

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.69	0
5-yr UST	1.24	0
10-yr UST	1.49	0
30-yr UST	1.90	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.82	1	2.91	0
5-yr	3.14	2	3.20	0
7-yr	3.39	-3	3.37	1
10-yr	3.55	1	3.61	0
15-yr	3.85	0	3.97	0
20-yr	4.02	-6	4.17	0
30-yr	4.19	0	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	0
3-yr	2.75	0
5-yr	2.96	0
7-yr	3.20	0
10-yr	3.40	0

Source : Bloomberg

Note: UST closing as at 23 Dec 2021

Upcoming Government Bond Tender

Nil

US Treasuries

- The US treasuries market was closed for Christmas holiday on Friday but yields nudged higher 5-10bps across the curve w/w following the spike in PCE core reading to a near four-decade high and steady initial jobless claims that pointed to continuous recovery in the labour market. Expect little action going forward with low-staffing levels as the year draws to a close.

MGS/GII

- Local govvnies saw muted trading last Friday with secondary market volume slipping further to RM280m (prior RM384m), of which MGS/GII trades printed a 70/30 breakdown (prior 85/15). Front end off the run MGS and GII 3/22 took center stage with RM133m and RM60m changed hands respectively, followed by 5Y benchmark MGS 11/26. Overall yields ended mixed between -6 to +2bps across the MGS curve while the GII curve was flat except for the 1bp increase in the 7Y. The 5Y benchmark MGS 11/26 yield rose 2bps to 3.14% whilst the 10Y benchmark MGS 4/31 yield edged 1bps up at 3.55% compared to prior day's close. Expect the local bond markets to remain quiet with subdued trading this week heading into the year end holidays.

Corp Bonds/Sukuk

- Mirroring the local govvnies space, the Corporate Bonds/Sukuk market saw rapidly thinning volume to a mere RM51m last Friday (prior RM324m) with only 12 sporadic names traded. Secondary market volume was seen concentrated on the AAA-AA part of the curve with no GG papers traded. AAA-rated EKVE '1/30 and TNB Northern Energy '11/32 as well as AA-rated KESAS '10/22 were the key trades with RM10m dealt each, at 3.86%, 4.22%, and 2.58% respectively. PONSBB '12/26 made its debut at 4.44% with RM5m changed hands. Expect a quiet market ahead as most investors are away in this last trading week of the year.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/22	1.698	133	1.732	23/12/2021	-3
MGS 03/23	2.265	0	2.230	23/12/2021	4
MGS 08/23	2.382	3	2.392	23/12/2021	-1
MGS 06/24	2.821	2	2.812	23/12/2021	1
MGS 07/24	2.823	0	2.868	23/12/2021	-4
MGS 09/24	2.893	0	2.900	22/12/2021	-1
MGS 11/26	3.141	51	3.117	23/12/2021	2
MGS 05/27	3.230	0	3.260	23/12/2021	-3
MGS 11/27	3.259	4	3.263	23/12/2021	0
MGS 06/28	3.395	1	3.420	23/12/2021	-2
MGS 04/31	3.547	1	3.541	23/12/2021	1
MGS 06/31	3.620	0	3.632	23/12/2021	-1
MGS 07/34	3.899	0	3.906	23/12/2021	-1
MGS 05/40	4.020	2	4.076	23/12/2021	-6
GII 03/22	1.775	60	1.769	21/12/2021	1
GII 10/25	3.136	10	3.023	22/12/2021	11
GII 09/27	3.374	3	3.368	23/12/2021	1
GII 08/37	4.150	10	4.165	21/12/2021	-1
		<u>280</u>			

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*	
Danum Capital Berhad	02/25	AAA	3.224	5	3.149	15/12/2021	8	39
EKVE Sdn Berhad	01/30	AAA	4.144	10	3.859	15/01/2020	29	65
TNB Northern Energy Berhad	11/32	AAA	4.148	10	4.219	22/11/2021	-7	59
GENM Capital Berhad	07/28	AA1	4.584	0	4.499	21/12/2021	9	117
Kesas Sdn Berhad	10/22	AA2	2.598	10	2.584	08/12/2021	1	75
UMW Holdings Berhad	04/18	AA-	4.851	4	4.396	23/12/2021	46	74
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.456	1	5.468	26/11/2021	-101	261
Bumitama Agri Ltd	07/26	AA3	3.849	1	3.848	22/12/2021	0	68
PONSB Capital Berhad	12/26	AA3	4.440	5	-	-	-	127
Gamuda Land (T12) Sdn Berhad	10/28	AA3	4.385	0	4.349	21/12/2021	4	97
Tropicana Corporation Berhad	09/19	A	6.065	5	6.078	20/12/2021	-1	196
EcoWorld International Berhad	04/23	-	3.933	1	5.206	20/12/2021	-127	209
			<u>51</u>					

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
UEM Edgenta Berhad	Islamic Commercial Papers (ICP) and Islamic Medium-Term Notes (IMTN) under the Sukuk Murabahah Programme of up to RM1.0 billion	MARC-1 _{IS} /AA- _{IS} (Stable)	Affirmed
Celcom Networks Sdn Bhd	RM5.0 billion Sukuk Murabahah Programme	AA+ _{IS} (Stable)	Affirmed

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

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.