

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs ended mostly stronger on Wednesday with the longer-ends beyond 5Y tenures rallying, fueled by concerns over both the economic outlook (and subsequently doubts over the potential scaling back of Fed tightening); against expectations of asset-tapering soon. The curve flattend sharply, with both the 2s10s and 5s30s spreads hitting new lows since February as overall benchmark yields ended between -9 to +3bps. **The UST 2Y yield moved 3bps higher at 0.47% whilst the much-watched UST 10Y rallied 7bps to 1.54%.** The \$51b 5Y note auction saw stong bidding metrics with a cover of 2.55x (six previous auction average: 2.37x) and awarded at an attractive coupon of 1.157%; 17bps cheaper than than its equivalent sale in September. Expect investors to pay attention to the upcoming preliminary 3Q2021 GDP tomorrow followed by the Fed's preferred inflation gauge i.e. PCE for September and the 7Y auction on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.47	3
5-yr UST	1.15	-3
10-yr UST	1.54	-7
30-yr UST	1.95	-9

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.61	-1	2.70	1
5-yr	3.15	2	3.14	-5
7-yr	3.43	-1	3.39	0
10-yr	3.58	1	3.73	1
15-yr	4.05	-4	4.18	1
20-yr	4.20	-1	4.32	4
30-yr	4.41	8	4.56	2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.08	0
3-yr	2.70	1
5-yr	2.96	1
7-yr	3.26	1
10-yr	3.44	-6

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM3.5b + RM500m (private placement) 10Y GII 10/30 on Thursday, 28<sup>th</sup> of October, 2021

MGS/GIII

- Local govvnies saw MGS close mostly mixed whilst GII were mostly pressured across most tenures on Wednesday. Overall benchmark yields closed between -5 to +8bps amid a slightly higher secondary market volume of RM2.27b. **The 5Y benchmark MGS 11/26 yield edged 2bps higher at 3.15% whilst the 10Y benchmark MGS 4/31 yield settled 1bps up at 3.58%.** Interest was mainly seen in the off-the-run 21-23's and also 5Y MGS. GII trades inched slightly lower to form 20% of overall trades. Elsewhere, Malaysia and Thailand are reputed to expand the MYR-THB settlement framework to facilitate wider use of local currencies for trade and direct investments. Meanwhile, expect attention to shift to the 10Y GII auction today followed by the unveiling of the government's 2022 Budget this Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw upbeat tempo and improvement in investor interest amid the doubling of secondary market volume @ RM651m with interest seen mainly along the GG-AA part of the curve. Overall yields closed mostly mixed-to-higher again, spanning across 35 names. Govt-guaranteed PRASA 9/22 and DANA 10/23 notched RM100m each in total transactions with the former closing 3bps higher compared to previous-done levels at 2.04% whilst the latter declined 10bps to 2.42%. AAA-rated CAGAMAS 8/22 edged 1bps up at 2.10% whereas the 6/23 tranche eased 5bps instead at 2.29%. GENM Capital 3/27 edged 2bps higher at 5.01% on RM45m worth of trades. AA-rated MMC Corp saw its 2023, 2025 and 2027 tranches rise between 3-40bps to 3.03%, 3.80% and 4.26% each. Energy-related bonds EDRA 10/24 closed unchanged at 3.47% whilst JEV 21-22's were-well bid, resulting in yields declining to between 2.36-79% levels. 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	11/21	1.774	334	1.762	26/10/2021	1
MGS	03/22	1.770	365	1.680	26/10/2021	9
MGS	08/22	1.832	163	1.850	25/10/2021	-2
MGS	09/22	1.819	85	1.829	26/10/2021	-1
MGS	03/23	2.109	204	2.098	26/10/2021	1
MGS	08/23	2.205	1	2.345	26/10/2021	-14
MGS	06/24	2.605	27	2.613	26/10/2021	-1
MGS	09/24	2.693	1	2.658	25/10/2021	4
MGS	09/25	2.949	107	2.917	26/10/2021	3
MGS	07/26	3.155	4	3.158	26/10/2021	0
MGS	11/26	3.150	29	3.129	26/10/2021	2
MGS	11/27	3.361	5	3.328	26/10/2021	3
MGS	06/28	3.432	133	3.439	26/10/2021	-1
MGS	08/29	3.590	20	3.606	26/10/2021	-2
MGS	04/30	3.673	3	3.700	26/10/2021	-3
MGS	04/31	3.579	180	3.573	26/10/2021	1
MGS	11/33	4.008	10	4.034	26/10/2021	-3
MGS	07/34	4.144	79	4.176	26/10/2021	-3
MGS	05/35	4.051	10	4.089	26/10/2021	-4
MGS	06/38	4.242	2	4.311	26/10/2021	-7
MGS	05/40	4.202	53	4.210	26/10/2021	-1
MGS	06/50	4.410	10	4.335	26/10/2021	8
GII	04/22	1.770	14	1.781	26/10/2021	-1
GII	05/23	2.159	30	2.193	26/10/2021	-3
GII	08/24	2.662	107	2.674	22/10/2021	-1
GII	10/24	2.700	60	2.692	25/10/2021	1
GII	03/26	3.140	62	3.193	26/10/2021	-5
GII	10/28	3.486	4	3.502	21/10/2021	-2
GII	10/30	3.730	26	3.717	26/10/2021	1
GII	11/34	4.168	60	4.151	21/10/2021	2
GII	10/35	4.209	65	4.197	14/10/2021	1
GII	07/36	4.180	6	4.170	25/10/2021	1
GII	09/41	4.317	8	4.282	22/10/2021	4
GII	11/49	4.562	2	4.543	26/10/2021	2
			<u>2270</u>			

## 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*	
Prasarana Malaysia Berhad	09/22	GG	2.042	100	2.011	19/08/2021	3	21
Danainfra Nasional Berhad	10/23	GG	2.418	100	2.519	11/10/2021	-10	27
Danainfra Nasional Berhad	10/31	GG	3.990	10	4.019	26/10/2021	-3	40
Cagamas Berhad	08/22	AAA	2.099	100	2.094	22/10/2021	1	27
Cagamas Berhad	06/23	AAA	2.294	30	2.343	28/09/2021	-5	14
Cagamas Berhad	10/24	AAA	3.050	30			305	42
Sarawak Energy Berhad	01/27	AAA	3.587	20	3.579	18/10/2021	1	45
Danga Capital Berhad	01/28	AAA	3.858	5	3.328	17/09/2021	53	52
Pengurusan Air SPV Berhad	06/28	AAA	3.919	5	3.589	22/09/2021	33	48
TNB Northern Energy Berhad	05/29	AAA	4.162	10	2.949	12/11/2020	121	61
Sarawak Energy Berhad	12/32	AAA	4.139	5	4.119	13/10/2021	2	55
Danga Capital Berhad	01/33	AAA	4.209	5	4.519	21/10/2021	-31	62
GENM Capital Berhad	03/27	AA1	5.005	45	4.981	26/10/2021	2	187
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.164	2	3.506	08/09/2021	-34	-43
Imtiaz Sukuk II Berhad	11/21	AA2	2.145	5	2.268	15/06/2021	-12	32
Edra Solar Sdn Berhad	10/24	AA2	3.466	10	3.470	26/10/2021	0	84
Konsortium ProHAWK Sdn Berhad	12/24	AA2	3.365	5	3.369	26/10/2021	0	74
Konsortium ProHAWK Sdn Berhad	12/26	AA2	3.824	5	3.827	26/10/2021	0	69
BEWG (M) Sdn Berhad	07/24	AA	3.504	10	3.092	03/12/2020	41	88
Jimah Energy Ventures Sdn Berhad	11/21	AA3	2.358	10	2.480	27/07/2021	-12	53
Perbadanan Kemajuan Negeri Selangor	01/22	AA3	2.852	20	3.058	25/01/2021	-21	102
IJM Corporation Berhad	06/22	AA3	2.496	20	2.555	12/10/2021	-6	67
Jimah Energy Ventures Sdn Berhad	11/22	AA3	2.786	10	5.129	07/04/2015	-234	96
MMC Corporation Berhad	04/23	AA-	3.025	10	2.996	06/09/2021	3	120
MMC Corporation Berhad	11/25	AA-	3.796	10	3.604	18/08/2021	19	86
Pelabuhan Tanjung Pelepas Sdn Berhad	06/27	AA-	4.067	20	3.598	23/07/2021	47	72
MMC Corporation Berhad	11/27	AA-	4.258	40	3.856	24/09/2021	40	92
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/33	AA-	5.343	5	4.711	18/12/2020	63	176
Tropicana Corporation Berhad	10/23	A+	4.061	1	4.437	26/10/2021	-38	191
Alliance Bank Malaysia Berhad	10/30	A2	3.643	1	3.530	15/10/2021	11	5
IJM Land Berhad	03/19	A2	4.572	1	4.495	26/10/2021	8	35
Tropicana Corporation Berhad	09/19	A	6.047	1	6.054	18/10/2021	-1	182
Eco World Capital Assets Berhad	08/24	-	4.621	1	5.378	25/10/2021	-76	199
YNH Property Berhad	08/19	-	6.732	1	5.809	21/10/2021	92	251
Cypark Renewable Energy Sdn Berhad	09/20	-	5.885	1	5.793	28/09/2021	9	166
				<u>651</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
SHC Capital Sdn Bhd	RM80.0 million issuance under its RM200 million Islamic Medium-Term Notes (Sukuk Wakalah) Programme	AA-IS/Stable	Affirmed
Exsim Capital Resources Berhad	Proposed RM315 mil third issuance (Tranche 3 IMTN)	AA3/Stable	Assigned

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