

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.38	-1
5-yr UST	1.15	-1
10-yr UST	1.64	0
30-yr UST	2.11	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.63	10	2.67	2
5-yr	3.22	5	3.20	14
7-yr	3.52	6	3.34	0
10-yr	3.61	5	3.66	4
15-yr	4.06	0	4.16	0
20-yr	3.99	-24	4.32	1
30-yr	4.35	1	4.55	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.05	0
3-yr	2.67	4
5-yr	2.96	2
7-yr	3.21	2
10-yr	3.49	2

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.5b 5Y MGS 11/26 on Thursday, 21st October, 2021

US Treasuries

- USTs ended mixed again on Wednesday; pivoted along the 10Y sector with the shorter-ends richer. However the long bond was pressured following a weak 20Y auction which tailed by 2.5bps. The curve extended its steepening bias as overall benchmark yields settled between -1 to +3bps. **The UST 2Y yield edged 1bps lower at 0.38% whilst the much-watched UST 10Y yield settled almost unchanged and remained at a 5-month high @1.64%.** The \$24b 20Y auction notched a tepid 2.25 cover (previous 6 auction average: 2.38x) and awarded at 2.10% (previous auction: 1.795%). The Fed's Beige Book noted that most areas in US were seeing steady growth in the US economy at a modest-to-moderate rate amid a low supply of workers and elevated prices. Investors will be watching for signs of a much faster pace of tapering that would imply that the Fed may be inclined to raise interest rates faster-than-expected. On the data front, we have the upcoming release of jobless claims data as at 16th October.

MGS/GII

- Local govies closed weaker on Wednesday in tandem with rising IRS levels as the belly registered larger deviation following prior day's break to celebrate Prophet Muhammad's birthday. Overall benchmark yields closed higher between 0-14bps (save for the skewed odd-lot trade in the 20Y MGS) amid a slight pick-up in secondary market volume @ RM1.56b. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 yields closed 5bps higher at 3.22% and 3.61% each. Interest was mainly seen in the off-the-run 21-23's. GII trades fell sharply to form ~19% of overall trades. Meanwhile, expect attention to shift to the 5Y MGS auction today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw tepid investor interest amid the halving of secondary market volume at RM116m with interest seen mainly in the AAA part of the curve. Overall yields closed mostly higher again, spanning across a mere 14 names. The sole govt-guaranteed trade consisted of PRASA 9/25 which declined 16bps compared to previous-done levels at 3.09%. AAA-rated WESTPORT 3/28 spiked 79bps to 3.93%. AA-rated energy-related bonds i.e. JEP saw the 2030-2032 tranches similarly jump 35-47bps to end between 4.63-7.0% levels. Meanwhile the banking/finance space was relatively quiet.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg	Spread
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*
MGS	11/21	1.714	439	1.743	18/10/2021	-3	-13
MGS	03/22	1.740	314	1.750	18/10/2021	-1	-10
MGS	03/23	2.042	30	2.055	15/10/2021	-1	20
MGS	04/23	2.049	4	2.066	18/10/2021	-2	21
MGS	06/24	2.634	88	2.535	15/10/2021	10	3
MGS	07/24	2.597	1	2.599	15/10/2021	0	0
MGS	09/24	2.688	9	2.621	18/10/2021	7	9
MGS	09/25	2.920	2	2.970	18/10/2021	-5	-1
MGS	11/26	3.215	67	3.163	18/10/2021	5	3
MGS	05/27	3.330	1	3.294	18/10/2021	4	-1
MGS	11/27	3.334	3	3.287	18/10/2021	5	-1
MGS	06/28	3.520	69	3.461	18/10/2021	6	1
MGS	08/29	3.633	6	3.589	15/10/2021	4	8
MGS	04/31	3.610	110	3.556	18/10/2021	5	3
MGS	06/31	3.736	24	3.670	18/10/2021	7	15
MGS	07/34	4.124	50	4.061	18/10/2021	6	2
MGS	04/37	4.223	1	4.212	18/10/2021	1	12
MGS	05/40	3.987	46	4.226	18/10/2021	-24	-27
MGS	06/50	4.347	2	4.334	18/10/2021	1	9
GII	04/22	1.780	10	1.780	15/10/2021	0	-6
GII	05/23	2.138	135	2.217	11/10/2021	-8	0
GII	07/23	2.171	20	2.064	07/10/2021	11	3
GII	08/24	2.701	10	2.592	18/10/2021	11	10
GII	10/24	2.671	30	2.655	18/10/2021	2	7
GII	03/26	3.202	30	3.059	18/10/2021	14	27
GII	07/27	3.349	30	3.354	18/10/2021	0	1
GII	10/30	3.660	27	3.616	15/10/2021	4	8
			<u>1559</u>				

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*
Prasarana Malaysia Berhad	09/25	GG	3.089	15	3.249	11/10/2021	-16	16
Westports Malaysia Sdn Berhad	03/28	AAA	3.929	20	3.139	14/12/2020	79	59
Kuala Lumpur Kepong Berhad	09/22	AA1	2.175	10	2.305	26/07/2021	-13	34
Gamuda Berhad	11/22	AA3	2.745	20	2.778	15/10/2021	-3	91
Edra Energy Sdn Berhad	07/23	AA3	3.116	8	3.075	27/08/2021	4	97
MMC Corporation Berhad	03/28	AA-	4.411	10	3.931	21/09/2021	48	107
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	4.408	10	4.092	24/09/2021	32	90
Jimah East Power Sdn Berhad	06/30	AA-	4.631	10	4.158	20/08/2021	47	105
Jimah East Power Sdn Berhad	06/31	AA-	4.701	10	4.349	18/06/2021	35	112
TG Excellence Berhad	02/20	AA-	4.315	1	3.629	18/10/2021	69	6
Bank Muamalat Malaysia Berhad	06/31	A3	4.255	1	4.378	20/08/2021	-12	67
Eco World Capital Assets Berhad	08/24	-	5.122	1	4.831	14/10/2021	29	252
Mah Sing Group Berhad	10/26	-	4.449	1	-	-	-	127
YNH Property Berhad	08/19	-	5.812	1	6.527	18/10/2021	-72	156
				<u>116</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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