

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST

Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	0
5-yr UST	0.36	1
10-yr UST	0.94	1
30-yr UST	1.68	2

MGS GII*

Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.89	-1	1.92	0
5-yr	2.14	0	2.28	0
7-yr	2.37	-1	2.51	2
10-yr	2.68	1	2.77	-2
15-yr	3.22	-5	3.32	-3
20-yr	3.39	-5	3.56	-1
30-yr	3.84	-1	4.01	0

* Market indicative levels

MYR IRS Levels

IRS	Closing (%)	Chg (bps)
1-yr	1.93	0
3-yr	2.06	0
5-yr	2.23	-2
7-yr	2.38	-2
10-yr	2.62	-1

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries were being sold off but it narrowed losses as stocks came under selling pressure after the Senate rejected the \$2000 check aids; while and the 7Y debt sale attracted decent demand. Overall yields close only 1-2bps higher across the curve. 10Y note yields ended about 1bp up at 0.94% while the 2s were little changed at 0.12%, bear steepening the curve. With little to scrutinize on the data front, stimulus development will remain the key influence in a quiet market in our view.

MGS/GII

- In the MYR government bond space, we saw increased buying interests on Tuesday compared to Monday as overall volume in the secondary market picked up but remained modest at RM1.33bn (prior RM962m). Overall benchmark yields ended largely lower by 1-5bps save for the 10Y MGS and 7Y GII where yields nudged higher by 1bp to 2.68% and 2bps to 2.51% respectively whilst the 5Y benchmark for both MGS and GII were flat. Most of the trading interests were seen focused on off-the-runs MGS 11/33, and front end GII 3/21 and 11/23. GII continued to attract substantial trading interests, accounting for 54% of overall trades dealt. Expect volume to remain thin in the last two trading days of the year.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space also saw a pick-up in momentum with RM259m dealt in the secondary market. Interests were skewed to the GG and AA-rated papers, across 21 various papers. In the GG space, LPPSA '11/27 saw RM10m done at 2.77% (-1bp) whilst DANAINFRA '4/29 saw a mere RM1m changed hands at 2.98% (-23bps). AA-rated DANAJAMIN '10/27 attracted the most trades during the day (RM90m), last dealt at 2.715%, down 50bps from its last trade in June. In the banking space, Ambank '10/27 was the most heavily traded with RM30m changed hands at 2.69%. Other banking names dealt include UOB(M) '8/30, MBSB '12/24 and CIMB '5/16.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 07/21	1.700	88	1.699	28/12/2020	0
MGS 08/22	1.773	14	1.820	22/12/2020	-5
MGS 07/24	2.025	1	2.034	23/12/2020	-1
MGS 08/23	1.889	30	1.923	24/12/2020	-3
MGS 03/22	1.742	11	1.775	28/12/2020	-3
MGS 06/50	3.843	3	3.857	28/12/2020	-1
MGS 09/24	2.074	2	2.055	24/12/2020	2
MGS 08/29	2.606	8	2.615	24/12/2020	-1
MGS 04/31	2.677	64	2.665	28/12/2020	1
MGS 05/27	2.368	1	2.380	22/12/2020	-1
MGS 04/30	2.675	10	2.721	28/12/2020	-5
MGS 03/23	1.885	2	1.905	28/12/2020	-2
MGS 09/21	1.703	0	1.653	28/12/2020	5
MGS 11/33	3.260	250	3.257	28/12/2020	0
MGS 06/24	2.007	10	2.016	24/12/2020	-1
MGS 06/31	2.791	15	2.812	24/12/2020	-2
MGS 04/32	3.012	0	3.113	22/12/2020	-10
MGS 05/35	3.306	20	3.225	21/12/2020	8
MGS 11/21	1.712	0	1.751	23/12/2020	-4
MGS 11/27	2.420	0	2.411	28/12/2020	1
MGS 07/34	3.217	58	3.266	28/12/2020	-5
MGS 05/40	3.389	30	3.437	28/12/2020	-5
GII 09/27	2.506	15	2.484	28/12/2020	2
GII 09/39	3.560	50	3.568	28/12/2020	-1
GII 10/30	2.772	24	2.790	28/12/2020	-2
GII 09/26	2.411	33	2.393	24/12/2020	2
GII 11/23	1.993	350	1.995	28/12/2020	0
GII 03/26	2.276	5	2.274	24/12/2020	0
GII 10/24	2.090	60	2.124	24/12/2020	-3
GII 03/21	1.779	120	1.742	18/12/2020	4
GII 11/34	3.319	10	3.350	22/12/2020	-3
GII 05/23	1.924	30	1.925	23/12/2020	0
GII 04/21	1.769	20	1.687	18/12/2020	8
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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*	
Lembaga Pembiayaan Perumahan Sektor Awam	11/27	GG	2.766	10	2.780	18/12/2020	-1	39
Danainfra Nasional Berhad	04/29	GG	2.980	1	3.211	29/06/2020	-23	49
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/24	AA1	3.036	10	4.438	17/05/2019	-140	99
YTL Power International Berhad	05/27	AA1	3.501	10	3.403	30/09/2020	10	122
Danajamin Nasional Berhad	10/27	AA1	2.715	90	3.213	24/06/2020	-50	34
YTL Corporation Berhad	07/30	AA1	3.697	5	3.550	11/09/2020	15	101
United Overseas Bank (Malaysia) Berhad	08/30	AA1	2.911	1	3.141	23/12/2020	-23	23
YTL Corporation Berhad	11/36	AA1	4.271	5	4.068	15/10/2020	20	103
Perbadanan Kemajuan Negeri Selangor	01/22	AA3	3.067	10	3.716	18/12/2019	-65	134
Besraya (M) Sdn Berhad	07/26	AA3	3.302	10	4.303	30/03/2020	-100	102
AmBank (M) Berhad	10/27	AA3	2.691	30	5.026	31/07/2018	-234	31
Edra Energy Sdn Berhad	07/33	AA3	4.070	10	4.069	17/12/2020	0	83
Edra Energy Sdn Berhad	07/34	AA3	4.150	10	4.149	18/12/2020	0	91
WCT Holdings Berhad	10/21	AA-	3.693	14	3.717	14/12/2020	-2	196
TG Excellence Berhad	02/20	AA-	3.259	1	3.097	18/12/2020	16	-17
Tan Chong Motor Holdings Berhad	11/21	A1	4.250	5	3.823	14/12/2020	43	252
CIMB Group Holdings Berhad	05/16	A1	2.954	2	5.727	18/12/2020	-277	-47
CIMB Group Holdings Berhad	05/16	A1	3.810	0	3.864	18/12/2020	-5	38
Eco World Capital Assets Berhad	08/22	-	4.240	14	4.891	13/08/2020	-65	242
Mah Sing Group Berhad	04/19	-	4.552	15	5.140	15/12/2020	-59	113
Cypark Renewable Energy Sdn Berhad	09/20	-	6.500	6	-	-	-	-
			<u>259</u>					

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

Market/Corporate News: What's Brewing

MISC Bhd's joint-venture (JV) companies have secured a five-year extension from Shell Brasil to provide floating production storage and offloading (FPSO) Espirito Santo, located offshore Brazil. In a statement today, the Malaysian shipping giant said its two JV companies — Brazilian Deepwater Production Ltd (BDPL) and Brazilian Deepwater Production Contractors Ltd (BDPC) — had entered into an agreement with Shell Brasil on Dec 7, 2020. "The agreements were for five years' extension of the lease, operation and maintenance contracts for the FPSO Espirito Santo located in the Campos Basin for the BC-10 field, offshore Brazil. "The initial contracts were entered by the companies with Shell Brasil in 2006 with an expiry date of December 2023, and with the extension, the contracts will be extended to December 2028," MISC said. It added that BDPL and BDPC were JVs between SBM Holding Inc S.A (SBM) and MISC Offshore Holdings Sdn Bhd (MOHB). SBM owns 51% equity in both BDPL and BDPC, while MOHB owns 49% equity in each of the companies. (Source: *theedgemarkets*)

The Ministry of Finance (MoF) has announced the extension of the vehicle sales tax exemption period by a further six months until June 30, 2021. The government had previously given a sales tax exemption for the purchase of new vehicles for the period of June 15 to Dec 31, 2020. In a statement today, the MoF said the full sales tax exemption was implemented for locally assembled — also known as completely knocked down (CKD) — passenger vehicles including multi-purpose vehicles (MPVs) and sport utility vehicles (SUVs). "A 50% sales tax exemption is levied on completely built up (imported) passenger cars, including new and used MPVs and SUVs," it said. Currently, the sales tax for vehicles is set at 10% for both locally assembled and imported cars. With the exemption, it means that the sales tax is fully waived for the purchase of locally assembled cars, while a five per cent tax is imposed for imported cars. (Source: *theedgemarkets*)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
ANIH Berhad	RM2.5 billion Senior Sukuk Musharakah Programme	AA_{1s} / Stable	Reaffirmed
Hong Leong Assurance	Insurer financial strength (IFS) ratings. RM2.0 billion Subordinated Notes Programme (2020/-)	AA2/Stable/P1 AA3/Stable	Reaffirmed Reaffirmed
Bintulu Port Holdings Berhad	Corporate credit ratings	AA1/Stable/P1	Reaffirmed
Samalaju Industrial Port Sdn Bhd	Sukuk Murabahah Programme of up to RM950 mil (2015/2036)	AA1(s)/Stable	Reaffirmed
Golden Assets International Finance Limited	RM5.0 bil Islamic Medium-Term Notes (IMTN) Programme (2012/2027)	A1(s)/stable	Reaffirmed

Source: RAM, MARC

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