

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.69	-2
5-yr UST	1.25	-3
10-yr UST	1.51	-4
30-yr UST	1.92	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.81	-1	2.90	-37
5-yr	3.14	2	3.23	1
7-yr	3.42	-1	3.32	-5
10-yr	3.60	2	3.60	-2
15-yr	3.91	0	3.94	0
20-yr	4.11	1	4.14	-5
30-yr	4.18	-2	4.50	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.19	-2
3-yr	2.75	0
5-yr	2.96	0
7-yr	3.20	1
10-yr	3.39	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries advanced as stocks closed off their highs despite positive initial jobless claims data at 198k. Initial jobless claims slumped further to 198k for the week ended 25 December, down by 8k w/w from 206k prior. Overall benchmark yields shed 2-4bps across the curve led by the longer tenure. 2Y UST note yield lost 2bps to 0.73% while the 10Y bond yield fell 4bps to 1.52%. Expect markets to remain quiet on the last trading day of the year.

MGS/GIII

- Local govvnies traded mixed, prompting yields to swing between -5 to +2bps across the curve save for the 3Y GII. Secondary market volume regained some momentum, back above the RM1.0bn mark for the first time in six days, at RM1.32bn on Thursday (prior \$M659m). Trading interests were rather evenly spread across the curve. Benchmark 5Y and 7Y MGS took center stage clocking in RM197m and RM159m trades done yesterday, at 3.14% (+2bps) and 3.42% (-1bp) respectively. Meanwhile, 10Y GII 10/30 was also heavily traded with RM193m done 2bps inner at 3.60%, resulting in higher GII trades which made up 25% of total trade (prior 17%). Expect the local bond markets to remain quiet with subdued trading as the year draws to a close.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk market saw sustained secondary market volume of RM143m on Thursday (prior RM144m), spanning over merely nine names. Trading was seen across the usual GG-AA part of the curve amid generally lower yields. PRASA '29 was the only GG paper dealt during the day, last settled 15bps down at 3.80%. Other names which appeared in the spotlight include AAA-rated PASPV '28 and Putrajaya '22 with RM40m and RM25m last dealt at 2.20% (-3bps) and 3.90% (+1bp) respectively.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 03/22	1.73	112	1.70	29/12/2021	3
MGS 03/23	2.22	1	2.18	29/12/2021	4
MGS 08/23	2.41	50	2.45	28/12/2021	-4
MGS 06/24	2.81	60	2.82	29/12/2021	-1
MGS 07/24	2.84	5	2.92	28/12/2021	-7
MGS 09/24	2.87	1	2.88	29/12/2021	-1
MGS 09/25	3.02	0	3.02	29/12/2021	1
MGS 04/26	3.10	0	3.14	29/12/2021	-4
MGS 07/26	3.17	1	3.20	28/12/2021	-4
MGS 11/26	3.14	197	3.12	29/12/2021	2
MGS 03/27	3.25	1	3.26	29/12/2021	-1
MGS 05/27	3.25	3	3.24	29/12/2021	0
MGS 11/27	3.30	39	3.29	28/12/2021	1
MGS 06/28	3.42	159	3.43	29/12/2021	-1
MGS 08/29	3.58	61	3.57	29/12/2021	2
MGS 04/31	3.60	73	3.58	29/12/2021	2
MGS 06/31	3.64	0	3.64	28/12/2021	-1
MGS 04/32	3.77	1	3.72	14/12/2021	6
MGS 04/33	3.85	1	3.86	28/12/2021	-1
MGS 11/33	3.86	3	3.85	27/12/2021	1
MGS 07/34	3.87	58	3.92	29/12/2021	-5
MGS 05/35	3.91	99	3.91	28/12/2021	0
MGS 04/37	3.98	5	3.94	27/12/2021	4
MGS 06/38	4.10	0	4.15	16/12/2021	-5
MGS 05/40	4.11	41	4.10	29/12/2021	1
MGS 09/43	4.28	1	4.27	29/12/2021	1
MGS 03/46	4.33	2	4.33	29/12/2021	-1
MGS 07/48	4.30	3	4.41	28/12/2021	-11
MGS 06/50	4.18	15	4.20	29/12/2021	-2
GII 03/22	1.70	5	1.78	24/12/2021	-8
GII 07/22	1.71	10	1.83	23/12/2021	-12
GII 11/23	2.37	8	2.46	28/12/2021	-9
GII 10/24	2.90	8	2.93	28/12/2021	-2
GII 03/26	3.23	82	3.22	28/12/2021	1
GII 09/27	3.32	1	3.37	24/12/2021	-5
GII 10/28	3.44	19	3.44	29/12/2021	0
GII 10/30	3.60	193	3.62	29/12/2021	-2
GII 08/37	4.12	0	4.13	28/12/2021	-2
GII 09/41	4.14	0	4.19	28/12/2021	-5
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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	47333	GG	3.80	5	3.95	18/10/2021	-15	29
Bakun Hydro Power Generation Sdn Berhad	44784	AAA	2.15	10	2.16	23/12/2021	-2	30
Putrajaya Bina Sdn Berhad	44816	AAA	2.20	25	2.22	13/08/2021	-3	35
Pengurusan Air SPV Berhad	46990	AAA	3.90	40	3.90	22/12/2021	1	47
Sunway Treasury Sukuk Sdn Berhad	44718	AA-	2.90	20	3.07	10/06/2021	-17	106
MMC Corporation Berhad	45973	AA-	3.83	10	3.80	27/10/2021	3	81
Lebuhraya DUKE Fasa 3 Sdn Berhad	49544	AA-	5.37	11	5.38	17/12/2021	-1	146
Perbadanan Kemajuan Negeri Selangor	44578	AA3	2.82	20	2.85	27/10/2021	-3	97
CIMB Group Holdings Berhad	79039	A1	3.98	2	3.98	17/12/2021	0	-13
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Hong Leong Assurance	Insurer financial strength rating.	AA2/Stable/P1	Reaffirmed
	RM2.0 billion Subordinated Notes Programme	AA3/Stable	Reaffirmed
Sabah Development Berhad	Islamic Medium Term Notes Programme of up to RM10.0 bil	AAA/Stable	Reaffirmed
Petroleum Sarawak Berhad	Corporate credit rating	AAA/Stable/P1	Reaffirmed
Petroleum Sarawak Exploration & Production Sdn Bhd	Multi-Currency Islamic Medium-Term Notes of up to RM15 billion (2021/2051)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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