

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs ended mixed again on Monday, with the longer-ends pressured as concession began to build into the upcoming 20Y bond auction tomorrow. President Biden's hopes of passing a \$1.75 trillion investment bill known as "Build Back Better" took a slight blow; indicating the issuance of less government debt and possibly less pressure on the Fed to raise rates soon. The curve reversed and ended steeper instead with overall benchmark yields closing mixed between -1 to +4bps. **The UST 2Y yield edged 1bps down at 0.63% whilst the much-watched 10Y settled 2bps higher at 1.43%.** Elsewhere, Fed's reverse repo agreement usage jumped to a record ~\$1.76 trillion; hitting a fresh record following four (4) successive days of rises. Expect attention to shift to the 20Y auction on Wednesday followed by the Fed's preferred inflation gauge i.e. November's PCE this Thursday.

MGS/GII

- Local govies saw MGS lacking direction, closing mixed whilst GII ended mostly unchanged on Monday amid a slight 9% rise in secondary market volume of RM1.10b. Overall benchmark MGS/GII yields closed between -3 to +2bps across the curve; save for the odd-lot trades seen in both 20Y bonds. **The 5Y benchmark MGS 11/26 yield edged 1bps lower at 3.16% whilst the 10Y benchmark MGS 4/31 yield declined 3bps to 3.52%** compared to prior day's close. Interest was mainly seen in the off-the-run 22's, 28's and also 10Y MGS. GII transactions eased as a whole but still formed a prominent 48% of overall trades. To recap, the recent release of the 2022 Auction Calendar saw a reduction in issuances within the belly i.e. 5-7Y sector whilst the 15Y sector saw an uptick in issuances. Expect attention to shift to the release of November CPI on Thursday.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw marginal improvement in investor interest on Monday amid a slight increase in secondary market volume @ RM221m. Transactions were seen mainly across the GG-AA part of the curve as overall yields closed higher, spanning across 26 names. Govt-guaranteed DANA 27's spiked 13-52bps compared to previous-done levels between 3.62-67% levels. AAA-rated MAHB 11/30 edged 1bps up at 4.59%. AA-rated Kedah Cement (Lafarge) 12/23 edged 1bps up at 3.50% whilst PTP 6/27 moved 2bps higher at 4.07%. TRIpIc 10/34 traded again closing unchanged at 4.56%. Meanwhile the banking/finance space saw SABAH Development Bank 7/26 jump 44bps to 4.60%. There were also several odd-lot trades seen in Alliance Bank and AFFIN Bank as well.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.63	-1
5-yr UST	1.17	-1
10-yr UST	1.43	2
30-yr UST	1.85	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.84	1	2.89	0
5-yr	3.16	-1	3.18	0
7-yr	3.43	2	3.36	0
10-yr	3.52	-3	3.64	0
15-yr	3.87	-1	4.01	0
20-yr	4.12	10	4.19	2
30-yr	4.21	0	4.35	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.18	0
3-yr	2.69	-2
5-yr	2.89	-2
7-yr	3.12	-2
10-yr	3.34	-1

Source : Bloomberg

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	1.739	111	1.779	17/12/2021	-4
MGS	08/22	1.695	7	1.695	15/12/2021	0
MGS	09/22	1.659	11	1.576	17/12/2021	8
MGS	03/23	2.226	1	2.253	16/12/2021	-3
MGS	06/24	2.838	61	2.826	17/12/2021	1
MGS	07/24	2.888	4	2.923	17/12/2021	-4
MGS	09/24	2.886	50	2.923	17/12/2021	-4
MGS	03/25	2.925	6	2.934	16/12/2021	-1
MGS	09/25	2.984	7	3.021	17/12/2021	-4
MGS	07/26	3.148	3	3.148	17/12/2021	0
MGS	11/27	3.279	1	3.299	15/12/2021	-2
MGS	06/28	3.428	37	3.412	17/12/2021	2
MGS	04/30	3.607	26	3.598	15/12/2021	1
MGS	04/31	3.520	179	3.549	17/12/2021	-3
MGS	06/31	3.681	21	3.681	17/12/2021	0
MGS	07/34	3.887	7	3.884	17/12/2021	0
MGS	05/35	3.865	6	3.874	17/12/2021	-1
MGS	04/37	3.971	9	4.021	15/12/2021	-5
MGS	03/46	4.338	5	4.333	15/12/2021	0
MGS	07/48	4.385	1	4.386	17/12/2021	0
MGS	06/50	4.212	15	4.216	17/12/2021	0
GII	04/22	1.781	330	1.718	15/12/2021	6
GII	08/25	3.072	10	3.092	16/12/2021	-2
GII	10/28	3.477	109	3.477	17/12/2021	0
GII	07/29	3.597	44	3.567	17/12/2021	3
GII	10/30	3.635	15	3.638	17/12/2021	0
GII	08/37	4.184	20	4.142	17/12/2021	4
GII	09/39	4.224	2	4.252	16/12/2021	-3
GII	09/41	4.193	2	4.177	14/12/2021	2
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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*
DanaInfra Nasional Berhad	07/27	GG	3.620	10	3.100	04/06/2021	34
DanaInfra Nasional Berhad	11/27	GG	3.669	10	3.541	06/10/2021	38
Pengurusan Air SPV Berhad	02/28	AAA	3.829	1	3.460	01/07/2021	54
Malaysia Airport Holdings Berhad	11/30	AAA	4.592	20	4.578	02/12/2021	105
CIMB Group Holdings Berhad	06/22	AA1	2.302	50	2.592	22/03/2021	48
Sabah Development Bank Berhad	07/24	AA1	4.284	1	3.560	16/11/2021	144
GENM Capital Berhad	08/25	AA1	4.130	1	4.130	14/12/2021	112
Sabah Development Bank Berhad	07/26	AA1	4.599	5	4.161	16/12/2021	144
YTL Power International Berhad	05/27	AA1	4.709	2	4.726	15/12/2021	155
Samalaju Industrial Port Sdn Berhad	12/27	AA1	3.996	5	3.698	06/05/2021	71
GENM Capital Berhad	07/28	AA1	4.956	9	4.673	17/12/2021	153
TRIpIc Medical Sdn Berhad	10/34	AA1	4.563	10	4.564	17/12/2021	68
Imtiaz Sukuk II Berhad	04/26	AA2	3.749	1	3.713	09/12/2021	74
Kedah Cement Sdn Berhad (fka Lafarge Cemr)	12/23	AA3	3.496	10	3.486	30/11/2021	116
Exsim Capital Resources Berhad	07/25	AA3	4.691	25	4.695	17/12/2021	168
Gamuda Land (T12) Sdn Berhad	10/27	AA3	4.159	1	4.142	15/12/2021	87
Konsortium KAJV Sdn Bhd	05/22	AA-	4.053	10	3.917	23/10/2020	223
Farm Fresh Berhad (fka The Holstein Milk Cor	05/26	AA-	4.029	3	3.578	26/08/2021	102
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA-	4.067	20	4.048	12/11/2021	91
SAJ Capital Sdn Berhad	01/29	AA-	4.582	10	4.584	17/12/2021	116
Malakoff Power Berhad	12/31	AA-	4.363	10	4.439	13/10/2021	81
TG Excellence Berhad	02/20	AA-	4.469	1	4.418	16/12/2021	35
Hong Leong Financial Group Berhad	11/17	A1	3.871	1	2.535	16/12/2021	134
Alliance Bank Malaysia Berhad	10/30	A2	3.745	1	3.700	17/12/2021	20
IJM Land Berhad	03/19	A2	5.084	5	5.086	17/12/2021	97
Cypark Renewable Energy Sdn Berhad	09/20	-	6.701	1	6.700	15/12/2021	259
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Press Metal Aluminium Holdings Berhad	RM5.0 bil Islamic MTN (IMTN) Programme (2019/2049)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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