

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST

Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	0
5-yr UST	0.35	-1
10-yr UST	0.92	-1
30-yr UST	1.66	-2

MGS GII*

Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.92	2	1.92	-1
5-yr	2.14	0	2.28	0
7-yr	2.38	1	2.51	0
10-yr	2.65	-2	2.81	3
15-yr	3.22	0	3.32	0
20-yr	3.39	0	3.56	0
30-yr	3.83	-2	3.94	-7

* Market indicative levels

MYR IRS Levels

IRS	Closing (%)	Chg (bps)
1-yr	1.93	1
3-yr	2.06	0
5-yr	2.24	1
7-yr	2.37	-1
10-yr	2.60	-2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries reversed course and gained on a tinge of uneasiness in the markets despite continued gains in equities. Disappointment over a bigger stimulus aid continued to haunt, mitigating positive vaccine news. Overall yields fell between 1-2bps, bull flattening the curve again. 2-year note yields were flat at 0.12% while the 10s ended the day at 0.92% (-1bp). Overnight second tier data has had little impact, revealing strength in Chicago PMI and consumer demand as reflected in the rise in imports whilst pending home sales disappointed. Focus will remain on stimulus development in an otherwise quiet market. Initial jobless claims is the only data on the deck today which will likely reaffirm the case of a weak labour market.

MGS/GII

- Trading momentum in the MYR government bond space tapered off considerably in the second last trading day of the year. Secondary market volume saw a hefty pullback to RM459m, just about a third of preceding day's transaction of RM1.33bn. Overall benchmark MGS and GII yields settled mixed during the day, between -7 to +3bps. Trading activities largely centered on off-the-runs govies notably the front end MGS/GII 21s, GII '23 and MGS '6/31. GII made up a lower 41% of overall trade (prior 54%) amid a quiet market. Expect volume to remain thin as the year draws to a close.

Corp Bonds/Sukuk

- On the contrary, the Corporate Bond/Sukuk space saw continued pick-up in trading momentum as a result of heavy trading in government-guaranteed papers. Secondary market volume spiked up to RM862m on Wednesday, tripling from RM259m the preceding day, of which 95% were made up by the GG segment. Of note, DANAINFRA '29 to '39 collectively saw RM370m dealt between 2.968-3.700%, with DANAINFRA '10/33 attracted the most interests (RM200m). PRASA '9/29 was also heavily traded with RM250m changed hands at 2.988% (+34bps from its last traded levels in August). Meanwhile, trading in corporate bonds was scanty and scattered, with no specific focus on any sectors or tenors as investors are away for the year end holidays.

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 02/21	1.577	20	1.849	17/12/2020	-27
MGS 07/21	1.589	29	1.700	29/12/2020	-11
MGS 09/21	1.660	28	1.703	29/12/2020	-4
MGS 11/21	1.706	25	1.712	29/12/2020	-1
MGS 03/22	1.821	19	1.742	29/12/2020	8
MGS 08/22	1.802	12	1.773	29/12/2020	3
MGS 09/22	1.818	0	1.801	22/12/2020	2
MGS 03/23	1.914	1	1.885	29/12/2020	3
MGS 07/24	2.046	1	2.025	29/12/2020	2
MGS 09/24	2.062	1	2.074	29/12/2020	-1
MGS 09/25	2.140	20	2.142	28/12/2020	0
MGS 04/26	2.293	2	2.185	22/12/2020	11
MGS 07/26	2.295	2	2.295	23/12/2020	0
MGS 11/26	2.260	3	2.250	23/12/2020	1
MGS 03/27	2.423	0	2.118	16/12/2020	31
MGS 05/27	2.376	1	2.368	29/12/2020	1
MGS 11/27	2.409	4	2.420	29/12/2020	-1
MGS 08/29	2.625	11	2.606	29/12/2020	2
MGS 04/30	2.690	2	2.675	29/12/2020	2
MGS 04/31	2.654	1	2.677	29/12/2020	-2
MGS 06/31	2.782	51	2.791	29/12/2020	-1
MGS 04/32	3.021	1	3.012	29/12/2020	1
MGS 11/33	3.260	10	3.260	29/12/2020	0
MGS 07/34	3.221	8	3.217	29/12/2020	0
MGS 03/46	3.842	0	3.863	28/12/2020	-2
MGS 06/50	3.827	22	3.843	29/12/2020	-2
GII 03/21	1.778	30	1.779	29/12/2020	0
GII 05/23	1.915	80	1.924	29/12/2020	-1
GII 10/24	2.072	10	2.090	29/12/2020	-2
GII 10/28	2.655	20	2.668	28/12/2020	-1
GII 07/29	2.728	3	2.741	28/12/2020	-1
GII 10/30	2.806	23	2.772	29/12/2020	3
GII 09/39	3.557	1	3.560	29/12/2020	0
GII 11/49	3.938	20	4.009	28/12/2020	-7
		<u>459</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*	
Danalnra Nasional Berhad	04/29	GG	2.968	40	2.980	29/12/2020	-1	48
Prasarana Malaysia Berhad	09/29	GG	2.988	250	2.648	19/08/2020	34	37
Danalnra Nasional Berhad	11/30	GG	3.148	110	2.751	11/08/2020	40	46
Lembaga Pembiayaan Perumahan Sektor Awam	04/33	GG	3.399	200	3.040	04/08/2020	36	71
Danalnra Nasional Berhad	10/33	GG	3.470	200	3.540	04/12/2020	-7	24
Danalnra Nasional Berhad	02/39	GG	3.701	10	3.369	06/08/2020	33	30
Danalnra Nasional Berhad	04/39	GG	3.700	10	3.670	18/11/2020	3	30
Malaysia Airport Holdings Berhad	11/27	AAA	3.296	10	3.343	27/11/2020	-5	92
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/31	AAA	3.320	5	3.369	21/12/2020	-5	64
Kuala Lumpur Kepong Berhad	09/34	AA1	3.820	5	3.621	20/10/2020	20	59
Fortune Premiere Sdn Berhad	09/25	AA	3.163	12	3.165	23/12/2020	0	104
Anih Berhad	11/28	AA	3.369	4	3.266	15/09/2020	10	88
BGSM Management Sdn Berhad	12/27	AA3	3.150	5	3.118	08/09/2020	3	77
Tan Chong Motor Holdings Berhad	11/21	A1	3.814	0	4.250	29/12/2020	-44	209
			<u>862</u>					

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

Market/Corporate News: What's Brewing

The Securities Commission Malaysia (SC) said today it has issued a guidance note in response to the increasing number of queries and complaints received regarding various social media, chat rooms and messaging applications that appear to be providing specific stock recommendations and investment advice to the public for a fee. In a statement today, the SC said its Guidance Note on

Provision of Investment Advice aims to provide clarity to the industry and members of the public on conduct which the SC considers as falling within the regulated activity of providing investment advice under the Capital Markets and Services Act 2007 (CMSA). "The SC cautions members of the public against dealing with unlicensed investment advisers as they could be defrauded or used as part of a market manipulation scheme," the SC said. "Investors are reminded to verify the licensing status of platforms, companies and individuals offering capital market services or products, including the provision of investment advice, before making any investment decision. "Any person carrying on a business of giving investment advice without a licence commits an offence under the CMSA which is punishable with a fine not exceeding RM10 million or imprisonment not exceeding 10 years or both, if found guilty," the SC said. In the guidance note, the SC said that in the past year, the regulator received an increasing number of queries from the public seeking clarification regarding investment advice activities. Considering that this activity is gaining more attention, the SC said the guidance note seeks to provide clarification as to when the activity of giving investment advice is likely to be considered as a regulated activity, for the purposes of licensing under the CMSA. "A person is required to be licensed by the SC for providing investment advice under the Schedule 2 of the CMSA when the activity fulfils any one of the following: (a) carrying on a business of advising others concerning securities or derivatives; or (b) as part of a business, issues or promulgates analyses or reports concerning securities or derivatives," the SC said. (Source: *theedgemarkets*)

UEM Sunrise Bhd is selling 72 freehold industrial plots measuring 169.8 acres in Iskandar Puteri, Johor to AME Elite Consortium Bhd for RM434.3 million. AME's wholly-owned subsidiaries Pentagon Land Sdn Bhd and Greenhill SiLC Sdn Bhd entered into two sales and purchase agreements with UEM Land Bhd and Nusajaya Heights Sdn Bhd, both wholly-owned by UEM Sunrise. The new lands are near to AME's i-Park@SiLC industrial park that was completed in 2013, and about 30 minutes to its ongoing integrated industrial park developments, namely i-Park@Indahpura and i-Park@Senai Airport City. UEM Sunrise chief officer of performance delivery and commercial Anuar Kasim said the sale would be the start of a strategic collaboration between UEM Sunrise, the landowner and master developer of Iskandar Puteri, and AME. UEM Sunrise is confident that this would be another catalyst for the Iskandar Puteri Development Masterplan, particularly in accelerating the growth and development of the Southern Industrial and Logistics Clusters (SiLC). "This will have a positive impact on the rapidly growing township of Iskandar Puteri, enhancing its livable qualities for the surrounding communities. "This deal will also create new business and employment opportunities in the region. Additionally, it helps promote a conducive economic environment to spur demand for UEM Sunrise's southern property products," Anuar said today. Among the catalytic developments under the Iskandar Puteri Development Masterplan is the development of integrated industrial parks, of which SiLC forms an essential component. "With Phases 1 and 2 of SiLC sold out, the collaboration with AME will enable the roll out of Phase 3 more rapidly as UEM Sunrise will be dealing with an industrial park specialist, rather than several plot buyers. AME group managing director Kelvin Lee Chai is optimistic of the prospects of the new land as it aimed to replicate its past successes in industrial park developments. Lee said AME was targeting to generate more than RM1.5 billion in gross development value (GDV) through the acquisitions. "The land acquisitions from UEM Sunrise are the precursor to our collaboration towards collectively generating economic benefits, by transforming the parcels of land into a successful gated-and-guarded integrated industrial park," he said in a separated

statement. Lee said AME had built a commendable track record via its i-Park developments, generating GDV exceeding RM2.5 billion. "Our projects have consistently registered high take up rates, as we continue to attract various leading domestic and international companies. "With the new lands, our total landbank would increase to 232.2 acres, allowing us to generate sizable GDV over the development period. The enlarged scale of developments would extend the sustainability of our earnings even further," he said. (Source: NSTP)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Nil			

Source: RAM, MARC

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