

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- The UST curve flattened prominently last Friday, as the hawkish Fed speak indicating a potentially strong 4Q GDP saw the front-end pare gains sharply whilst the long-ends rallied. Overall benchmark yields ended between 0-6bps lower. **The UST 2Y yield closed within 1bps up at 0.51% whilst the much-watched UST 10Y declined 4bps at 1.55%**. Fed official Clarida said that it may be appropriate to discuss the pace of asset-tapering in December. The continued strength in USTs came about amid the seeking of relatively safe-haven of bonds arising from concerns over the impact of a 4<sup>th</sup> wave of the COVID pandemic in parts of Europe. Elsewhere, the return of debt-ceiling anxiety has seen T-bill maturities in mid-December cheapen relative to other maturities; as investors seek compensation for potential risks. Expect some attention to shift to the upcoming auctions 2Y, 5Y auctions along with the Markit manufacturing and services data for November tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.51	0
5-yr UST	1.22	0
10-yr UST	1.55	-4
30-yr UST	1.91	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.66	-6	2.71	1
5-yr	3.14	-1	3.17	1
7-yr	3.41	-2	3.40	7
10-yr	3.54	-3	3.57	-1
15-yr	3.93	-3	4.05	0
20-yr	4.17	0	4.22	1
30-yr	4.26	3	4.39	-5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.10	-1
3-yr	2.77	-4
5-yr	3.00	-2
7-yr	3.22	-1
10-yr	3.42	0

Source: Bloomberg

##### MGS/GII

- Local govies saw MGS better-bid generally as the curve ended flatter last Friday; led by lower IRS levels whereas GII closed mixed nevertheless on low volume. Overall benchmark yields closed mostly mixed-to-lower i.e. between -6 to +7bps amid 39% rise in secondary market volume of RM2.72b. **The 5Y benchmark MGS 11/26 yield edged 1bps down at 3.14% whilst the 10Y benchmark MGS 4/31 settled 3bps lower at 3.54%**. Interest was mainly seen in the off-the-run 21-22's, 33's, 3Y, 5Y MGS. GII trades fell to form only ~22% of overall trades. BNM is expected to carry out an MGS switch auction totaling RM3.5b from market participants via principal dealers on 25<sup>th</sup> November. Expect investors i.e. mainly inter-bank participants to focus on the upcoming 3Y GII auction today.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw strong activity last Friday despite a slight pullback in secondary market volume of RM527m. Interest was seen mainly across the GG-AA part of the curve as overall yields closed mostly mixed-to-lower instead, spanning across 25 names. The sole govt-guaranteed trade consisted of DANA 10/33 which closed unchanged compared to previous-done levels at 4.11%. AAA-rated telco giant TELEKOM saw the 3/24 tranche edge 2bps down at 2.73% whereas the 6/24 tranche spiked 36bps instead to 2.75%. Energy-related bonds EDRA dominated the AA-space with 2025 and 2030 tranches ending 14-15bps lower at 3.46% and 4.22%. The 2029 tranche edged 1bps lower at 4.20% whilst the 2035 tranche rose 8bps to 4.61%. Meanwhile the banking/finance space was active with CIMB 5/22 rallying sharply with yields collapsing 76bps to 2.13% on RM50m worth of trades. PUBLIC 29NC24 however jumped 20bps to 3.24% whereas RHB Islamic 27NC22 declined 8bps to 2.63%.

#### Upcoming Government Bond Tender

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

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.749	288	1.651	18/11/2021	10
MGS	03/22	1.619	551	1.649	18/11/2021	-3
MGS	08/22	1.729	50	1.729	18/11/2021	0
MGS	09/22	1.730	50	1.720	18/11/2021	1
MGS	03/23	2.386	2	2.303	18/11/2021	8
MGS	04/23	2.374	15	2.399	17/11/2021	-2
MGS	06/24	2.659	209	2.716	18/11/2021	-6
MGS	07/24	2.701	29	2.698	18/11/2021	0
MGS	09/24	2.741	20	2.699	18/11/2021	4
MGS	07/25	2.886	20	2.948	16/11/2021	-6
MGS	09/25	2.921	53	2.921	18/11/2021	0
MGS	07/26	3.118	3	3.114	18/11/2021	0
MGS	11/26	3.141	152	3.152	18/11/2021	-1
MGS	03/27	3.226	1	3.251	18/11/2021	-2
MGS	11/27	3.294	8	3.360	18/11/2021	-7
MGS	06/28	3.407	143	3.424	18/11/2021	-2
MGS	08/29	3.496	12	3.509	18/11/2021	-1
MGS	04/31	3.541	149	3.576	18/11/2021	-4
MGS	06/31	3.660	1	3.663	17/11/2021	0
MGS	04/33	3.849	46	3.879	18/11/2021	-3
MGS	07/34	3.937	41	3.929	18/11/2021	1
MGS	05/35	3.932	194	3.958	18/11/2021	-3
MGS	04/37	4.146	20	4.132	18/11/2021	1
MGS	06/38	4.214	4	4.201	16/11/2021	1
MGS	05/40	4.169	6	4.171	18/11/2021	0
MGS	09/43	4.311	1	4.275	18/11/2021	4
MGS	03/46	4.386	3	4.382	18/11/2021	0
MGS	07/48	4.401	2	4.419	15/11/2021	-2
MGS	06/50	4.263	50	4.238	18/11/2021	2
GII	03/22	1.776	300	1.769	18/11/2021	1
GII	04/22	1.770	30	1.696	18/11/2021	7
GII	05/23	2.256	79	2.349	18/11/2021	-9
GII	11/23	2.384	15	2.384	18/11/2021	0
GII	10/24	2.714	2	2.707	18/11/2021	1
GII	03/26	3.172	17	3.161	18/11/2021	1
GII	09/27	3.399	3	3.333	18/11/2021	7
GII	10/28	3.501	36	3.486	18/11/2021	1
GII	10/30	3.571	11	3.584	18/11/2021	-1
GII	11/34	4.109	10	4.174	09/11/2021	-7
GII	07/36	4.053	18	4.058	18/11/2021	0
GII	09/39	4.282	2	4.287	18/11/2021	0
GII	09/41	4.222	61	4.211	17/11/2021	1
GII	05/47	4.471	5	4.471	18/11/2021	0
GII	11/49	4.394	3	4.449	18/11/2021	-5
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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	5	4.111	17/11/2021	0	53
CIMB Bank Berhad	05/22	AAA	2.134	50	2.889	06/05/2020	-76	28
Telekom Malaysia Berhad	03/24	AAA	2.729	5	2.750	16/11/2021	-2	37
Pengurusan Air SPV Berhad	06/24	AAA	2.946	15	2.776	02/07/2021	17	28
Telekom Malaysia Berhad	06/24	AAA	2.749	45	2.389	11/09/2020	36	9
Pengurusan Air SPV Berhad	10/29	AAA	3.981	10	3.669	03/09/2021	31	48
GENM Capital Berhad	03/27	AA1	4.761	1	4.797	16/11/2021	-4	162
Public Bank Berhad	12/29	AA1	3.236	20	3.036	08/09/2021	20	-26
Country Garden Real Estate Sdn Berhad	03/22	AA3	3.473	30	3.498	18/11/2021	-3	162
WCT Holdings Berhad	05/22	AA-	3.562	20	3.614	18/11/2021	-5	171
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.356	10	3.396	28/10/2021	-4	100
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bh	12/23	AA3	3.491	20	3.417	29/09/2021	7	114
Edra Energy Sdn Berhad	01/25	AA3	3.456	10	3.604	23/04/2021	-15	79
RHB Islamic Bank Berhad	04/27	AA3	2.628	20	2.708	03/11/2021	-8	-51
Edra Energy Sdn Berhad	07/29	AA3	4.198	20	4.208	11/11/2021	-1	70
Edra Energy Sdn Berhad	01/30	AA3	4.218	20	4.360	01/11/2021	-14	72
Edra Energy Sdn Berhad	01/35	AA3	4.609	21	4.533	28/09/2021	8	65
MMC Corporation Berhad	04/23	AA-	2.975	1	3.022	28/10/2021	-5	112
Evyap Sabun Malaysia Sdn Berhad	11/26	AA-	4.850	200	-	-	-	171
Dialog Group Berhad	11/20	A1	4.089	1	4.519	17/11/2021	-43	-8
Alliance Bank Malaysia Berhad	10/30	A2	3.503	1	3.503	18/11/2021	0	-5
IJM Land Berhad	03/19	A2	4.399	1	4.444	05/11/2021	-4	23
Matrix Concepts Holdings Berhad	03/23	-	4.299	1	4.605	17/05/2021	-31	245
Eco World International Berhad	04/23	-	4.067	1	5.220	18/11/2021	-115	222
Eco World Capital Assets Berhad	08/24	-	5.360	1	4.841	16/11/2021	52	270
				<u>527</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Toyota Capital Malaysia Sdn Bhd	RM2.5 billion Conventional and Islamic CP/MTN Programme	AAA(s)/Stable/ P1	Reaffirmed

Source: RAM, MARC

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