

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US treasuries ended Tuesday weaker with a steepening in the curve, extending from Monday's selloffs following the reappointment of Powell as Fed Chair for a second term, offering some comfort of policy continuity and that the Fed normalization plan is intact. Overnight PMI readings showed continued expansion in the manufacturing and services sectors albeit at varying speed. The front end 2s shed 3bps to 0.61% while the 10Y added 3bps to 1.66%. This came despite a strong \$59bn 7Y debt auction that garnered a bid-cover of 2.42x at a high yield of 1.588%. Markets will be swamped by first tier US data including 3Q GDP, personal outlay reports that include core PCE, and FOMC minutes, ahead of the Thanksgiving holiday.

##### MGS/GII

- Local govies saw a pick-up in trading momentum with secondary market volume rising to RM2.41bn on Tuesday (prior RM1.86bn). Focus was on off the runs MGS '22, '23 and '26 and benchmark 3Y GII 10/24, and 10Y GII 10/30. Overall benchmark yields closed mostly flat to 11bps higher across the MGS/GII curves. The benchmark 5Y MGS 11/26 ended flat at 3.15% while the benchmark 10Y MGS 4/31 yields edged 2bps up at 3.58%. GII trades maintained a 55% share of overall secondary market volume, dominated by RM992m GII 10/24, just a day post a lackluster auction. 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 25<sup>th</sup> of November with longer-maturity bonds consisting of MGS 6/31, MGS 9/43, MGS 6/50 and MGS 7/48.

##### Corp Bonds/Sukuk

- Trading in the Corporate Bonds/Sukuk space almost quadrupled to RM393m on Tuesday (prior RM111m). Interests continued to linger on the AAA-AA part of the curve while only four GG issuances were traded, namely DANA '35 and '48, PRASA '50, and LPPSA '51. The AAA-AA constituted 88% of total trade of which SEB '22 saw the heaviest trade of RM150m done on Tuesday, 2bps lower at 2.05%. DANGA '33 was seen last dealt at 4.19% (-1bp) with RM50m changed hands, while RM40m of Press Metal '24 last traded at 3.85%. AAA-rated TNB '28 made its debut with RM5m done at 3.92% while AA3-rated Gamuda Land '27 debuted at 4.17%. In the banking space, RHB Islamic '29 saw RM20m traded at 3.37% (-1bp). Overall yields ended the day largely weaker contrary to the higher IRS levels which rose 1-4bps.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.61	-3
5-yr UST	1.32	0
10-yr UST	1.66	3
30-yr UST	2.01	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.71	7	2.83	4
5-yr	3.15	0	3.19	2
7-yr	3.41	0	3.40	0
10-yr	3.58	2	3.61	2
15-yr	3.92	0	3.85	0
20-yr	4.20	3	4.22	0
30-yr	4.41	11	4.45	6

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.11	2
3-yr	2.76	1
5-yr	3.00	2
7-yr	3.24	4
10-yr	3.43	3

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 11/21	1.749	42	1.749	19/11/2021	0
MGS 03/22	1.699	486	1.696	22/11/2021	0
MGS 09/22	1.683	76	1.730	19/11/2021	-5
MGS 03/23	2.294	6	2.270	22/11/2021	2
MGS 04/23	2.352	150	2.349	22/11/2021	0
MGS 06/24	2.709	75	2.641	22/11/2021	7
MGS 04/26	3.055	1	3.033	18/11/2021	2
MGS 07/26	3.101	3	3.118	19/11/2021	-2
MGS 11/26	3.146	151	3.151	22/11/2021	0
MGS 05/27	3.302	13	3.243	22/11/2021	6
MGS 06/28	3.407	15	3.411	22/11/2021	0
MGS 08/29	3.509	6	3.479	22/11/2021	3
MGS 04/31	3.580	28	3.554	22/11/2021	3
MGS 06/31	3.671	1	3.664	22/11/2021	1
MGS 07/34	3.937	6	3.909	22/11/2021	3
MGS 06/38	4.234	0	4.214	19/11/2021	2
MGS 05/40	4.204	27	4.174	22/11/2021	3
MGS 03/46	4.386	1	4.349	22/11/2021	4
MGS 06/50	4.410	8	4.303	22/11/2021	11
GII 03/22	1.743	24	1.760	22/11/2021	-2
GII 04/22	1.718	59	1.770	19/11/2021	-5
GII 05/23	2.319	10	2.332	22/11/2021	-1
GII 07/23	2.339	2	2.325	10/11/2021	1
GII 05/24	2.820	10	2.745	15/11/2021	7
GII 10/24	2.826	992	2.784	22/11/2021	4
GII 08/25	3.053	1	3.112	08/11/2021	-6
GII 10/25	3.136	30	2.842	08/10/2021	29
GII 03/26	3.192	20	3.167	22/11/2021	3
GII 08/28	3.566	20	3.558	17/11/2021	1
GII 10/28	3.441	20	3.501	19/11/2021	-6
GII 10/30	3.607	105	3.581	22/11/2021	3
GII 07/36	3.852	0	4.053	19/11/2021	-20
GII 11/49	4.453	20	4.394	19/11/2021	6
		<u>2408</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Maturity	Rating	Closing	Vol	Previous	Previous	Chg	Spread
	(dd/mm/yyyy)		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*
DanaInfra Nasional Berhad	11/35	GG	4.23	5	-	-	-	27
DanaInfra Nasional Berhad	04/48	GG	4.60	15	4.51	24/09/2021	9	42
Prasarana Malaysia Berhad	02/50	GG	4.56	20	4.59	10/11/2021	-3	38
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.55	5	4.60	09/11/2021	-5	37
Sarawak Energy Berhad	01/22	AAA	2.05	150	2.07	21/10/2021	-2	19
Danum Capital Berhad	05/23	AAA	2.46	10	2.54	29/09/2021	-9	60
Tenaga Nasional Berhad	11/28	AAA	3.92	5	-	-	-	49
Pengurusan Air SPV Berhad	10/29	AAA	3.98	2	3.98	19/11/2021	0	49
Danga Capital Berhad	09/33	AAA	4.19	50	4.20	15/11/2021	-1	63
Tenaga Nasional Berhad	08/38	AAA	4.45	10	4.59	15/10/2021	-14	49
Danajamin Nasional Berhad	10/27	AA1	2.66	10	2.84	06/10/2021	-18	-65
GENM Capital Berhad	07/28	AA1	4.77	1	4.77	18/11/2021	0	134
Fortune Premiere Sdn Berhad	12/22	AA	2.81	10	2.95	28/09/2021	-13	96
Fortune Premiere Sdn Berhad	03/23	AA	2.93	4	3.06	14/10/2021	-13	107
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/26	AA-	3.47	10	3.53	21/10/2021	-6	31
AZRB Capital Sdn Berhad	12/26	AA-	4.76	4	4.40	16/07/2021	36	160
Southern Power Generation Sdn Berhad	04/29	AA-	4.24	10	3.77	28/07/2021	47	81
BGSM Management Sdn Berhad	12/23	AA3	2.95	10	2.95	12/11/2021	0	58
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.85	40	3.86	18/11/2021	-2	116
Gamuda Land (T12) Sdn Berhad	10/27	AA3	4.17	1	-	-	-	86
RHB Islamic Bank Berhad	05/29	AA3	3.37	20	3.39	12/11/2021	-1	-5
Tropicana Corporation Berhad	10/23	A+	4.87	1	4.96	10/11/2021	-9	249
DRB-Hicom Berhad	08/30	A+	5.18	1	4.93	10/09/2021	25	163
Alliance Bank Malaysia Berhad	10/30	A2	3.58	0	3.60	22/11/2021	-2	3
Mag Sing Group Berhad	03/25	-	4.02	1	4.03	23/09/2021	-1	133
				<u>393</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sports Toto Malaysia Sdn Bhd	RM800.0 million 15-year Medium-Term Notes (MTN) Programme	AA- (Stable)	Affirmed
UEM Sunrise Berhad	Proposed Islamic Commercial Papers (ICP) Programme and Islamic Medium-Term Notes (IMTN) Programme with a combined nominal value of RM4.0 billion (ICP/IMTN-3)	MARC-1 <sub>IS</sub> /AA- <sub>IS</sub> (Stable)	Assigned
	ICP and IMTN programmes (ICP/IMTN-1 and ICP/IMTN-2) with a total combined nominal value of RM4.0 billion	MARC-1 <sub>IS</sub> /AA- <sub>IS</sub> (Stable)	Affirmed
EKVE Sdn Bhd	Guaranteed Sukuk Murabahah Facility of up to RM1 billion	AAA(bg)/Stable	Reaffirmed

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.