

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.92	4
5-yr UST	1.52	2
10-yr UST	1.74	1
30-yr UST	2.09	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.80	-2	2.88	-1
5-yr	3.21	-3	3.21	-4
7-yr	3.43	-2	3.34	-4
10-yr	3.65	0	3.64	-4
15-yr	3.96	-2	3.99	-2
20-yr	4.15	-4	4.19	-2
30-yr	4.27	11	4.39	-6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.13	0
3-yr	2.80	0
5-yr	3.07	0
7-yr	3.28	1
10-yr	3.49	0

Source : Bloomberg

Upcoming Government Bond Tender

New issuance of RM4.5b 10Y MGS 7/32 on Thursday, 13th January, 2022

Fixed Income Daily Market Snapshot

US Treasuries

- USTs ended slightly weaker on Wednesday following multi-decade high inflation numbers for December, as earlier expectations were already being factored in and are believed to now reinforce the Fed's intention to normalize and hike rates as soon as March. The curve shifted up as overall benchmark yields closed higher between 1-4bps across. **The UST 2Y yield jumped 4bps to 0.92%; the highest in almost 2 years whilst the much-watched 10Y edged 1bps up at 1.74%.** The \$36b 10Y auction tailed slightly as bidding metrics remained steady at 2.51x (previous six auction average: 2.49x) and awarded at 1.723%. The inflation data has put pressure on the Fed to start hiking the Fed Funds Rate and to lessen the central bank's massive ~\$8.7 trillion balance sheet. Expect attention to shift to the PPI data for December, initial jobless claims as at 8th January, followed by the \$22b 30Y bond auction later tonight.

MGS/GII

- Local govies turned in a stronger performance, with GII better-bid on Wednesday. Overall benchmark MGS/GII yields closed lower between 0-6bps across the curve (save the the 30Y) amid a 33% jump in secondary market volume @ RM4.82b. **The 5Y benchmark MGS 11/26 yield moved 3bps lower to 3.21% whilst the 10Y benchmark MGS 4/31 yield settled unchanged at 3.65%** compared to prior day's close. Interest was mainly seen in the off-the-run 22's, 23's, 25's and also 3Y MGS, 5Y MGS/GII, 7Y GII. GII rose further to form 41% of overall trades. The hawkish tilt amid ongoing tapering of liquidity in the US may still put pressure on global bonds including local MYR govies. Expect attention to shift to the new issuance of 10Y MGS auction exercise today.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space saw interest pullback on Wednesday amid a further dip in secondary market volume @ RM234m. Transactions were seen mainly across the the GG-AA part of the curve as overall yields closed mostly higher again, spanning across 24 names. Govt-guaranteed DANA 2/25 closed unchanged compared to previous-done levels at 3.14% whilst LPPSA 4/25 spiked 56bps to 3.15%. AAA-rated port operator WESTPORT 4/22 declined 12bps instead to 2.10% whereas PASB 6/28 settled unchanged at 3.82%. In the AA-space, energy-related bonds JEV 11/23 and EDRA 7/25 exchanged hands unchanged at 3.04% and 3.65% each whereas BGSM 8/25 rose 3bps to 3.57%. Meanwhile the banking/finance space saw Hong Leong Financial Group 8/24 jump 38bps to 3.23% on transacted amounts of RM30m.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	08/22	1.720	21	1.731	10/01/2022	-1
MGS	09/22	1.751	150	1.730	11/01/2022	2
MGS	03/23	2.151	70	2.168	11/01/2022	-2
MGS	04/23	2.158	180	2.201	11/01/2022	-4
MGS	06/24	2.796	228	2.814	11/01/2022	-2
MGS	07/24	2.802	17	2.888	10/01/2022	-9
MGS	09/24	2.841	7	2.873	11/01/2022	-3
MGS	03/25	2.911	394	2.942	11/01/2022	-3
MGS	09/25	3.025	231	3.112	11/01/2022	-9
MGS	04/26	3.175	20	3.199	11/01/2022	-2
MGS	11/26	3.210	466	3.239	11/01/2022	-3
MGS	05/27	3.268	138	3.287	11/01/2022	-2
MGS	11/27	3.309	24	3.329	11/01/2022	-2
MGS	06/28	3.427	84	3.449	11/01/2022	-2
MGS	08/29	3.559	177	3.581	11/01/2022	-2
MGS	04/30	3.614	123	3.649	11/01/2022	-4
MGS	04/31	3.654	46	3.659	11/01/2022	0
MGS	06/31	3.689	70	3.723	11/01/2022	-3
MGS	11/33	3.925	16	3.914	11/01/2022	1
MGS	07/34	3.920	70	3.960	11/01/2022	-4
MGS	05/35	3.963	5	3.982	11/01/2022	-2
MGS	04/37	3.970	49	3.969	11/01/2022	0
MGS	06/38	4.132	1	4.068	05/01/2022	6
MGS	05/40	4.149	146	4.193	11/01/2022	-4
MGS	09/43	4.282	60	4.300	10/01/2022	-2
MGS	03/46	4.313	5	4.326	11/01/2022	-1
MGS	07/48	4.376	6	4.372	11/01/2022	0
MGS	06/50	4.266	24	4.161	11/01/2022	11
GII	03/22	1.630	248	1.732	11/01/2022	-10
GII	04/22	1.761	496	1.749	11/01/2022	1
GII	07/22	1.780	258	1.712	30/12/2021	7
GII	05/23	2.308	1	2.283	10/01/2022	2
GII	08/24	2.885	40	2.914	11/01/2022	-3
GII	10/24	2.877	144	2.885	11/01/2022	-1
GII	03/26	3.208	183	3.247	11/01/2022	-4
GII	07/27	3.340	92	3.372	10/01/2022	-3
GII	09/27	3.345	160	3.383	11/01/2022	-4
GII	10/28	3.469	177	3.478	11/01/2022	-1
GII	07/29	3.510	9	3.600	11/01/2022	-9
GII	09/30	3.663	40	3.691	05/01/2022	-3
GII	10/30	3.638	72	3.675	11/01/2022	-4
GII	07/36	3.989	7	4.006	11/01/2022	-2
GII	05/47	4.438	60	4.451	10/01/2022	-1
GII	11/49	4.393	1	4.449	10/01/2022	-6
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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*	
Pengurusan Air SPV Berhad	06/22	GG	2.051	5	1.995	01/09/2021	6	13
DanaInfra Nasional Berhad	02/25	GG	3.138	40	3.137	07/01/2022	0	34
Lembaga Pembiayaan Perumahan Sektor Awam	04/25	GG	3.148	30	2.589	13/07/2021	56	35
DanaInfra Nasional Berhad	10/36	GG	4.200	10	4.267	18/11/2021	-7	22
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.167	5	2.061	01/09/2021	11	25
Westports Malaysia Sdn Berhad	04/22	AAA	2.103	10	2.227	23/06/2021	-12	18
Pengurusan Air SPV Berhad	06/28	AAA	3.819	15	3.818	23/12/2021	0	50
Bank Pembangunan Malaysia Berhad	06/31	AAA	4.048	10	4.078	04/01/2022	-3	43
Hong Leong Financial Group Berhad	08/24	AA1	3.226	30	2.850	19/08/2021	38	43
Sabah Development Bank Berhad	07/26	AA1	4.550	1	4.160	21/12/2021	39	133
GENM Capital Berhad	07/28	AA1	4.838	10	4.672	27/12/2021	17	152
Sabah Credit Corporation	07/29	AA1	4.197	5	4.034	19/05/2021	16	65
TG Excellence Berhad	02/20	AA-	4.187	10	4.183	06/01/2022	0	1
Jimah Energy Ventures Sdn Berhad	11/23	AA3	3.044	5	3.046	21/12/2021	0	70
Edra Energy Sdn Berhad	07/25	AA3	3.646	20	3.650	23/12/2021	0	85
BGSM Management Sdn Berhad	08/25	AA3	3.569	15	3.540	15/12/2021	3	53
Press Metal Aluminium Holdings Berhad	12/27	AA3	4.649	1	4.439	06/12/2021	21	133
Quantum Solar Park (Semenanjung) Sdn Berhad	04/26	AA-	3.918	2	3.768	29/09/2021	15	88
SP Setia Berhad	06/26	AA-	3.839	2	3.777	15/12/2021	6	80
Penang Port Sdn Berhad	12/26	AA-	3.958	1	3.679	04/10/2021	28	73
Pelabuhan Tanjung Pelepas Sdn Berhad	08/27	AA-	4.139	2	4.109	22/12/2021	3	82
CIMB Group Holdings Berhad	05/16	A1	3.028	1	3.387	10/01/2022	-36	-115
Tropicana Corporation Berhad	06/23	A+	4.945	1	4.939	11/01/2022	1	303
Alliance Bank Malaysia Berhad	10/30	A2	3.693	3	3.565	11/01/2022	13	7
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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