

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.52	2
5-yr UST	1.19	3
10-yr UST	1.53	5
30-yr UST	1.88	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.69	-4	2.79	-2
5-yr	3.12	-3	3.12	1
7-yr	3.42	0	3.39	0
10-yr	3.52	-2	3.58	2
15-yr	3.89	-1	4.00	-3
20-yr	4.15	-5	4.22	0
30-yr	4.24	2	4.49	4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.08	0
3-yr	2.66	-1
5-yr	2.92	0
7-yr	3.15	0
10-yr	3.32	0

Source: Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- USTs bear-steepened on Monday as risk appetite recovered following a severe sell-off last Friday over fears of the latest COVID variant i.e. Omicron being detected. The curve shifted higher with overall benchmark yields jumping between 2-5bps. **The UST 2Y yield edged 2bps up to 0.52% whilst the much-watched 10Y rose 5bps to 1.53%.** President Biden's statement to the media that reimposition of lockdowns may not be required and that the variant is a "cause for concern, not a cause for panic," assuaged investors despite the US travel ban to South Africa and several other African nations. Many questions arise about the transmissibility of the Omicron variant with conclusive assessments possibly still weeks away. Elsewhere, money markets have begun to focus on the timing of the debt ceiling deadline on 3<sup>rd</sup> December, with Treasury auction impacted slightly by lower participation. Expect attention to shift to reports on consumer confidence and Congressional testimony by Fed Chair Powell tonight.

### MGS/GII

- Local govies ended mixed with MGS generally better-bid on Monday, unfettered by the strong trade numbers seen for October which may be expected to moderate going forward due to uncertainties surrounding the new COVID variant i.e. Omicron. Overall benchmark yields closed mixed between -5 to +4bps as secondary market volume fell 36% to RM2.16b. **The 5Y benchmark MGS 11/26 yield settled 3bps lower at 3.12% whilst the 10Y benchmark MGS 4/31 edged 2bps down again from prior day's close at 3.52%.** Interest was mainly seen in the off-the-run 22's, 34's and also the 30Y MGS. GII formed 1/3<sup>rd</sup> of overall trades. Elsewhere, the 20Y MGS auction saw weaker-than-expected bidding metrics with BTC at 1.888x and awarded at 4.145% as participation came mainly from pension funds and lifers. Expect some attention to shift to the release of PMI manufacturing data tomorrow.

### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw slight improvement in investor activity on Monday amid the doubling of secondary market volume @ RM332m. Interest continued to be evident across the GG-AA part of the curve as overall yields closed mixed, spanning across 23 names. Govt-guaranteed SME 3/24 edged 1bps up compared to previous-done levels at 2.84% whilst the long-end DANA 2/49 edged 2bps lower at 4.57%. AAA-rated AMAN 23-24's experienced different fortunes with the former i.e. 3/23 tranche rallying 19bps to 2.31% whereas the later i.e. 5/24 tranche spiked 22bps instead to 2.90%. In the AA-space, highway operator BESRAYA saw its 7/24 bonds ease 5bps to 3.40% whereas Southern Power 4/31 notched RM40m of trades, jumping 26bps higher to 4.40%. Meanwhile the banking/finance space saw several odd-lot trades in AFFIN Bank, UOB Bank and Amlslamic Bank bonds.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.740	237	1.789	26/11/2021	-5
MGS	08/22	1.719	157	1.680	25/11/2021	4
MGS	03/23	2.273	17	2.276	26/11/2021	0
MGS	08/23	2.342	4	2.391	26/11/2021	-5
MGS	06/24	2.684	51	2.723	26/11/2021	-4
MGS	07/24	2.696	6	2.722	25/11/2021	-3
MGS	03/25	2.808	1	2.795	24/11/2021	1
MGS	09/25	2.871	4	2.888	26/11/2021	-2
MGS	04/26	3.050	1	3.075	24/11/2021	-3
MGS	07/26	3.080	11	3.157	25/11/2021	-8
MGS	09/26	3.144	1	3.206	25/11/2021	-6
MGS	11/26	3.117	147	3.142	26/11/2021	-2
MGS	03/27	3.248	4	3.247	24/11/2021	0
MGS	05/27	3.262	7	3.232	26/11/2021	3
MGS	11/27	3.272	5	3.325	26/11/2021	-5
MGS	06/28	3.415	18	3.410	26/11/2021	0
MGS	08/29	3.504	7	3.507	26/11/2021	0
MGS	04/30	3.555	1	3.578	26/11/2021	-2
MGS	04/31	3.522	11	3.543	26/11/2021	-2
MGS	06/31	3.614	8	3.641	26/11/2021	-3
MGS	11/33	3.890	2	3.872	26/11/2021	2
MGS	07/34	3.940	233	3.917	26/11/2021	2
MGS	05/35	3.892	105	3.899	26/11/2021	-1
MGS	04/37	4.175	2	4.141	26/11/2021	3
MGS	06/38	4.232	4	4.231	24/11/2021	0
MGS	05/40	4.150	159	4.200	26/11/2021	-5
MGS	03/46	4.360	1	4.379	26/11/2021	-2
MGS	06/50	4.241	248	4.216	26/11/2021	2
GII	07/22	1.759	195	1.849	12/11/2021	-9
GII	11/22	1.830	160	1.850	26/11/2021	-2
GII	05/23	2.273	71	2.309	26/11/2021	-4
GII	10/24	2.786	60	2.801	26/11/2021	-2
GII	08/25	3.007	5	3.120	26/11/2021	-11
GII	03/26	3.116	1	3.109	26/11/2021	1
GII	10/28	3.491	1	3.467	26/11/2021	2
GII	09/30	3.643	4	3.673	10/11/2021	-3
GII	10/30	3.584	63	3.565	26/11/2021	2
GII	06/33	3.900	34	3.930	18/11/2021	-3
GII	11/34	4.049	62	4.079	26/11/2021	-3
GII	10/35	4.111	1	4.209	27/10/2021	-10
GII	07/36	3.995	50	4.021	26/11/2021	-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*
Small Medium Enterprise Development Bank Malaysia B	03/24	GG	2.836	20	2.827	15/11/2021	1	49
Danainfra Nasional Berhad	02/49	GG	4.569	10	4.590	16/11/2021	-2	41
Cagamas Berhad	11/22	AAA	2.330	80	-	-	-	49
Cagamas Berhad	11/22	AAA	2.330	20	-	-	-	49
Aman Sukuk Berhad	03/23	AAA	2.306	20	2.495	03/06/2021	-19	46
Cagamas Berhad	05/23	AAA	2.307	23	2.333	24/11/2021	-3	46
Aman Sukuk Berhad	05/24	AAA	2.895	20	2.677	02/08/2021	22	21
Danga Capital Berhad	01/30	AAA	3.998	16	3.649	25/06/2021	35	51
Pengurusan Air Selangor Sdn Berhad	10/31	AAA	4.150	5	4.180	08/11/2021	-3	63
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.421	1	3.589	19/11/2021	-17	-10
CIMB Group Holdings Berhad	09/29	AA	3.407	20	3.421	17/11/2021	-1	-8
Edra Energy Sdn Berhad	01/24	AA3	3.081	6	3.365	15/07/2021	-28	73
Besraya (M) Sdn Berhad	07/24	AA3	3.397	30	3.448	15/10/2021	-5	71
Southern Power Generation Sdn Berhad	04/31	AA-	4.399	40	4.138	30/09/2021	26	88
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA-	5.424	4	4.748	13/11/2020	68	150
UMW Holdings Berhad	04/18	AA-	4.449	10	4.850	15/11/2021	-40	29
Affin Bank Berhad	09/27	A1	3.299	1	3.652	12/11/2021	-35	-1
AmBank Islamic Berhad	02/28	A1	3.347	1	4.455	11/11/2021	-111	3
CIMB Group Holdings Berhad	05/16	A1	3.499	1	3.185	26/10/2021	31	-66
Eco World Capital Assets Berhad	08/24	-	4.510	1	5.360	19/11/2021	-85	182
YNH Property Berhad	08/19	-	6.482	4	5.829	22/11/2021	65	233
YNH Property Berhad	08/19	-	6.093	1	6.563	26/11/2021	-47	194
Cypark Renewable Energy Sdn Berhad	09/20	-	6.699	1	6.699	24/11/2021	0	254
				332				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Lebuhraya Kajang-Seremban Sdn Bhd's (LEKAS)	RM633 mil Junior Sukuk Istisna' (2007/2025)	From C2/Stable to C2/Negative	Outlook downgraded
Malaysia Debt Ventures Berhad (MDV)	Proposed RM2 bil Conventional and Islamic Commercial Papers/Medium-Term Notes Programmes	AA3/Stable/P1	Assigned

Source: RAM, MARC

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