

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US's rallied strongly last Friday as fears of the latest COVID variant i.e. Omicron dominated market sentiment and caused a surge in demand for safe-haven assets, brushing aside better-than-expected initial jobless claims data released earlier. Stocks plunged with cash flowing into the safety of bonds as the curve shifted sharply lower with overall benchmark yields collapsing between 12-18bps. **The UST 2Y yield fell 14bps to 0.50% whilst the much-watched 10Y rallied sharply by 16bps to 1.48%**. Fears over an aggressive shift from the FOMC to a more hawkish stance were eclipsed as well. The relatively poor post-holiday liquidity due to Thanksgiving celebrations may have expedited the huge change in yield movements. It is very much left to be seen if the Fed will double its pace of its withdrawal of asset purchase program to \$30b from January onwards whilst traders pushed back the timing of a first 25bps rate hike by the Fed from June to September 2022. Expect a choppy session this week as more news on the virus front unravels.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.50	-14
5-yr UST	1.16	-18
10-yr UST	1.48	-16
30-yr UST	1.85	-12

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.72	-3	2.80	-3
5-yr	3.14	0	3.11	-6
7-yr	3.41	-2	3.39	-5
10-yr	3.54	-2	3.57	-4
15-yr	3.90	-2	4.02	-2
20-yr	4.20	3	4.22	0
30-yr	4.22	-1	4.45	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.08	-2
3-yr	2.68	-8
5-yr	2.93	-7
7-yr	3.15	-9
10-yr	3.32	-9

Source: Bloomberg

##### MGS/GIII

- Local govies saw relatively upbeat activity taking cue from global bond rallies arising from safe-haven demand last Friday with the 3Y GII almost notching 1/3<sup>rd</sup> of overall volume. Overall benchmark yields closed between 0-6bps lower save for the 20Y MGS as secondary market volume jumped 55% to RM3.36b. **The 5Y benchmark MGS 11/26 yield settled within 1bps up at 3.14% whilst the 10Y benchmark MGS 4/31 edged 2bps lower from prior day's close at 3.54%**. Interest was mainly seen in the off-the-run 22's and also 3Y GII. Expect some attention today to shift to the release of trade data for October.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw further dip in investor interest last Friday amid a tepid market volume @ RM158m. Interest continued to be evident across the GG-AA part of the curve as overall yields closed mixed, spanning across 21 names. The longer-end govt-guaranteed PTPTN 2/34 edged 2bps higher compared to previous-done levels at 4.10% whilst PRASA 7/35 spiked 73bps instead to 4.23%. AAA-rated utility giant TNB 11/28 bonds closed unchanged at 3.92%. In the AA-space, energy-related bonds MALAKOFF saw the 2026 and 2028 tranches move 0-3bps higher at 3.86% and 4.20% each. YTL Power 27-28's were well-bid, resulting in yields declining between 2-7bps at 4.70% and 4.86% respectively. Meanwhile there were no trades in the banking/finance space.

##### Upcoming Government Bond Tender

Re-opening of RM2.0b + RM1.5b (private placement) 20Y MGS 5/40 on Monday, 29<sup>th</sup> November

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.789	160	1.679	25/11/2021	11
MGS	09/22	1.700	20	1.680	25/11/2021	2
MGS	03/23	2.276	48	2.337	25/11/2021	-6
MGS	04/23	2.283	70	2.351	25/11/2021	-7
MGS	08/23	2.391	36	2.374	25/11/2021	2
MGS	06/24	2.723	151	2.754	25/11/2021	-3
MGS	09/25	2.888	64	2.933	25/11/2021	-4
MGS	11/26	3.142	96	3.172	24/11/2021	-3
MGS	05/27	3.232	7	3.248	25/11/2021	-2
MGS	11/27	3.325	20	3.304	25/11/2021	2
MGS	06/28	3.410	109	3.429	25/11/2021	-2
MGS	08/29	3.507	12	3.519	25/11/2021	-1
MGS	04/30	3.578	82	3.607	18/11/2021	-3
MGS	04/31	3.543	30	3.563	25/11/2021	-2
MGS	06/31	3.641	42	3.670	24/11/2021	-3
MGS	04/33	3.800	60	3.847	24/11/2021	-5
MGS	11/33	3.872	42	3.915	24/11/2021	-4
MGS	07/34	3.917	182	3.950	25/11/2021	-3
MGS	05/35	3.899	40	3.918	25/11/2021	-2
MGS	04/37	4.141	1	4.141	24/11/2021	0
MGS	05/40	4.200	55	4.171	25/11/2021	3
MGS	06/50	4.216	3	4.223	25/11/2021	-1
GII	04/22	1.789	202	1.801	24/11/2021	-1
GII	11/22	1.850	70	2.127	24/11/2021	-28
GII	05/23	2.309	60	2.339	25/11/2021	-3
GII	10/24	2.801	1090	2.828	24/11/2021	-3
GII	08/25	3.120	1	3.062	25/11/2021	6
GII	03/26	3.109	129	3.166	25/11/2021	-6
GII	09/26	3.180	80	3.230	17/11/2021	-5
GII	09/27	3.390	52	3.445	25/11/2021	-5
GII	10/28	3.467	38	3.516	25/11/2021	-5
GII	10/30	3.565	163	3.604	24/11/2021	-4
GII	11/34	4.079	20	4.109	19/11/2021	-3
GII	07/36	4.021	4	4.042	25/11/2021	-2
GII	09/39	4.225	60	4.282	19/11/2021	-6
GII	11/49	4.452	62	4.480	24/11/2021	-3
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## 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*	
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.096	20	4.076	16/11/2021	2	56
Prasarana Malaysia Berhad	07/35	GG	4.230	20	3.499	25/11/2020	73	30
Tenaga Nasional Berhad	11/28	AAA	3.920	15	3.920	24/11/2021	0	50
Danum Capital Berhad	02/34	AAA	4.239	10	4.249	24/11/2021	-1	70
GENM Capital Berhad	08/25	AA1	4.129	1	4.130	25/11/2021	0	119
YTL Power International Berhad	05/27	AA1	4.695	10	4.718	15/10/2021	-2	155
GENM Capital Berhad	07/28	AA1	4.678	1	4.853	25/11/2021	-18	126
YTL Power International Berhad	08/28	AA1	4.859	20	4.928	15/10/2021	-7	144
Perbadanan Kemajuan Negeri Selangor	12/22	AA3	2.941	10	3.071	24/09/2021	-13	112
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.468	1	5.152	28/10/2021	32	365
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.347	10	3.626	20/05/2021	-28	103
UEM Sunrise Berhad	12/22	AA-	3.311	10	3.319	16/11/2021	-1	149
Malakoff Power Berhad	12/26	AA-	3.857	20	3.827	13/10/2021	3	72
Malakoff Power Berhad	12/28	AA-	4.198	10	4.198	13/10/2021	0	78
Dialog Group Berhad	11/20	A1	4.079	1	4.452	24/11/2021	-37	-10
Eco World International Berhad	04/23	-	4.772	1	4.067	19/11/2021	71	295
				<u>158</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tanjung Bin O&M Berhad	RM235 million Sukuk Wakalah	AA-IS/Stable	Affirmed
Titijaya Land Berhad	RM150 million Islamic Commercial Papers (ICP) Programme	MARC-2 IS	Affirmed
YNH Property Berhad	Proposed Islamic Medium-Term Notes Programme (Sukuk Wakalah) of up to RM700 million	A+ IS/Stable	Assigned

Source: RAM, MARC

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