

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- USTs rebounded strongly on Thursday in choppy trading following a solid demand for the 30Y bond auction and lower-than-expected uptick on another reading on US inflation i.e. US producer prices for December. The curve shifted lower as overall benchmark yields eased between 3-5bps across. **The UST 2Y yield declined 3bps to 0.89% whilst the much-watched 10Y yield eased 4bps to 1.71%**. The \$22b 30Y auction picked up from the earlier disappointment of a week-long bond auctions with bidding metrics at 2.35x (previous ten auction average: 2.25x) whilst being awarded at 2.075%. Meanwhile the Fed released its 3rd tapered Treasury purchase schedule denoting the cut in monthly pace of buying from \$60b to \$40b. The brutal start for USTs in the new year may now reflect the view that the market may have repriced too much, too quickly given the uncertain economic outlook. Expect slight attention tonight to shift to the industrial production numbers and also peripheral data covering retail sales for December.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.89	-3
5-yr UST	1.47	-5
10-yr UST	1.71	-4
30-yr UST	2.04	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.80	1	2.88	0
5-yr	3.22	0	3.21	0
7-yr	3.45	2	3.35	0
10-yr	3.64	-2	3.65	1
15-yr	3.99	3	4.01	2
20-yr	4.16	1	4.16	-4
30-yr	4.22	-4	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.14	0
3-yr	2.79	0
5-yr	3.06	-1
7-yr	3.26	-2
10-yr	3.49	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Thursday, local govies somewhat reversed prior day's performance with most tenures being pressured save for the new issuance of 10Y MGS and the longer-ends. Overall benchmark MGS/GII yields closed mixed between -4 to +3bps across the curve amid a 30% drop in secondary market volume @ RM3.35b. **The 5Y benchmark MGS 11/26 yield settled within 1bps higher at 3.22% whilst the 10Y benchmark MGS 4/31 yield edged 2bps lower at 3.64%**. Interest was mainly seen in the off-the-run 22's, 25's, 28's and also 3Y GII, 5Y MGS, 7Y GII. GII maintained to form 40% of overall trades. The 2nd auction for the year consisting of the new issuance of 10Y MGS 7/32 saw strong bidding metrics @2.044x and awarded at 3.582%; notching a short tail of 1.6bps. Elsewhere, the calendar remains light until 20th January next week as the MPC meets to decide on the OPR.

Corp Bonds/Sukuk

- The Corporate Bonds/Sukuk space was vibrant on Thursday amid a spike in secondary market volume @ RM512m. Transactions were seen mainly across the the GG-AA part of the curve as overall yields closed mostly mixed-to-higher, spanning across 34 names. PRASA dominated the govt-guaranteed space. The 3/25 tranche spiked 41bps compared to previous-done levels to 3.13% whereas the 8/28, 3/30 and 3/34 tranches declined 3-11bps; to close at 3.70%, 3.74% and 4.05% each. AAA-rated DANGA 1/28 closed unchanged at 3.76% whereas PLUS 33 jumped 22bps higher at 4.11%. In the AA-space, IMTIAZ 22 and 25 rose 2-5bps higher at 2.41% and 3.67% each. Energy-related bonds JEV 11/23 traded back-to-back again, edging 2bps lower at 3.03% whilst JEV 25-26's saw yields climb between 2-37bps, resulting in closing levels of 3.94% and 4.05%. Meanwhile the banking/finance space saw MAYBANK 2117NC26 perps close unchanged at 3.75%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/22	1.551	3	1.582	11/01/2022	-3
MGS	08/22	1.657	52	1.720	12/01/2022	-6
MGS	09/22	1.719	50	1.751	12/01/2022	-3
MGS	03/23	2.107	76	2.151	12/01/2022	-4
MGS	04/23	2.135	10	2.158	12/01/2022	-2
MGS	08/23	2.389	50	2.417	11/01/2022	-3
MGS	06/24	2.801	48	2.796	12/01/2022	1
MGS	07/24	2.851	30	2.802	12/01/2022	5
MGS	03/25	2.909	60	2.911	12/01/2022	0
MGS	09/25	3.013	178	3.025	12/01/2022	-1
MGS	11/26	3.215	348	3.210	12/01/2022	0
MGS	05/27	3.246	150	3.268	12/01/2022	-2
MGS	11/27	3.289	53	3.309	12/01/2022	-2
MGS	06/28	3.452	55	3.427	12/01/2022	2
MGS	08/29	3.553	100	3.559	12/01/2022	-1
MGS	04/30	3.587	114	3.614	12/01/2022	-3
MGS	04/31	3.636	320	3.654	12/01/2022	-2
MGS	06/31	3.704	8	3.689	12/01/2022	2
MGS	04/33	3.845	50	3.880	11/01/2022	-3
MGS	11/33	3.886	20	3.925	12/01/2022	-4
MGS	07/34	3.915	8	3.920	12/01/2022	0
MGS	05/35	3.991	61	3.963	12/01/2022	3
MGS	04/37	3.948	40	3.970	12/01/2022	-2
MGS	05/40	4.160	41	4.149	12/01/2022	1
MGS	09/43	4.260	12	4.282	12/01/2022	-2
MGS	03/46	4.320	64	4.313	12/01/2022	1
MGS	07/48	4.376	1	4.376	12/01/2022	0
MGS	06/50	4.223	13	4.266	12/01/2022	-4
GII	03/22	1.623	194	1.630	12/01/2022	-1
GII	04/22	1.648	216	1.761	12/01/2022	-11
GII	05/23	2.208	1	2.308	12/01/2022	-10
GII	11/23	2.312	40	2.355	10/01/2022	-4
GII	08/24	2.861	88	2.885	12/01/2022	-2
GII	10/24	2.877	281	2.877	12/01/2022	0
GII	08/25	3.077	11	3.115	06/01/2022	-4
GII	03/26	3.207	62	3.208	12/01/2022	0
GII	09/26	3.283	10	3.243	31/12/2021	4
GII	07/27	3.359	60	3.340	12/01/2022	2
GII	09/27	3.347	91	3.345	12/01/2022	0
GII	10/28	3.476	170	3.469	12/01/2022	1
GII	07/29	3.559	4	3.510	12/01/2022	5
GII	10/30	3.646	60	3.638	12/01/2022	1
GII	08/33	3.892	20	3.880	05/01/2022	1
GII	11/34	3.949	1	3.974	10/01/2022	-3
GII	07/36	4.008	21	3.989	12/01/2022	2
GII	09/41	4.155	1	4.192	12/01/2022	-4
			<u>3346</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*
Prasarana Malaysia Berhad	03/25	GG	3.126	10	2.721	25/08/2021	41	32
Perbadanan Tabung Pendidikan Tinggi Nasional	08/26	GG	3.436	5	3.359	08/12/2021	8	22
Prasarana Malaysia Berhad	08/28	GG	3.695	10	3.730	18/11/2021	-4	26
Prasarana Malaysia Berhad	03/30	GG	3.740	200	3.850	05/01/2022	-11	20
Prasarana Malaysia Berhad	03/34	GG	4.050	40	4.077	16/11/2021	-3	42
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.239	15	4.246	23/12/2021	-1	27
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	4.266	30	4.269	30/07/2021	0	30
Gulf Investment Corporation G.S.C	06/22	AAA	2.535	4	2.526	21/12/2021	1	63
Gulf Investment Corporation G.S.C	02/23	AAA	2.749	10	2.967	20/05/2021	-22	84
Pengerang LNG (Two) Sdn Berhad	10/23	AAA	2.624	5	2.544	10/11/2021	8	28
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.626	20	3.177	28/07/2021	45	41
Danga Capital Berhad	01/28	AAA	3.758	20	3.759	21/12/2021	0	44
Projek Lebuhraya Usahasama Berhad	01/33	AAA	4.109	10	3.889	30/09/2021	22	48
Kuala Lumpur Kepong Berhad	09/22	AA1	2.150	10	2.140	08/11/2021	1	24
YTL Power International Berhad	03/23	AA1	3.556	1	3.030	06/01/2022	53	165
Kapar Energy Ventures Sdn Berhad	07/22	AA+	2.530	5	2.638	13/11/2020	-11	62
Edra Solar Sdn Berhad	10/22	AA2	2.582	5	2.536	09/12/2021	5	67
Imtiaz Sukuk II Berhad	10/22	AA2	2.408	10	2.353	12/11/2021	5	50
Imtiaz Sukuk II Berhad	10/25	AA2	3.674	20	3.658	17/12/2021	2	64
AC First Genesis Berhad	11/26	AA2	4.439	2	4.310	03/06/2021	13	123
BEWG (M) Sdn Berhad	07/22	AA	2.672	3	2.854	29/09/2021	-18	76
Cellco Capital Berhad	03/26	AA	4.291	2	4.130	29/03/2021	16	126
Jimah Energy Ventures Sdn Berhad	11/23	AA3	3.029	5	3.044	12/01/2022	-2	69
Malayan Banking Berhad	02/17	AA3	3.751	15	3.755	11/01/2022	0	-42
UEM Sunrise Berhad	05/23	AA-	3.549	7	3.479	18/11/2021	7	164
UEM Sunrise Berhad	06/23	AA-	3.586	14	3.570	30/11/2021	2	168
Jimah East Power Sdn Berhad	12/25	AA-	3.948	5	3.579	19/04/2021	37	92
Jimah East Power Sdn Berhad	06/26	AA-	4.048	15	4.027	05/01/2022	2	102
UMW Holdings Berhad	04/18	AA-	4.478	10	4.524	04/01/2022	-5	31
TG Excellence Berhad	02/20	AA-	4.177	1	4.187	12/01/2022	-1	1
Dialog Group Berhad	11/20	A1	4.204	1	4.204	12/01/2022	0	4
Alliance Bank Malaysia Berhad	10/30	A2	3.693	3	3.693	12/01/2022	0	9
Tropicana Corporation Berhad	09/19	A	5.767	1	6.115	27/12/2021	-35	160
Eco World International Berhad	05/23	-	3.867	1	3.755	12/01/2022	11	196
				<u>512</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Point Zone (M) Sdn Bhd	Proposed Islamic Medium-Term Notes (Sukuk Wakalah) programme of up to RM3.0 billion	AA-IS/Stable	Assigned
Export-Import Bank of Malaysia Berhad	Financial institution ratings	gA2/Stable/gP1, seaAAA/Stable/seaP1 and AAA/Stable/P1	Reaffirmed
EXIM Sukuk Malaysia Berhad	USD1.0 bil Multi-currency Sukuk Issuance Programme	gA2(s)/Stable	Reaffirmed
Suria KLCC Sdn Bhd	RM600 mil Islamic Medium-term Notes (MTN) Programme (2014/2044)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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