

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs closed narrowly mixed on Thursday, with the belly steadier; as movements were cancelled out by both the earlier strong Philadelphia Fed business outlook index and also the bull-flattening bias in Euro rates. Overall benchmark yields ended mostly between 1bps of either side versus prior day's levels. **The UST 2Y yield closed within 1bps up at 0.50% whilst the much-watched UST 10Y settled within 1bps lower at 1.59%.** Meantime, Treasury sold \$15b of 10Y TIPS at a BTC ratio of 2.43x (previous auction: 2.55x) and awarded at a record low yield of -1.145% (previous auction: -0.939%). This reflects rising demand for protection against inflation. Elsewhere, T-bill auctions are signalling that some investors have begun to search for higher yields to hold short-tenured debt. Expect some attention to shift to the upcoming auctions for the 2Y, 5Y and 7Y auctions next week i.e. on the 23rd and 24th of November along with the Markit manufacturing and Services PMI data .

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.50	0
5-yr UST	1.22	-1
10-yr UST	1.59	0
30-yr UST	1.97	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	7	2.71	-1
5-yr	3.15	-1	3.16	-2
7-yr	3.42	-1	3.33	-9
10-yr	3.58	0	3.58	-3
15-yr	3.96	-2	4.06	-1
20-yr	4.17	7	4.21	0
30-yr	4.24	-3	4.45	6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.11	-2
3-yr	2.81	0
5-yr	3.02	-2
7-yr	3.23	-2
10-yr	3.42	-2

Source: Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 3Y GII 10/24 on Monday, 22nd November 2021

MGS/GIII

- Local govies ended mixed overall on Thursday in quiet fashion despite lower IRS levels; with GII seen with better bids. Overall benchmark yields closed mostly mixed-to-lower i.e. between -9 to +7bps amid lower secondary market volume of RM1.98b. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.15% whilst the 10Y benchmark MGS 4/31 settled within 1bps higher at 3.58%.** Interest was mainly seen in the off-the-run 22's, 33's, 5Y GII and 10Y GII. GII trades maintained to form ~40% of overall trades. Elsewhere, BNM is expected to carry out an MGS switch auction totaling RM3.5b from market participants via principal dealers on 25th November. Meanwhile, data front remains light for today whilst investors i.e. mainly inter-bank participants are expected to await the upcoming 3Y GII auction next Monday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space was active on Thursday amid a 54% jump in secondary market volume of RM690m. Interest was seen mainly across the GG-AA part of the curve as overall yields continued to close mostly mixed-to-higher, spanning across 25 names. Govt-guaranteed PRASA 8/28 and DANA 5/32 spiked 33-47bps compared to previous-done levels at 3.73% and 4.00%. AAA-rated AMAN 4/22 which last traded in April this year, rallied 40bps to 2.05% whilst DANUM 2/34 moved 7bps lower at 4.27%. Both AA-rated Country Garden 3/22 and Press Metal 10/24 MRCB 4/22 notched substantial trades in excess of RM100m each, with the former closing 2bps lower at 3.50% whereas the later rose 6bps to 3.86%. Meanwhile the banking/finance space saw the short-end BPMB 3/22 edge 2bps lower at 2.26%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.651	5	1.749	16/11/2021	-10
MGS	03/22	1.649	243	1.706	17/11/2021	-6
MGS	08/22	1.729	1	1.800	16/11/2021	-7
MGS	09/22	1.720	45	1.700	17/11/2021	2
MGS	03/23	2.303	35	2.349	17/11/2021	-5
MGS	08/23	2.403	11	2.342	12/11/2021	6
MGS	06/24	2.716	116	2.647	17/11/2021	7
MGS	07/24	2.698	2	2.687	17/11/2021	1
MGS	09/24	2.699	4	2.731	17/11/2021	-3
MGS	03/25	2.792	9	2.849	11/11/2021	-6
MGS	09/25	2.921	7	2.937	17/11/2021	-2
MGS	04/26	3.033	1	3.060	17/11/2021	-3
MGS	07/26	3.114	28	3.111	16/11/2021	0
MGS	11/26	3.152	123	3.163	17/11/2021	-1
MGS	03/27	3.251	1	3.234	09/11/2021	2
MGS	05/27	3.249	29	3.253	17/11/2021	0
MGS	11/27	3.360	4	3.317	17/11/2021	4
MGS	06/28	3.424	45	3.433	17/11/2021	-1
MGS	09/28	3.501	20	3.503	17/11/2021	0
MGS	08/29	3.509	88	3.513	17/11/2021	0
MGS	04/30	3.607	4	3.608	17/11/2021	0
MGS	04/31	3.576	65	3.572	17/11/2021	0
MGS	04/33	3.879	86	3.904	17/11/2021	-2
MGS	11/33	3.899	1	3.985	10/11/2021	-9
MGS	07/34	3.929	63	3.942	17/11/2021	-1
MGS	05/35	3.958	23	3.980	17/11/2021	-2
MGS	04/37	4.132	4	4.133	17/11/2021	0
MGS	05/40	4.171	118	4.099	17/11/2021	7
MGS	09/43	4.275	1	4.343	17/11/2021	-7
MGS	03/46	4.382	2	4.350	17/11/2021	3
MGS	06/50	4.238	5	4.263	17/11/2021	-2
GII	03/22	1.769	63	1.780	17/11/2021	-1
GII	04/22	1.696	5	1.707	17/11/2021	-1
GII	05/23	2.349	14	2.292	17/11/2021	6
GII	10/23	2.430	5	2.180	14/10/2021	25
GII	11/23	2.384	48	2.393	17/11/2021	-1
GII	10/24	2.707	4	2.715	17/11/2021	-1
GII	03/26	3.161	121	3.181	17/11/2021	-2
GII	07/27	3.312	1	3.419	16/11/2021	-11
GII	09/27	3.333	4	3.418	17/11/2021	-9
GII	10/28	3.486	12	3.495	15/11/2021	-1
GII	07/29	3.571	90	3.572	16/11/2021	0
GII	10/30	3.584	220	3.610	17/11/2021	-3
GII	06/33	3.930	125	3.938	17/11/2021	-1
GII	07/36	4.058	10	4.069	17/11/2021	-1
GII	09/39	4.287	2	4.286	17/11/2021	0
GII	05/47	4.471	50	4.450	15/11/2021	2
GII	11/49	4.449	20	4.385	17/11/2021	6
			<u>1984</u>			

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	08/28	GG	3.730	30	3.261	06/07/2021	47	29
Danainfra Nasional Berhad	05/32	GG	3.999	10	3.667	23/08/2021	33	42
Danainfra Nasional Berhad	10/36	GG	4.267	10	-	-	-	29
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.255	20	2.272	12/08/2021	-2	40
Aman Sukuk Berhad	04/22	AAA	2.051	40	2.449	19/04/2021	-40	20
Putrajaya Holdings Sdn Berhad	04/22	AAA	2.099	3	2.781	18/05/2020	-68	24
Pengurusan Air Selangor Sdn Berhad	10/28	AAA	4.078	10	4.060	08/11/2021	2	64
Infracap Resources Sdn Berhad	04/31	AAA	4.249	30	3.868	26/08/2021	38	69
Danum Capital Berhad	02/34	AAA	4.271	30	4.342	18/10/2021	-7	70
Sarawak Energy Berhad	06/35	AAA	4.259	10	4.169	12/08/2021	9	29
YTL Power International Berhad	10/24	AA1	4.102	20	3.729	03/11/2021	37	145
GENM Capital Berhad	07/28	AA1	4.766	1	5.101	17/11/2021	-34	133
TRipic Medical Sdn Berhad	10/30	AA1	4.348	20	4.099	11/10/2019	25	79
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.498	100	3.519	16/11/2021	-2	164
Tadau Energy Sdn Berhad	07/22	AA3	2.962	10	3.039	02/11/2021	-8	111
Trinity Asia Ventures Berhad	09/22	AA3	3.481	104	3.798	02/11/2021	-32	163
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.864	120	3.799	17/11/2021	6	121
WCT Holdings Berhad	05/22	AA-	3.614	20	3.666	02/11/2021	-5	176
Sports Toto Malaysia Sdn Berhad	06/22	AA-	3.370	20	-	-	-	151
UiTM Solar Power Dua Sdn Berhad	03/23	AA-	3.293	10	-	-	-	144
UEM Sunrise Berhad	05/23	AA-	3.479	60	3.481	16/11/2021	0	162
Southern Power Generation Sdn Berhad	10/27	AA-	4.018	10	4.027	08/11/2021	-1	70
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.432	1	4.407	16/11/2021	3	86
Eco World International Berhad	04/23	-	5.220	1	4.093	12/11/2021	113	336
YNH Property Berhad	08/19	-	5.834	1	5.833	17/11/2021	0	166
				<u>690</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sime Darby Plantation Berhad (SD Plantation)	Corporate credit rating	AAA/Stable	Affirmed

Source: RAM, MARC

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