Y auctions, followed by the initial jobless claims as at 6th November.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.50	-2
5-yr UST	1.23	-4
10-yr UST	1.59	-5
30-yr UST	1.98	-5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.65	0	2.72	3
5-yr	3.16	2	3.18	1
7-yr	3.43	1	3.42	3
10-yr	3.57	29	3.61	1
15-yr	3.98	2	4.07	-4
20-yr	4.10	-7	4.21	-1
30-yr	4.26	3	4.39	-7

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.12	0
3-yr	2.81	4
5-yr	3.04	4
7-yr	3.26	3
10-yr	3.43	3

Source: Bloomberg

MGS/GII

- Local govies ended mixed overall on Wednesday in a quieter session, influenced partly by higher IRS levels. Overall benchmark yields closed mixed between -7 to +3 (save for the "re-adjustment" in the 10Y MGS yields from prior day's move) as overall secondary market volume dropped to RM2.29b whilst the GII curve unwound prior day's steepening move. **The 5Y benchmark MGS 11/26 yield edged another 2bps up at 3.16% whilst the 10Y benchmark MGS 4/31 more than erased yesterday's strong move and pushed yields up by 29bps to 3.57%.** Interest was mainly seen in the off-the-run 22's, 5Y MGS and 10Y GII. GII trades rose slightly to form 42% of overall trades. The data front remains light for the remainder of the week.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk however sought to maintain decent investor interest on Wednesday amid a slight pullback in secondary market volume @ RM446m. Interest was seen mainly across the GG-AA part of the curve as overall yields continued to close mostly mixed, spanning across 35 names. Govt-guaranteed DANA 10/33 spiked 29bps compared to previous-done levels at 4.11% whilst PTPTN 7/41 closed 5bps higher at 4.41%. AAA-rated SEB 8/25 and 11/33 tranches jumped 20-43bps to 3.35% and 4.11% each. The AA-space saw MRCB 4/22 notch RM130m worth of trades, edging 1bps up at 3.22% whereas IMTIAZ 25-28's closed mixed on yields between 3.62-4.00%. Meanwhile the banking/finance space was active as CIMB Bank 27NC22 moved 34bps up to 3.70% whilst Hong Leong Financial Group 28NC23 rallied 28bps to 2.89%. RHB 27NC22 however declined 9bps to 2.68%.

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	03/22	1.706	174	1.709	16/11/2021	0
MGS	09/22	1.700	100	1.729	16/11/2021	-3
MGS	03/23	2.349	28	2.315	16/11/2021	3
MGS	04/23	2.399	1	2.359	16/11/2021	4
MGS	06/24	2.647	44	2.643	16/11/2021	0
MGS	07/24	2.687	28	2.716	16/11/2021	-3
MGS	09/24	2.731	12	2.716	12/11/2021	1
MGS	09/25	2.937	116	2.925	16/11/2021	1
MGS	04/26	3.060	1	3.065	16/11/2021	0
MGS	11/26	3.163	361	3.142	16/11/2021	2
MGS	05/27	3.253	30	3.273	16/11/2021	-2
MGS	11/27	3.317	14	3.324	16/11/2021	-1
MGS	06/28	3.433	79	3.425	16/11/2021	1
MGS	09/28	3.503	3	3.537	29/10/2021	-3
MGS	08/29	3.513	122	3.541	16/11/2021	-3
MGS	04/31	3.572	52	3.565	16/11/2021	1
MGS	06/31	3.663	30	3.620	16/11/2021	4
MGS	04/33	3.904	13	3.900	16/11/2021	0
MGS	07/34	3.942	29	3.903	16/11/2021	4
MGS	05/35	3.980	1	3.965	16/11/2021	2
MGS	04/37	4.133	10	4.163	16/11/2021	-3
MGS	05/40	4.099	20	4.170	16/11/2021	-7
MGS	09/43	4.343	9	4.267	15/11/2021	8
MGS	06/50	4.263	41	4.238	16/11/2021	2
GII	03/22	1.780	50	1.729	16/11/2021	5
GII	04/22	1.707	52	1.710	16/11/2021	0
GII	05/23	2.292	8	2.358	16/11/2021	-7
GII	11/23	2.393	3	2.212	16/11/2021	18
GII	10/24	2.715	1	2.683	16/11/2021	3
GII	03/26	3.181	92	3.167	16/11/2021	1
GII	09/26	3.230	50	3.220	09/11/2021	1
GII	09/27	3.418	58	3.386	16/11/2021	3
GII	08/28	3.558	60	3.559	16/11/2021	0
GII	10/30	3.610	460	3.597	16/11/2021	1
GII	06/33	3.938	98	4.017	03/11/2021	-8
GII	07/36	4.069	11	4.110	16/11/2021	-4
GII	08/37	4.194	20	4.176	12/11/2021	2
GII	09/39	4.286	7	4.297	16/11/2021	-1
GII	09/41	4.211	1	4.219	15/11/2021	-1
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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	10/33	GG	4.111	10	3.820	25/08/2021	29	53
Perbadanan Tabung Pendidikan Tinggi Nasional	07/41	GG	4.407	10	4.358	25/08/2021	5	24
Al Dzahab Assets Berhad	09/22	AAA	2.772	10	2.855	02/08/2021	-8	93
Sarawak Energy Berhad	08/25	AAA	3.349	10	2.918	15/09/2021	43	41
CIMB Bank Berhad	05/27	AAA	3.703	20	3.361	23/09/2021	34	39
Infracap Resources Sdn Berhad	04/32	AAA	4.299	20	3.958	25/08/2021	34	72
Sarawak Energy Berhad	11/33	AAA	4.109	10	3.909	27/09/2021	20	53
Infracap Resources Sdn Berhad	04/36	AAA	4.669	20	4.709	25/10/2021	-4	70
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.160	5	3.170	10/11/2021	-1	132
Sabah Development Bank Berhad	06/23	AA1	4.065	5	3.317	03/09/2021	75	173
Sabah Development Bank Berhad	07/26	AA1	4.151	1	4.482	16/11/2021	-33	100
GENM Capital Berhad	07/28	AA1	5.101	5	4.854	16/11/2021	25	166
Genting RMTN Berhad	11/34	AA1	5.463	1	5.002	12/07/2021	46	149
Imtiaz Sukuk II Berhad	10/25	AA2	3.618	10	3.348	31/05/2021	27	68
Imtiaz Sukuk II Berhad	04/26	AA2	3.698	10	3.368	27/09/2021	33	76
Imtiaz Sukuk II Berhad	04/28	AA2	4.005	10	4.059	13/10/2021	-5	70
Hong Leong Financial Group Berhad	06/28	AA2	2.893	10	3.171	23/04/2021	-28	-55
SP Setia Berhad	06/26	AA	3.788	10	3.809	29/10/2021	-2	64
CIMB Group Holdings Berhad	11/27	AA	2.681	10	2.783	06/08/2021	-10	-63
CIMB Group Holdings Berhad	09/29	AA	3.421	10	3.431	29/10/2021	-1	-9
Malaysian Resources Corporation Berhad	04/22	AA-	3.221	130	3.212	16/11/2021	1	138
Tadau Energy Sdn Berhad	07/23	AA3	3.330	10	3.384	05/10/2021	-5	100
Jimah Energy Ventures Sdn Berhad	05/24	AA3	3.275	10	5.239	07/04/2015	-196	94
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.799	10	3.888	14/10/2021	-9	115
RHB Bank Berhad	09/27	AA3	2.684	50	2.778	14/10/2021	-9	-63
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.379	5	4.369	15/11/2021	1	94
Sinar Kamiri Sdn Berhad	01/23	AA-	3.618	10	3.650	01/09/2021	-3	178
UEM Sunrise Berhad	03/24	AA-	3.947	1	3.945	16/11/2021	0	162
Quantum Solar Park (Semenanjung) Sdn Berhad	04/25	AA-	3.683	10	4.259	15/07/2020	-58	103
Quantum Solar Park (Semenanjung) Sdn Berhad	10/34	AA-	4.818	10	4.657	04/10/2021	16	85
Dialog Group Berhad	11/20	A1	4.519	1	4.110	05/11/2021	41	35
Tropicana Corporation Berhad	09/19	A	5.695	1	6.249	16/11/2021	-55	152
Mah Sing Group Berhad	04/17	-	5.013	2	4.995	01/11/2021	2	84
YNH Property Berhad	08/19	-	5.833	1	5.850	16/11/2021	-2	166
Cypark Renewable Energy Sdn Berhad	09/20	-	6.498	1	5.885	27/10/2021	61	233
				<u>446</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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