

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US treasuries continued to trade on a softer note on Wednesday as sustained risk sentiments on expectations of limited impact from Omicron pushed stocks to new highs. Overall benchmark yields ended higher across the curve led by the long ends. The benchmark 2Y note yields were flat at 0.75% while the 10s spiked 7bps to 1.55%, its highest in five weeks. The auction of \$56bn 7Y notes attracted weaker demand with a lower BTC of 2.21x (prior 2.42x) at a high yield of 1.48% (prior 1.59%) while the reopening sale of \$24bn 2Y FRN printed a higher BTC of 4.03x (prior 2.80x) at a high yield of 0.03% (prior 0.038%). Focus will shift to US initial jobless claims and Chicago PMI data tonight.

MGS/GIII

- Local govies closed on a firmer note on Wednesday pushing yields generally lower by up to 10bps amid continued subdued trading. Secondary market trading volume picked up slightly but remained below RM1.0bn for the fourth consecutive day, with RM659m transacted on Wednesday (prior RM504m). Focus was on the front end benchmark 3Y MGS 3/24 and 5Y MGS 11/26 although interests were prevalent across the curve. The 5Y benchmark MGS 11/26 yield plunged 10bps to 3.12% while the 10Y MGS 4/31 yield ended the day 3bps lower at 3.58% compared to prior day's close. GII saw thin trading accounted for only 17% of overall trade (prior 37%), predominantly centered on the belly GII 10/28 and 10/30. Expect the local bond markets to remain quiet with subdued trading as the year draws to a close.

Corp Bonds/Sukuk

- Contrary to the pick-up in the local govies space, the Corporate Bonds/Sukuk market saw secondary market volume pulling back for the first time in three days to RM144m on Wednesday (prior RM226m). Activities spanned across the usual GG-AA part of the curve with 12 names transacted amid mixed yields. AA-rated YTLP '27 attracted the most interests overall with RM50m changed hands, last dealt at 4.67% (-4bps) while LPPSA '34 led in the GG space, with RM25m done at 4.01% (+1bp). UEM '22 and '23 saw RM15m transacted each, at 3.37% and 3.73% respectively.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.75	0
5-yr UST	1.30	5
10-yr UST	1.55	7
30-yr UST	1.96	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.82	-1	3.28	0
5-yr	3.12	-10	3.22	0
7-yr	3.43	0	3.37	0
10-yr	3.58	-3	3.62	-2
15-yr	3.91	0	3.94	-3
20-yr	4.10	-1	4.19	0
30-yr	4.20	1	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	0
7-yr	3.20	0
10-yr	3.40	1

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 03/22	1.70	83	1.73	27/12/2021	-3
MGS 09/22	1.70	3	1.76	23/12/2021	-7
MGS 03/23	2.18	25	2.30	28/12/2021	-11
MGS 06/24	2.82	155	2.82	28/12/2021	-1
MGS 09/24	2.88	2	2.88	28/12/2021	0
MGS 09/25	3.02	8	3.05	28/12/2021	-3
MGS 04/26	3.14	5	3.16	28/12/2021	-2
MGS 11/26	3.12	192	3.21	28/12/2021	-10
MGS 03/27	3.26	10	3.17	06/12/2021	9
MGS 05/27	3.24	10	3.24	28/12/2021	0
MGS 06/28	3.43	12	3.43	28/12/2021	0
MGS 08/29	3.57	6	3.58	28/12/2021	-1
MGS 04/31	3.58	3	3.62	28/12/2021	-3
MGS 07/34	3.92	1	3.93	28/12/2021	-1
MGS 05/40	4.10	11	4.11	28/12/2021	-1
MGS 09/43	4.27	20	4.33	28/12/2021	-5
MGS 03/46	4.33	3	4.34	20/12/2021	0
MGS 06/50	4.20	1	4.19	28/12/2021	1
GII 04/22	1.77	10	1.76	21/12/2021	1
GII 10/28	3.44	35	3.45	28/12/2021	-1
GII 10/30	3.62	35	3.64	28/12/2021	-2
GII 08/33	3.89	5	3.90	22/11/2021	0
GII 07/36	3.94	15	3.97	21/12/2021	-3
GII 05/47	4.43	10	4.48	28/12/2021	-5
		<u>659</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*	
DanaInfra Nasional Berhad	11/27	GG	3.54	5	3.67	20/12/2021	-13	25
Prasarana Malaysia Berhad	03/30	GG	3.80	5	3.36	03/08/2021	44	29
Lembaga Pembiayaan Perumahan Sektor Awam	04/34	GG	4.01	25	4.00	26/04/2021	1	44
Danga Capital Berhad	09/27	AAA	3.62	5	3.65	30/11/2021	-3	33
Sarawak Energy Berhad	11/28	AAA	3.90	10	3.87	09/11/2021	3	46
GENM Capital Berhad	08/25	AA1	4.13	0	4.13	20/12/2021	0	111
GENM Capital Berhad	03/27	AA1	4.98	2	4.72	06/12/2021	26	183
YTL Power International Berhad	05/27	AA1	4.67	50	4.71	20/12/2021	-4	152
Northern Gateway Infrastructure Sdn Berhad	08/31	AA1	4.30	10	3.72	12/06/2020	58	73
UEM Sunrise Berhad	12/22	AA-	3.37	15	3.31	26/11/2021	6	153
UEM Sunrise Berhad	09/23	AA-	3.73	15	3.74	14/12/2021	-2	139
Tadau Energy Sdn Berhad	07/26	AA3	4.22	2	3.90	11/06/2021	32	107
			<u>144</u>					

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Sime Darby Property Berhad	Islamic Medium-Term Notes Programme of RM4.5 billion	AA+ _{IS} /Stable	Affirmed
Gamuda Berhad	RM5.0bil Islamic Medium Term Notes Programme (2015/2045)	AA3/ Stable	Reaffirmed
	RM2.0bil Islamic Commercial Papers Programme (2015/2022)	P1	Reaffirmed
	RM800mil Islamic Medium Term Notes Programme (2013/2038)	AA3/ Stable	Reaffirmed
	RM800mil Islamic Medium Term Notes Programme (2008/2028)	AA3/ Stable	Reaffirmed
		P1	Reaffirmed

FIXED INCOME

December 30, 2021

Proposed RM2.0bil Islamic Commercial Papers Programme (2022/2029)			
Genting Plantations Berhad	Corporate credit ratings	AA2/Stable/P1	Reaffirmed
Benih Restu Berhad	RM1.5 bil Sukuk Murabahah Programme (2015/2030)	AA2(s)/Stable	Reaffirmed

Source: RAM, MARC

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