

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.83	7
5-yr UST	1.43	7
10-yr UST	1.71	6
30-yr UST	2.10	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.82	-2	2.92	0
5-yr	3.21	0	3.23	-2
7-yr	3.44	1	3.34	0
10-yr	3.62	0	3.64	-1
15-yr	3.93	1	3.95	6
20-yr	4.11	-4	4.17	0
30-yr	4.23	0	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.18	-5
3-yr	2.78	-2
5-yr	3.02	-1
7-yr	3.22	-3
10-yr	3.43	-2

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5.0b of 5Y MGS 11/26 on Thursday, 6th January 2022

Fixed Income Daily Market Snapshot

US Treasuries

- USTs fell with the front-end and belly cheapening prominently following the release of the FOMC meeting minutes which revealed a hawkish stance; hence an earlier and faster path for rate hikes. The curve shifted higher as overall benchmark yields closed higher between 3-7bps across. **The UST 2Y yield spiked by 7bps to 0.83% whilst the much-watched 10Y yield jumped 6bps to 1.71%**. Bonds were also swayed by the stronger-than-expected December data by private payroll processor ADP and also ongoing robust corporate dollar-issuance slate. Meanwhile Fed rate hike odds have priced-in an 80% chance for a 25bps rate hike in March this year. Expect attention tomorrow to shift to the all-important jobs data for December.

MGS/GII

- Local govies ended weaker across most tenures, despite easing IRS levels. Overall benchmark MGS/GII yields closed mostly mixed between -4 to +6bps across the curve amid a 27% decline in secondary market volume @ RM2.34b. Both the **5Y benchmark MGS 11/26 and the 10Y benchmark MGS 4/31 yields settled almost unchanged at 3.21% and 3.62% each** compared to prior day's close. Interest was mainly seen in the off-the-run 22's and also 3Y GII. GII maintained to form ~45% of overall trades. We note that some earlier policy adjustments to the Budget 2022 pertaining to the proposed foreign-sourced income for tax-exempt individuals and dividend income may prompt the government to view funding availabilities via govies issuance. Meanwhile, expect attention to shift to the first auction of the year today, consisting of the 5Y MGS.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space notched steady investor interest on Wednesday amid a 63% boost in secondary market volume @ RM534m. Transactions were seen mainly across the GG-AA part of the curve as overall yields closed mixed-to-higher, spanning across 32 names. DANA dominated the govt-guaranteed space with the 10/28, longer-end 11/48 and 2/49 tranches edging 0-1bps compared to previous-done levels at 3.70%, 4.51% and 4.52% each. Meanwhile DANA 4/26 tranche spiked 90bps to 3.35%. AAA-rated TNB Western 30-31's jumped 21-34bps between 4.18-24% whereas the 7/28 tranche rose 4bps to 4.02%. In the AA-space, energy-related bonds JEP saw its 2025-2026 tranches pressured 4-70bps higher; closing between 3.83-4.11%. Meanwhile the banking/finance space MAYBANK 2117NC26 perps spike 37bps to 3.90%.

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	276	1.728	04/01/2022	1
MGS	03/23	2.177	43	2.192	04/01/2022	-2
MGS	04/23	2.213	19	2.216	03/01/2022	0
MGS	08/23	2.478	3	2.390	04/01/2022	9
MGS	06/24	2.820	34	2.836	04/01/2022	-2
MGS	07/24	2.865	21	2.879	03/01/2022	-1
MGS	09/24	2.871	11	2.867	03/01/2022	0
MGS	09/25	3.016	101	3.000	04/01/2022	2
MGS	04/26	3.146	19	3.120	03/01/2022	3
MGS	05/27	3.257	105	3.298	04/01/2022	-4
MGS	11/27	3.313	31	3.321	04/01/2022	-1
MGS	06/28	3.437	19	3.427	04/01/2022	1
MGS	09/28	3.480	1	3.468	23/12/2021	1
MGS	08/29	3.585	93	3.577	04/01/2022	1
MGS	04/30	3.650	30	3.630	04/01/2022	2
MGS	04/31	3.617	334	3.619	04/01/2022	0
MGS	06/31	3.661	5	3.668	04/01/2022	-1
MGS	04/33	3.852	60	3.855	04/01/2022	0
MGS	05/35	3.932	3	3.925	04/01/2022	1
MGS	04/37	3.960	5	3.969	03/01/2022	-1
MGS	06/38	4.068	4	4.066	03/01/2022	0
MGS	05/40	4.112	14	4.148	04/01/2022	-4
MGS	09/43	4.240	7	4.227	03/01/2022	1
MGS	03/46	4.281	7	4.352	04/01/2022	-7
MGS	06/50	4.230	47	4.235	04/01/2022	0
GII	03/22	1.761	276	1.779	04/01/2022	-2
GII	04/22	1.771	59	1.771	04/01/2022	0
GII	05/23	2.194	16	2.291	04/01/2022	-10
GII	11/23	2.363	8	2.365	04/01/2022	0
GII	08/24	2.810	22	2.952	23/12/2021	-14
GII	10/24	2.916	380	2.916	04/01/2022	0
GII	03/26	3.228	30	3.246	04/01/2022	-2
GII	09/27	3.343	2	3.345	04/01/2022	0
GII	10/28	3.423	9	3.456	04/01/2022	-3
GII	09/30	3.691	20	3.624	30/11/2021	7
GII	10/30	3.639	2	3.651	04/01/2022	-1
GII	08/33	3.880	50	3.894	29/12/2021	-1
GII	07/36	3.953	135	3.897	04/01/2022	6
GII	09/39	4.192	35	4.185	31/12/2021	1
			<u>2337</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
DanaInfra Nasional Berhad	04/26	GG	3.348	10	2.451	28/07/2020	90	31
DanaInfra Nasional Berhad	10/28	GG	3.699	5	3.709	22/12/2021	-1	26
DanaInfra Nasional Berhad	11/28	GG	3.699	20	3.858	12/10/2021	-16	26
Prasarana Malaysia Berhad	03/30	GG	3.850	10	3.800	29/12/2021	5	31
DanaInfra Nasional Berhad	11/48	GG	4.511	5	4.519	28/12/2021	-1	37
DanaInfra Nasional Berhad	02/49	GG	4.521	5	4.520	15/12/2021	0	38
Lembaga Pembiayaan Perumahan Sektor Awam	09/51	GG	4.520	20	4.529	23/11/2021	-1	38
Swirl Assets Berhad	09/22	AAA	3.059	10	3.295	18/09/2020	-24	118
Bakun Hydro Power Generation Sdn Berhad (f	08/23	AAA	2.579	25	2.509	13/09/2021	7	23
Sarawak Energy Berhad	08/25	AAA	3.382	10	3.320	08/12/2021	6	34
TNB Western Energy Berhad	07/28	AAA	4.020	10	3.979	10/12/2021	4	58
Tenaga Nasional Berhad	11/28	AAA	3.899	5	3.920	26/11/2021	-2	46
TNB Western Energy Berhad	07/30	AAA	4.178	20	3.969	08/04/2021	21	59
TNB Western Energy Berhad	01/31	AAA	4.241	10	3.899	25/05/2021	34	65
CIMB Group Holdings Berhad	06/22	AA1	2.249	20	2.248	04/01/2022	0	37
Sabah Development Bank Berhad	12/23	AA1	3.214	8	3.263	04/01/2022	-5	87
YTL Power International Berhad	05/27	AA1	4.678	30	4.668	29/12/2021	1	145
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.796	100	3.824	15/12/2021	-3	97
Press Metal Aluminium Holdings Berhad	12/28	AA3	4.574	1	4.575	04/01/2022	0	114
PONSB Capital Berhad	12/28	AA3	4.830	5	4.861	04/01/2022	-3	139
CIMB Thai Bank Public Company Limited	07/31	AA3	4.140	2	4.140	03/01/2022	0	52
Edra Energy Sdn Berhad	01/36	AA3	4.621	30	4.699	14/12/2021	-8	69
Edra Energy Sdn Berhad	07/36	AA3	4.661	40	4.639	21/09/2021	2	73
Malayan Banking Berhad	02/17	AA3	3.902	30	3.528	14/09/2021	37	-24
Quantum Solar Park (Semenanjung) Sdn Berhad	04/23	AA-	3.044	10	3.220	27/09/2021	-18	116
Jimah East Power Sdn Berhad	06/25	AA-	3.827	10	3.128	02/02/2021	70	100
Jimah East Power Sdn Berhad	06/26	AA-	4.027	10	3.536	19/08/2021	49	99
Jimah East Power Sdn Berhad	12/26	AA-	4.108	10	4.065	16/12/2021	4	88
MCIS Insurance Berhad	12/31	A2	4.576	3	4.674	04/01/2022	-10	95
TG Excellence Berhad	02/20	AA-	4.571	40	4.571	28/12/2021	0	43
Imtiaz Sukuk II Berhad	04/26	AA2	3.759	10	3.749	20/12/2021	1	72
Imtiaz Sukuk II Berhad	04/28	AA2	4.059	10	4.019	17/12/2021	4	75
				<u>534</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
N/A	N/A	N/a	N/A

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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