

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- USTs closed mixed with the longer-ends outperforming compared to the front-end on Wednesday following a flurry of economic data and the release of the November FOMC meeting minutes which boosted expectations for earlier commencement of rate hikes. The front-end of the curve sold-off due to the decades-low data for initial jobs claims as at 20<sup>th</sup> November. The curve ended flatter as overall benchmark yields closed between -6 to +3bps. **The UST 2Y yield rose 3bps to 0.59% whilst the much-watched 10Y fell 3bps instead to 1.64%.** The FOMC minutes were thought to send vibes that although elevated inflation is likely transitory, its pressures could possibly take longer to subside than previously assessed. Elsewhere, debt-limit concerns continue to make investors wonder how long the government would be able to fund its obligations. Expect a quieter session going into a potentially long weekend with the US celebrating Thanksgiving tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.59	3
5-yr UST	1.33	0
10-yr UST	1.64	-3
30-yr UST	1.96	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.74	3	2.83	0
5-yr	3.17	3	3.17	-2
7-yr	3.41	1	3.40	0
10-yr	3.56	-2	3.60	0
15-yr	3.92	0	4.04	18
20-yr	4.20	0	4.22	0
30-yr	4.21	-20	4.48	3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.11	0
3-yr	2.75	-1
5-yr	2.99	-2
7-yr	3.23	-1
10-yr	3.42	-1

Source: Bloomberg

#### Upcoming Government Bond Tender

Nil

##### MGS/GII

- Local govies traded in narrow ranges for the most part of Wednesday, closing generally mixed-to-weaker despite lower IRS levels. Overall benchmark yields closed mostly unchanged-to-higher i.e. between -2 to +3bps save for the odd-lot trades seen in both the 15Y GII and 30Y MGS. Secondary market volume notched ~15% higher @ RM2.77b. **The 5Y benchmark MGS 11/26 yield rose 3bs to 3.17% whilst the 10Y benchmark MGS 4/31 declined 2bps at 3.56%.** Interest was mainly seen in the off-the-run 21-22's and also the 28's. GII trades formed ~20% of overall trades. To re-cap, the RM3.5b switch auction exercise involving shorter-tenured bonds i.e. MGS 3/22, MGS 8/22 and MGS 9/22 with longer-maturity bonds consisting of MGS 6/31, MGS 9/43, MGS 6/50 and MGS 7/48, will be carried out by BNM today. Expect some attention tomorrow to shift to the CPI data release for November.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest re-emerge on Wednesday amid strong secondary market volume @ RM527m. Interest was seen across the curve i.e. GG to single-A part of the curve as overall yields closed mostly mixed, spanning across 28 names. Govt-guaranteed LPPSA and KHAZANAH 22's closed 5-10bps lower compared to previous-done levels at 1.91% and 1.96% each, whilst DANA 5/32 settled unchanged at 2.00%. Both AAA-rated TELEKOM 23 and PLUS 24 edged 1bps each at 2.48% and 2.90% respectively whilst PLUS 26 spiked 32bps at 3.34%. AA-rated UEM Sunrise 6/23 declined 11bps to 3.52% whilst the 2/24 tranche eased 4bps to 3.89%. Meanwhile the banking/finance space saw MBSB 31NC26 rally 24bps to 4.20% whilst BPMB 6/28 made its debut trade at 3.89%; about 29bps higher than its coupon.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/21	1.297	500	1.749	23/11/2021	-45
MGS	03/22	1.782	697	1.699	23/11/2021	8
MGS	09/22	1.680	31	1.683	23/11/2021	0
MGS	03/23	2.301	340	2.294	23/11/2021	1
MGS	04/23	2.358	170	2.352	23/11/2021	1
MGS	08/23	2.353	5	2.367	22/11/2021	-1
MGS	07/24	2.720	10	2.701	19/11/2021	2
MGS	09/24	2.679	3	2.741	19/11/2021	-6
MGS	09/25	2.917	2	2.921	19/11/2021	0
MGS	04/26	3.075	3	3.055	23/11/2021	2
MGS	07/26	3.146	16	3.101	23/11/2021	4
MGS	11/26	3.172	28	3.146	23/11/2021	3
MGS	03/27	3.247	3	3.226	19/11/2021	2
MGS	05/27	3.246	26	3.302	23/11/2021	-6
MGS	11/27	3.328	11	3.304	22/11/2021	2
MGS	06/28	3.413	148	3.407	23/11/2021	1
MGS	08/29	3.510	33	3.509	23/11/2021	0
MGS	04/31	3.561	106	3.580	23/11/2021	-2
MGS	11/33	3.915	16	3.916	19/11/2021	0
MGS	07/34	3.955	14	3.937	23/11/2021	2
MGS	05/35	3.920	31	3.923	22/11/2021	0
MGS	04/37	4.141	2	4.119	22/11/2021	2
MGS	05/40	4.205	2	4.204	23/11/2021	0
MGS	06/50	4.210	9	4.410	23/11/2021	-20
GII	04/22	1.801	62	1.718	23/11/2021	8
GII	11/22	2.127	20	1.850	05/10/2021	28
GII	05/23	2.329	140	2.319	23/11/2021	1
GII	05/24	2.741	12	2.820	23/11/2021	-8
GII	10/24	2.828	51	2.826	23/11/2021	0
GII	08/25	2.989	1	3.053	23/11/2021	-6
GII	10/25	3.059	4	3.136	23/11/2021	-8
GII	03/26	3.165	11	3.192	23/11/2021	-3
GII	06/27	3.443	4	2.920	30/07/2021	52
GII	07/27	3.419	2	3.312	18/11/2021	11
GII	09/27	3.403	95	3.399	19/11/2021	0
GII	10/28	3.492	29	3.441	23/11/2021	5
GII	07/29	3.569	15	3.571	18/11/2021	0
GII	10/30	3.604	28	3.607	23/11/2021	0
GII	07/36	4.035	7	3.852	23/11/2021	18
GII	09/41	4.218	48	4.222	19/11/2021	0
GII	11/49	4.480	30	4.453	23/11/2021	3
			2765			

## 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*	
Lembaga Pembiayaan Perumahan Sektor Awam	04/22	GG	1.910	5	2.010	30/09/2021	-10	5
Khazanah Nasional Berhad	06/22	GG	1.963	60	2.012	05/10/2021	-5	10
Danainfra Nasional Berhad	05/32	GG	4.000	20	3.999	18/11/2021	0	43
Cagamas Berhad	05/23	AAA	2.333	65	2.262	25/08/2021	7	47
Telekom Malaysia Berhad	08/23	AAA	2.479	25	2.470	12/07/2021	1	11
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.902	5	2.891	13/10/2021	1	53
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.336	10	3.013	15/06/2021	32	37
Infracap Resources Sdn Berhad	04/28	AAA	4.021	10	4.082	16/11/2021	-6	72
Bank Pembangunan Malaysia Berhad	06/28	AAA	3.888	30	-	-	-	46
Tenaga Nasional Berhad	11/28	AAA	3.920	5	3.920	23/11/2021	0	49
Sarawak Energy Berhad	12/32	AAA	4.039	10	4.069	11/11/2021	-3	47
Tenaga Nasional Berhad	08/33	AAA	4.200	40	4.261	14/10/2021	-6	63
Danum Capital Berhad	02/34	AAA	4.249	20	4.271	18/11/2021	-2	68
Tenaga Nasional Berhad	11/41	AAA	4.670	5	-	-	-	47
Sabah Development Bank Berhad	04/23	AA1	3.503	10	3.719	13/09/2021	-22	164
GENM Capital Berhad	07/28	AA1	4.844	1	4.766	23/11/2021	8	142
UEM Sunrise Berhad	06/23	AA-	3.517	50	3.623	03/11/2021	-11	114
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bh	12/23	AA3	3.498	4	3.491	19/11/2021	1	113
UEM Sunrise Berhad	02/24	AA-	3.893	20	3.935	12/10/2021	-4	152
Guan Chong Berhad	12/27	AA-	4.397	5	4.039	23/08/2021	36	109
Malaysian Resources Corporation Berhad	10/28	AA-	4.959	17	5.040	15/10/2021	-8	153
Southern Power Generation Sdn Berhad	10/28	AA-	4.174	15	3.879	19/04/2021	30	75
Quantum Solar Park (Semenanjung) Sdn Berhad	10/34	AA-	4.809	10	4.818	17/11/2021	-1	87
Tropicana Corporation Berhad	10/23	A+	4.439	1	4.867	23/11/2021	-43	207
DRB-Hicom Berhad	12/26	A+	4.689	14	4.259	04/08/2021	43	152
Dialog Group Berhad	11/20	A1	4.452	60	4.089	19/11/2021	36	25
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.197	10	4.432	18/11/2021	-24	63
Cypark Renewable Energy Sdn Berhad	09/20	-	6.699	1	6.072	22/11/2021	63	250
				<u>527</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Northport (Malaysia) Bhd	Islamic Commercial Papers (ICP) Programme Islamic Medium-Term Notes (IMTN) Programme	MARC-1 IS AA-IS/Stable to Positive	Affirmed Outlook upgraded

Source: RAM, MARC

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