

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US treasuries ended on a softer note on Tuesday in the absence of negative newsflows that dampened demand for safety. Overall benchmark yields ended modestly higher by 1-2bps save for the marginal dip in the 5Y note yields amid a healthy debt sale. The auction of \$57bn 5Y bonds attracted a high yield of 1.263%, lower compared to prior 1.319% amid decent demand (BTC of 2.41x vs prior 2.34x). Both the 2Y and 10Y UST yields edged 1bp up at 0.71% and 1.48% respectively. The US treasury will sell \$24bn 2Y FRN next while the economic calendar remains light with attention on wholesale inventories and pending home sales.

MGS/GII

- Local govies remained soft on the back of thinner trading activities again on Tuesday. Secondary market trading volume dropped to RM504m (prior RM907m) while yields were seen holding steady to higher by up to 7bps save for the 35bps spike in 3Y GII. Both the 5Y benchmark MGS 11/26 and 10Y MGS 4/31 ended the day 7bps higher at 3.21% and 3.62% respectively compared to prior day's close. Interests were seen rather well spread across both the MGS and GII curves albeit amid thin volume, on both benchmark and non-benchmark govies. Topping investors' radar yesterday were benchmark 3Y and 20Y MGS, 10Y GII and off the run GII '11/22. Expect the local bond markets to remain quiet with subdued trading this week heading into the year end holidays.

Corp Bonds/Sukuk

- Contrary to softer trading momentum in the local govies space, the Corporate Bonds/Sukuk market saw secondary market volume increasing for a second straight day to RM226m on Tuesday (prior RM181m). Activities were seen centered around GG issuances, primarily DANAINFRA, followed by the AAA and AA-rated papers. DANA '23, '47 and '48 saw a combined RM90m changed hands between 2.54-4.52%, a big swing of 1-70bps higher from prior closings dated as far back as July last year. Meanwhile, PRASA '9/22 was last dealt 5bps inner at 1.97% with RM45m done. In the AAA-rated segment, CAGA '11/22 attracted the most interests (RM15m), last settled at 1.98% (-14bps), while single A-rated MBSB '12/31 traded 6bps higher at 4.27% with RM20m done.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.71	1
5-yr UST	1.25	0
10-yr UST	1.48	1
30-yr UST	1.90	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.82	0	3.28	35
5-yr	3.21	7	3.22	2
7-yr	3.43	0	3.37	0
10-yr	3.62	7	3.64	1
15-yr	3.91	4	3.97	0
20-yr	4.11	1	4.19	2
30-yr	4.19	0	4.50	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	0
3-yr	2.75	0
5-yr	2.97	1
7-yr	3.20	0
10-yr	3.39	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/23	2.30	11	2.27	24/12/2021	3
MGS 08/23	2.45	3	2.38	24/12/2021	7
MGS 06/24	2.82	71	2.82	27/12/2021	0
MGS 07/24	2.92	14	2.82	24/12/2021	9
MGS 09/24	2.88	41	2.89	24/12/2021	-2
MGS 09/25	3.05	1	3.05	27/12/2021	0
MGS 04/26	3.16	1	3.15	22/12/2021	2
MGS 07/26	3.20	0	3.15	23/12/2021	6
MGS 11/26	3.21	3	3.14	24/12/2021	7
MGS 05/27	3.24	30	3.26	27/12/2021	-2
MGS 11/27	3.29	3	3.27	27/12/2021	2
MGS 06/28	3.43	1	3.43	27/12/2021	0
MGS 08/29	3.58	30	3.57	23/12/2021	1
MGS 04/31	3.62	6	3.55	24/12/2021	7
MGS 06/31	3.64	12	3.62	24/12/2021	2
MGS 04/33	3.86	0	3.83	27/12/2021	3
MGS 07/34	3.93	2	3.90	24/12/2021	3
MGS 05/35	3.91	0	3.86	27/12/2021	4
MGS 05/40	4.11	77	4.10	27/12/2021	1
MGS 09/43	4.33	11	4.28	14/12/2021	5
MGS 07/48	4.41	0	4.39	20/12/2021	3
MGS 06/50	4.19	1	4.19	23/12/2021	0
GII 11/22	1.80	50	1.88	11/11/2021	-8
GII 07/23	2.44	21	2.39	22/12/2021	5
GII 11/23	2.46	1	2.46	21/12/2021	0
GII 10/24	2.93	20	2.93	27/12/2021	0
GII 03/26	3.22	6	3.20	23/12/2021	2
GII 10/28	3.45	18	3.46	27/12/2021	0
GII 10/30	3.64	47	3.63	27/12/2021	1
GII 11/34	4.01	5	4.03	14/12/2021	-2
GII 08/37	4.13	0	4.15	24/12/2021	-2
GII 09/39	4.21	10	4.22	22/12/2021	-1
GII 09/41	4.19	3	4.17	21/12/2021	2
GII 05/47	4.48	4	4.50	15/12/2021	-1
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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*	
Prasarana Malaysia Berhad	09/22	GG	1.97	45	2.01	14/12/2021	-5	12
Danainfra Nasional Berhad	10/23	GG	2.54	20	2.42	27/10/2021	12	20
Danainfra Nasional Berhad	05/47	GG	4.50	10	4.28	09/12/2020	22	40
Danainfra Nasional Berhad	11/47	GG	4.51	20	4.50	24/09/2021	1	41
Danainfra Nasional Berhad	11/48	GG	4.52	40	3.82	28/07/2020	70	42
Cagamas Berhad	11/22	AAA	1.98	15	2.13	23/12/2021	-14	14
Danum Capital Berhad	05/30	AAA	3.97	10	4.07	16/11/2021	-10	46
Bank Pembangunan Malaysia Berhad	11/35	AAA	4.30	10	4.36	17/12/2021	-6	43
Pengurusan Air Selangor Sdn Berhad	10/36	AAA	4.46	5	4.60	02/12/2021	-14	60
YTL Corporation Berhad	11/26	AA1	4.65	10	4.06	22/09/2021	59	149
YTL Power International Berhad	06/28	AA1	4.84	10	4.18	06/11/2019	66	156
SAJ Capital Sdn Berhad	01/28	AA-	4.38	10	4.65	30/03/2020	-27	110
TG Excellence Berhad	02/20	AA-	4.57	0	4.47	20/12/2021	10	47
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.27	20	4.21	13/12/2021	6	71
YNH Property Berhad	08/19	-	6.46	1	6.09	29/11/2021	37	236
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Aquasar Capital Sdn Bhd	RM1,500 million Sukuk Murabahah Programme (2014/2029)	AAA(s)/Stable	Reaffirmed
Westports Malaysia Sdn Bhd	RM2.0 bil Sukuk Musharakah Programme (2011/2031)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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