

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.69	3
5-yr UST	1.24	3
10-yr UST	1.49	4
30-yr UST	1.91	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.81	-2	2.91	4
5-yr	3.12	-4	3.20	-6
7-yr	3.42	2	3.37	0
10-yr	3.54	-1	3.61	0
15-yr	3.85	0	3.97	0
20-yr	4.08	0	4.17	0
30-yr	4.19	-4	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	2
3-yr	2.75	2
5-yr	2.96	4
7-yr	3.20	1
10-yr	3.40	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- USTs ended weaker on Thursday; rising to its highest levels in recent weeks, with losses led in the longer-ends following the 5.7% y/y jump in the Fed's preferred inflation gauge i.e. PCE in November. The curve shifted higher with overall benchmark yields closing higher between 3-6bps across. **The UST 2Y yield rose 3bps to 0.69% whilst the much-watched 10Y jumped 4bps to 1.49%.** Jobless claims as at 18th December continued to reflect a tight labor market and robust demand for workers as the economy continues to recover from the pandemic. Expect little action going forward with low-staffing levels seen as financial markets close, to welcome the long weekend due to Christmas celebrations.

MGS/GII

- Local govies generally saw MGS generally better-bid whilst GII ended mostly unchanged on Thursday. Benchmark MGS/GII yields closed mostly unchanged-to-lower i.e. -4 to +4bps across the curve amid a drastic drop in secondary market volume to RM384m. **The 5Y benchmark MGS 11/26 yield rallied 4bps to 3.12% whilst the 10Y benchmark MGS 4/31 yield edged 1bps lower at 3.54%** compared to prior day's close. Interest was scant as GII fell to maintain a mere 15% of overall trades. Elsewhere, the government has announced several measures including an RM100m fund for post-flood recovery activities.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw improved investor appetite amid a sustained secondary market volume @ RM324m on Thursday. Transactions were seen mainly across the GG-AA part of the curve as overall yields closed mixed-to-higher, spanning across 20 names. The long-end govt-guaranteed PLUS 1/38 declined 5bps compared to previous-done levels at 4.25% whilst PRASA 7/45 spiked 77bps instead to 4.38%. AAA-rated CAGAMAS 22's settled 3-20bps lower at 2.13% levels. In the AA-space, energy bonds i.e. EDRA dominated trades totalling RM90m in transacted amounts. EDRA 7/31, 1/34 and 7/29 ended 0-11bps higher at 4.35%, 4.49% and 4.35% each. Meanwhile, EDRA 7/25 and 1/38 closed 1-4bps lower at 3.65% and 4.82% respectively. Fortune Premier 23's exchanged hands between 16-20bps higher. Meanwhile the banking/finance space was relatively quiet.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.732	69	1.786	22/12/2021	-5
MGS	03/23	2.230	8	2.196	22/12/2021	3
MGS	08/23	2.392	16	2.371	21/12/2021	2
MGS	06/24	2.812	32	2.833	22/12/2021	-2
MGS	07/24	2.868	11	2.888	20/12/2021	-2
MGS	11/26	3.117	54	3.161	22/12/2021	-4
MGS	05/27	3.260	12	3.246	22/12/2021	1
MGS	11/27	3.263	1	3.251	22/12/2021	1
MGS	06/28	3.420	1	3.394	22/12/2021	3
MGS	09/28	3.468	1	3.566	15/12/2021	-10
MGS	08/29	3.566	40	3.555	22/12/2021	1
MGS	04/31	3.541	30	3.555	22/12/2021	-1
MGS	06/31	3.632	50	3.632	22/12/2021	0
MGS	11/33	3.866	1	3.839	21/12/2021	3
MGS	07/34	3.906	2	3.879	22/12/2021	3
MGS	06/50	4.192	1	4.229	22/12/2021	-4
GII	07/22	1.831	3	1.770	21/12/2021	6
GII	08/24	2.952	6	2.763	08/12/2021	19
GII	10/24	2.903	7	2.870	22/12/2021	3
GII	08/25	3.102	2	3.072	20/12/2021	3
GII	03/26	3.198	1	3.257	22/12/2021	-6
GII	09/27	3.368	4	3.365	17/12/2021	0
GII	10/28	3.449	13	3.452	22/12/2021	0
GII	10/30	3.614	20	3.618	22/12/2021	0
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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	11/35	GG	4.171	15	4.170	21/12/2021	0	31
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.246	10	4.297	17/12/2021	-5	38
Prasarana Malaysia Berhad	07/45	GG	4.378	10	3.610	24/08/2020	77	27
Pengurusan Air Selangor Sdn Berhad	10/31	AAA	4.119	5	4.150	29/11/2021	-3	57
Tenaga Nasional Berhad	11/41	AAA	4.594	1	4.594	20/12/2021	0	49
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.206	50	1.894	21/12/2021	31	39
Bakun Hydro Power Generation Sdn Berhad (f	08/22	AAA	2.163	10	2.289	23/09/2021	-13	34
Cagamas Berhad	11/22	AAA	2.126	30	2.159	03/11/2021	-3	31
Cagamas Berhad	11/22	AAA	2.130	10	2.330	29/11/2021	-20	31
Westports Malaysia Sdn Berhad	10/25	AAA	3.519	2	2.840	01/03/2021	68	51
Pengurusan Air SPV Berhad	06/27	AAA	3.688	10	3.682	16/11/2021	1	52
Pengurusan Air SPV Berhad	06/28	AAA	3.818	5	3.919	27/10/2021	-10	52
SEP Resources (M) Sdn Berhad	12/30	AA1	4.100	2	4.101	22/12/2021	0	57
Malayan Banking Berhad	01/31	AA1	3.680	2	3.587	09/12/2021	9	15
Genting Capital Berhad	06/27	AA1	4.712	5	4.733	07/12/2021	-2	155
Tanjung Bin Power Sdn Berhad	08/27	AA2	3.989	3	3.269	09/12/2020	72	69
Fortune Premiere Sdn Berhad	03/23	AA	3.086	20	2.923	21/12/2021	16	127
Fortune Premiere Sdn Berhad	11/23	AA	3.377	30	3.182	25/11/2021	20	104
Edra Energy Sdn Berhad	07/31	AA3	4.348	30	4.348	22/12/2021	0	80
Edra Energy Sdn Berhad	01/34	AA3	4.488	30	4.379	13/09/2021	11	94
Edra Energy Sdn Berhad	01/38	AA3	4.818	10	4.859	13/12/2021	-4	95
Edra Energy Sdn Berhad	07/25	AA3	3.650	10	3.656	02/11/2021	-1	64
Edra Energy Sdn Berhad	07/29	AA3	4.248	10	4.198	19/11/2021	5	75
UMW Holdings Berhad	04/18	AA-	4.396	3	4.734	20/12/2021	-34	29
Jimah East Power Sdn Berhad	06/27	AA-	4.150	1	3.804	04/06/2021	35	99
MMC Corporation Berhad	03/28	AA-	4.350	2	4.327	15/12/2021	2	105
UTM Solar Power Dua Sdn Berhad	03/31	AA-	4.949	5	4.950	22/12/2021	0	142
Cypark Renewable Energy Sdn Berhad	09/20	-	6.604	1	6.497	02/12/2021	11	250
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
IJM Corporation Berhad	RM3 bil Sukuk Murabahah Programme	AA3/Stable	Reaffirmed
IJM Land Berhad	RM2.0 bil Perpetual Sukuk Programme	A2/Stable	Reaffirmed

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & 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

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