

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs took a downturn on Monday following President Biden's re-nomination of Powell as the Fed Chair, as investors believed that he will be hawkish-centric and be supportive on rate-normalization exercises. Both the 2Y and 5Y note auction also compounded to the weakness seen. Overall benchmark yields spiked between 5-10bps. **Both the UST 2Y and much-watched 10Y yields spiked 8bps to 0.59% and 1.63% respectively.** The \$59b 5Y auction was weaker-than-expected and awarded at 1.319% on a BTC ratio of 2.34x (previous six auction average: 2.41x). Likewise the \$58b 2Y note auction saw poor response with WI rising 6bps and awarded at 0.623% on a 2.36 cover (previous six auction average: 2.56x). Elsewhere, markets took a slight twist by pricing in a 25bps hike by June 2022. Expect some attention to shift to the upcoming 7Y note auction along with the Markit manufacturing and services data for November tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.59	8
5-yr UST	1.32	10
10-yr UST	1.63	8
30-yr UST	1.96	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.64	-2	2.79	7
5-yr	3.15	1	3.17	-1
7-yr	3.41	0	3.40	0
10-yr	3.55	1	3.58	1
15-yr	3.92	-1	3.85	-20
20-yr	4.17	1	4.22	0
30-yr	4.30	4	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.09	-1
3-yr	2.75	-2
5-yr	2.98	-2
7-yr	3.20	-2
10-yr	3.40	-2

Source: Bloomberg

MGS/GIII

- Local govies ended slightly weaker overall, brushing aside lower IRS levels in a relatively quiet session on Monday. Overall benchmark yields closed mostly mixed-to-higher i.e. between -2 to +7bps save for the odd-lot trade in the 15Y GII; amid 32% drop in secondary market volume of RM1.86b. **Both the 5Y benchmark MGS 11/26 and 10Y benchmark MGS 4/31 yields edged 1bps up at 3.15% and 3.55% each.** Interest was mainly seen in the off-the-run 22's and 5Y MGS. GII trades jumped to form ~58% of overall trades. The RM4.5b 3Y GII 10/24 auction saw muted participation with BTC ratio of only 1.412x whilst being awarded at 2.787%. Elsewhere, BNM will be conducting a RM3.5b switch auction exercise involving shorter-tenured bonds i.e. MGS 3/22, MGS 8/22 and MGS 9/22 on the 25th of November with longer-maturity bonds consisting of MGS 6/31, MGS 9/43, MGS 6/50 and MGS 7/48.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw interest fizzle out in Monday's session amid a sharp pullback in secondary market volume @ RM111m. Interest was seen mainly across the AAA-AA part of the curve as overall yields closed mostly higher, spanning across a mere 13 names. There were no gov-guaranteed trades. AAA-rated TNB Northern 32-33's jumped 14-19bps compared to previous-done levels between 4.22-27%. TG Excellence notched RM60m in nominal amounts; rallying 29bps to 4.05% whilst ANIH 11/25 spiked 40bps instead to 3.73%. Meanwhile the banking/finance space saw several offd-lot trades in ALLIANCE Bank 2030NC25 and Sabah Development Bank 6/23 bonds.

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	1.696	235	1.619	19/11/2021	8
MGS	08/22	1.730	110	1.729	19/11/2021	0
MGS	03/23	2.270	6	2.386	19/11/2021	-12
MGS	04/23	2.349	126	2.374	19/11/2021	-2
MGS	06/24	2.641	14	2.659	19/11/2021	-2
MGS	11/26	3.151	160	3.141	19/11/2021	1
MGS	05/27	3.243	1	3.249	18/11/2021	-1
MGS	11/27	3.304	8	3.294	19/11/2021	1
MGS	06/28	3.411	4	3.407	19/11/2021	0
MGS	08/29	3.479	22	3.496	19/11/2021	-2
MGS	04/31	3.554	45	3.541	19/11/2021	1
MGS	04/33	3.849	17	3.849	19/11/2021	0
MGS	07/34	3.909	1	3.937	19/11/2021	-3
MGS	05/35	3.923	15	3.932	19/11/2021	-1
MGS	04/37	4.119	16	4.146	19/11/2021	-3
MGS	05/40	4.174	1	4.169	19/11/2021	1
MGS	06/50	4.303	5	4.263	19/11/2021	4
GII	03/22	1.760	200	1.776	19/11/2021	-2
GII	05/23	2.332	30	2.256	19/11/2021	8
GII	10/24	2.788	716	2.714	19/11/2021	7
GII	03/26	3.167	59	3.172	19/11/2021	-1
GII	10/30	3.581	15	3.571	19/11/2021	1
GII	08/33	3.896	50	4.032	18/10/2021	-14
GII	11/34	4.015	6	4.109	19/11/2021	-9
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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*
Cagamas Berhad	10/24	AAA	2.886	10	2.692	01/09/2021	19	21
TNB Northern Energy Berhad	11/32	AAA	4.219	10	4.029	15/06/2021	19	67
TNB Northern Energy Berhad	11/33	AAA	4.269	10	4.129	15/06/2021	14	72
Sabah Development Bank Berhad	06/23	AA1	3.162	2	4.065	17/11/2021	-90	80
GENM Capital Berhad	08/25	AA1	4.531	1	4.131	09/11/2021	40	158
GENM Capital Berhad	03/27	AA1	4.790	5	4.761	19/11/2021	3	165
Anih Berhad	11/25	AA	3.726	10	3.325	06/09/2021	40	78
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	AA-	4.318	10	4.408	20/10/2021	-9	90
TG Excellence Berhad	02/20	AA-	4.054	60	4.346	17/11/2021	-29	-11
Alliance Bank Malaysia Berhad	10/30	A2	3.599	1	3.503	19/11/2021	10	5
YNH Property Berhad	08/19	-	5.829	2	5.830	19/11/2021	0	167
LBS Bina Group Berhad	03/20	-	6.308	1	5.992	26/10/2021	32	215
Cypark Renewable Energy Sdn Berhad	09/20	-	6.072	1	5.803	24/08/2021	27	191
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*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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