

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.17	2
5-yr UST	0.42	6
10-yr UST	0.93	9
30-yr UST	1.67	10

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.94	3	2.01	3
5-yr	2.16	-3	2.33	-5
7-yr	2.57	0	2.62	-8
10-yr	2.73	-2	2.72	-7
15-yr	3.40	-9	3.45	0
20-yr	3.67	-7	3.78	-5
30-yr	4.10	5	4.11	2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.08	0
5-yr	2.26	0
7-yr	2.42	0
10-yr	2.65	0

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries tumbled on Tuesday; as traders and investors dumped haven assets following positive vibes on fiscal stimulus in the making. The curve bear-steepened in a massive yield spike that left the longer-ends pressurized the most as overall benchmark yields rose between 2-10bps across the curve from prior day's. The UST 2Y yields edged 2bps up at 0.17% whilst the much-watched 10Y saw yields rocket 9bps higher to close at 0.93%; in what was seen as one of the largest moves this year. Meanwhile, the case for additional fiscal spending was evident as both Democratic and Republican lawmakers were trying to discuss and arrange for a \$908b stimulus proposal. Expect some attention to shift to the upcoming release of data that includes ADP employment change for November tonight followed by initial jobless claims and also PMI Services numbers tomorrow.

### MGS/GII

- On Tuesday, local govies saw a reversal of recent weakness seen in prior sessions due to bargain-hunting activities. The belly of the curve was richer amid sustained secondary market volume of RM2.13b. Overall benchmark yields ended mostly mixed-to-lower between -9 to +5bps across the curve. The 5Y MGS 9/25 yields declined 3bps at 2.16% whilst the 10Y MGS 4/31 yields edged 2bps lower at 2.73%. Interest was mainly seen in off-the-run 21-22's and also benchmark 15Y MGS. GII bond trades inched up to form 17% of overall trades. Expect range-bound activities to prevail as intermittent profit-taking activities emerge.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk continued to see very little investor interest amid a mere secondary market volume of RM212m with some interest seen along the AAA-AA part of the curve. Overall yields closed mostly mixed in what was seen as one of the least transacted sessions for the year involving a mere 7 bond transactions. Again there were no govt-guaranteed bond trades on Tuesday. ABS-related ZAMARAD 7/22 which was rated AAA; made its debut trade at 2.94%. MANJUNG 11/26 saw yields decline sharply at 2.72% whilst BAKUN 8/26 notched RM40m in nominal amounts; rising 5bps at 2.86%. Meanwhile, the banking space saw A1-rated CIMB Group Holdings perps i.e. 2116NC30 and 2116NC25 similarly make their debut trades at 3.85% and 3.34% each.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.585	77	1.630	30/11/2020	-4
MGS 09/21	1.601	65	1.602	30/11/2020	0
MGS 11/21	1.680	133	1.654	30/11/2020	3
MGS 03/22	1.707	16	1.797	30/11/2020	-9
MGS 08/22	1.739	160	1.805	30/11/2020	-7
MGS 09/22	1.779	1	1.828	30/11/2020	-5
MGS 03/23	1.940	86	1.906	30/11/2020	3
MGS 04/23	1.954	32	1.976	30/11/2020	-2
MGS 08/23	1.988	18	1.960	30/11/2020	3
MGS 06/24	2.074	12	2.068	30/11/2020	1
MGS 07/24	2.089	38	2.104	30/11/2020	-2
MGS 09/24	2.116	54	2.099	30/11/2020	2
MGS 03/25	2.215	2	2.409	30/11/2020	-19
MGS 09/25	2.162	99	2.195	30/11/2020	-3
MGS 04/26	2.394	6	2.367	30/11/2020	3
MGS 07/26	2.482	20	2.505	30/11/2020	-2
MGS 11/26	2.485	18	2.499	30/11/2020	-1
MGS 03/27	2.511	10	2.517	30/11/2020	-1
MGS 05/27	2.568	134	2.568	30/11/2020	0
MGS 11/27	2.609	56	2.602	30/11/2020	1
MGS 06/28	2.721	60	2.731	30/11/2020	-1
MGS 09/28	2.801	14	2.798	30/11/2020	0
MGS 08/29	2.863	76	2.879	30/11/2020	-2
MGS 04/30	2.862	7	2.878	30/11/2020	-2
MGS 04/31	2.732	106	2.755	30/11/2020	-2
MGS 06/31	2.974	11	3.011	30/11/2020	-4
MGS 04/33	3.327	2	3.348	30/11/2020	-2
MGS 11/33	3.472	2	3.392	30/11/2020	8
MGS 07/34	3.402	304	3.493	30/11/2020	-9
MGS 05/35	3.543	3	3.569	30/11/2020	-3
MGS 04/37	3.582	7	3.600	30/11/2020	-2
MGS 05/40	3.674	13	3.742	30/11/2020	-7
MGS 09/43	4.025	40	4.056	30/11/2020	-3
MGS 03/46	4.064	23	4.109	30/11/2020	-4
MGS 07/48	4.133	9	4.144	30/11/2020	-1
MGS 06/50	4.097	52	4.045	30/11/2020	5
GII 03/22	1.722	6	1.812	30/11/2020	-9
GII 04/22	1.722	1	1.744	30/11/2020	-2
GII 07/22	1.863	1	1.730	26/11/2020	13
GII 05/23	2.008	101	1.977	27/11/2020	3
GII 07/23	2.047	10	1.989	30/11/2020	6
GII 05/24	2.144	1	2.068	17/11/2020	8
GII 10/24	2.156	31	2.111	30/11/2020	4
GII 03/26	2.330	62	2.381	30/11/2020	-5
GII 09/26	2.440	1	2.459	27/11/2020	-2
GII 07/27	2.719	23	2.719	30/11/2020	0
GII 09/27	2.617	72	2.701	30/11/2020	-8
GII 07/29	2.888	20	2.875	30/11/2020	1
GII 10/30	2.721	12	2.788	30/11/2020	-7
GII 06/33	3.448	1	3.402	30/11/2020	5
GII 11/34	3.452	21	3.452	30/11/2020	0
GII 10/35	3.567	1	3.349	11/11/2020	22
GII 09/39	3.775	3	3.828	30/11/2020	-5
GII 11/49	4.107	2	4.084	26/11/2020	2
		<u>2133</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*
Zamarad Assets Berhad	07/22	AAA	2.936	10	-	-	117
Bank Pembangunan Malaysia Berhad	10/25	AAA	2.820	1	2.789	11/11/2020	63
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/26	AAA	2.861	40	2.810	11/11/2020	42
Manjung Island Energy Berhad	11/26	AAA	2.718	10	2.918	08/07/2020	28
CIMB Group Holdings Berhad	05/16	A1	3.850	140	-	-	13
CIMB Group Holdings Berhad	05/16	A1	3.340	10	-	-	-38
Eco World International Berhad	05/23	-	5.889	1	6.493	03/11/2020	412
			<u>212</u>				

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

**Market/Corporate News: What's Brewing**

**The Penang government will be proceeding to implement the Light Rail Transit (LRT) project from Komtar to Bayan Lepas even though the application to obtain loan and guarantee amounting to RM2 billion has been rejected by the Finance Ministry recently.** Chief Minister Chow Kon Yeow said the project is very important to the development of the state's economy and the state government will not give up. "The state government is continuing to carry out the LRT project as the Penang government has several other financial options to fund projects under the Penang Transport Master Plan (PTMP)," he said in a statement here today. He said simultaneously, the state government will continue to inject confidence in the federal government to give priority to finance the project as well as the commensurate treatment to Penang which continued to play an important role in championing foreign direct investments in the country's manufacturing sector and creating thousands of job opportunities not only for the residents in the state but also in the north of Peninsular Malaysia. Chow said he also shared and presented the same matter to the Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed in a discussion on allocations for 12th Malaysia Plan (12MP) for Penang last Thursday (Nov 26) in the federal capital. "In fact, the matter and same stand was also presented to Finance Minister Datuk Seri Tengku Zafrul Tengku Abdul Aziz during the Budget 2021 Consultation Dialogue: Penang organised by the Northern Corridor Implementation Authority (NCIA) on Aug 8, 2020 and the Engagement Session for 12MP Preparation with Senior Minister cum Minister of International Trade and Industry Datuk Seri Mohamed Azmin Ali on Aug 2, 2019 in Penang," he said. He also reminded the finance ministry and Perikatan Nasional (PN) government that former prime minister Tun Dr Mahathir Mohamad had stated in a letter to him on Oct 1, 2019 that the bonds of the state government on the project would be guaranteed by the federal government. PTMP is a state government initiative costing RM46 billion encompassing an undersea tunnel connecting the island to the mainland, highways, LRT, monorail as well as a comprehensive network of bus routes on the island and mainland. The LRT project covers 29.9km rail route with 27 stations from Komtar to Penang International Airport and the other areas involving reclaim islands south of Penang at an estimated cost of RM8 billion. (Source: *The EdgeMarkets*)

**The Securities Commission Malaysia (SC) has approved UEM Sunrise Bhd's application for an extension of time to announce any firm intention to make a takeover offer with regard to its proposed merger with Eco World Development Group Bhd (EcoWorld).** The SC has now given UEM Sunrise until Jan 31 next year to make its announcement on the matter, the group said in a filing with Bursa Malaysia today. It added that the SC wants UEM Sunrise and EcoWorld to decide by Jan 2 on whether to proceed with discussions in relation to the proposed merger. If both groups decide to proceed with the discussions, they must jointly submit an application for a final extension of time based on a timeline as agreed by the boards of directors, at the earliest possible date after Jan 2, but latest by Jan 15. "Both UEM and EcoWorld shall be required to make monthly announcements to keep the market informed on the progress of the discussions and anticipated work streams for the proposed merger until such time that a definitive agreement in relation to the proposed merger is entered into or negotiations are terminated, is announced," said UEM Sunrise.. (Source: *The EdgeMarkets*)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
UiTM Solar Power Dua Sdn Bhd's (UiTM Solar 2)	Proposed Green SRI Sukuk of up to RM100.0 million	AA-IS/Stable	Assigned
Rantau Abang Capital Berhad	RM7.0 bil Islamic MTN Sukuk Musyarakah Programme (2006/2041)	AAA(s)/Stable	Reaffirmed
Danga Capital Berhad	RM20.0 bil Multi-Currency Islamic Securities Programme (2009/2044)	AAA(s)/Stable	Reaffirmed
Ihsan Sukuk Berhad	RM1.0 bil Islamic MTN Sukuk Ihsan Programme (2015/2040)	AAA(s)/Stable	Reaffirmed
Danum Capital Berhad	RM10.0 bil Islamic MTN Sukuk Danum Programme (2019/2069)	AAA(s)/Stable	Reaffirmed

Source: RAM, MARC

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