

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	0
5-yr UST	0.40	0
10-yr UST	1.08	1
30-yr UST	1.86	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.84	0	1.88	0
5-yr	2.05	-3	2.20	-1
7-yr	2.46	0	2.48	1
10-yr	2.70	-1	2.76	-1
15-yr	3.32	0	3.44	0
20-yr	3.54	0	3.64	0
30-yr	3.92	-3	4.05	-2

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	0
3-yr	1.98	0
5-yr	2.18	0
7-yr	2.34	-1
10-yr	2.60	2

Source : Bloomberg

Upcoming Government Bond Tender

RM4.5b of 5Y GII 3/26 on Wednesday, 3rd February 2021

- US Treasuries rose higher on Monday in relatively quiet trading; giving up prior day's gains as market digested the still expanding ISM manufacturing data for January (despite the slight dip) and also the December construction spending report. Overall benchmark yields closed mostly between 0-2bps higher with the UST 2Y yield almost unchanged at 0.11% whilst the much-watched 10Y edged 1bps up at 1.08%. The heavy IG slate issuance was also seen to drive the longer-end yields higher; led by names such as Altria, GATX and National Rural Utilities. Separately, The US Treasury said that it planned to borrow \$2.47b in 1Q2021; significantly lower than the November estimate of \$1.127 trillion due to its higher cash balances. Nevertheless, current borrowing projections do not count for any new fiscal spending. Meanwhile, expect attention to eventually focus on the ADP employment change tomorrow followed by the NFP jobs numbers later this Friday.

MGS/GII

- Last Friday, local govies saw stronger momentum on bargain-hunting activities with MGS generally stronger across all tenures. Overall benchmark yields closed mostly lower between 0-3bps save for the 7Y, 10Y GII amid a spike in secondary market volume @ RM4.08b. The 5Y MGS 9/25 yield closed 3bps lower at 2.05% whilst the 10Y MGS 4/31 edged 1bps lower at 2.70%. Interest was anchored in the off-the-run 27-28's and also benchmark 10Y, 20Y MGS/GII. GII bond trades eased to form ~35% of overall trades. Expect investors to focus on tomorrow's 5Y GII auction as further news updates of MCO 2.0 and vaccination rollout take center-stage for now.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to see decent activity last Friday. Interest was seen across the GG-AA part of the curve amid the halving of secondary market volume @ RM502m as overall yields closed mostly mixed with trades covering ~29 names. The 2026 tranches of LPPSA and PRASA declined 12-14bps compared to previous-done levels between 2.43-46%. The longer-end PLUS 30 and 32 however rose 9-16bps instead at 3.22% and 3.44% respectively whilst PASB 6/27 edged 1bps lower on substantial interest resulting in RM50m in transacted amounts. WESTPORT saw its 2021, 2024 and 2026 tranches, exchange hands closing lower on yields at 2.14%, 2.58% and 2.78%. The banking space saw AmBank Islamic 27NC22 notch RM30m of trades, closing 9bps lower at 2.53%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.747	21	1.739	27/01/2021	1
MGS 09/21	1.755	60	1.728	27/01/2021	3
MGS 11/21	1.752	130	1.776	27/01/2021	-2
MGS 03/22	1.736	6	1.735	27/01/2021	0
MGS 08/22	1.757	21	1.832	27/01/2021	-8
MGS 09/22	1.712	15	1.810	26/01/2021	-10
MGS 03/23	1.839	178	1.852	27/01/2021	-1
MGS 04/23	1.876	25	1.879	27/01/2021	0
MGS 08/23	1.864	8	1.880	27/01/2021	-2
MGS 06/24	1.933	28	1.983	27/01/2021	-5
MGS 07/24	1.960	46	1.986	27/01/2021	-3
MGS 09/24	1.976	53	1.998	27/01/2021	-2
MGS 03/25	2.059	10	2.113	27/01/2021	-5
MGS 09/25	2.048	130	2.083	27/01/2021	-4
MGS 04/26	2.219	2	2.216	27/01/2021	0
MGS 07/26	2.257	53	2.238	27/01/2021	2
MGS 11/26	2.241	3	2.238	27/01/2021	0
MGS 03/27	2.350	2	2.359	25/01/2021	-1
MGS 05/27	2.355	124	2.396	27/01/2021	-4
MGS 11/27	2.435	179	2.454	27/01/2021	-2
MGS 06/28	2.463	36	2.468	27/01/2021	0
MGS 08/29	2.691	172	2.696	27/01/2021	-1
MGS 04/30	2.811	33	2.792	27/01/2021	2
MGS 04/31	2.702	179	2.711	27/01/2021	-1
MGS 06/31	2.842	18	2.888	27/01/2021	-5
MGS 04/32	3.110	32	3.125	27/01/2021	-2
MGS 04/33	3.375	40	3.395	27/01/2021	-2
MGS 11/33	3.372	93	3.379	27/01/2021	-1
MGS 07/34	3.317	167	3.321	27/01/2021	0
MGS 05/35	3.376	10	3.401	27/01/2021	-2
MGS 04/37	3.499	20	3.480	26/01/2021	2
MGS 06/38	3.662	11	3.658	26/01/2021	0
MGS 05/40	3.541	708	3.544	27/01/2021	0
MGS 09/43	3.875	9	3.876	25/01/2021	0
MGS 03/46	3.961	3	4.005	27/01/2021	-4
MGS 07/48	3.955	5	4.003	27/01/2021	-5
MGS 06/50	3.921	43	3.956	27/01/2021	-4
GII 03/21	1.787	20	1.745	27/01/2021	4
GII 03/22	1.793	20	1.770	27/01/2021	2
GII 05/23	1.876	118	1.877	27/01/2021	0
GII 11/23	1.927	7	1.951	22/01/2021	-2
GII 10/24	1.951	4	2.013	27/01/2021	-6
GII 08/25	2.150	2	2.166	27/01/2021	-2
GII 03/26	2.199	24	2.208	27/01/2021	-1
GII 07/27	2.532	4	2.517	27/01/2021	2
GII 09/27	2.480	57	2.466	26/01/2021	1
GII 10/28	2.669	124	2.678	27/01/2021	-1
GII 07/29	2.727	20	2.742	26/01/2021	-2
GII 10/30	2.755	723	2.767	27/01/2021	-1
GII 06/33	3.380	61	3.401	27/01/2021	-2
GII 11/34	3.407	207	3.411	27/01/2021	0
GII 07/36	3.439	8	3.434	27/01/2021	0
GII 09/39	3.640	2	3.640	27/01/2021	0
GII 11/49	4.046	3	4.063	27/01/2021	-2
		<u>4075</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*
Lembaga Pembiayaan Perumahan Sektor Awam	04/26	GG	2.428	20	2.568	08/07/2020	-14	36
Prasarana Malaysia Berhad	08/26	GG	2.458	20	2.581	13/01/2021	-12	17
Prasarana Malaysia Berhad	08/28	GG	2.861	5	2.877	26/01/2021	-2	28
GovCo Holdings Berhad	09/32	GG	3.316	40	3.029	02/09/2020	29	61
Pengurusan Air SPV Berhad	11/21	AAA	2.155	50	2.160	07/01/2021	-1	41
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/22	AAA	2.248	20	3.321	04/02/2020	-107	45
Danum Capital Berhad	05/25	AAA	2.569	10	2.579	22/01/2021	-1	59
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/26	AAA	2.762	10	2.799	08/01/2021	-4	47
Pengurusan Air SPV Berhad	06/27	AAA	2.849	30	2.878	27/01/2021	-3	56
Sarawak Energy Berhad	11/28	AAA	2.989	2	2.979	15/01/2021	1	41
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.224	10	3.137	14/10/2020	9	55
Projek Lebuhraya Usahasama Berhad	01/32	AAA	3.436	10	3.278	29/09/2020	16	73
YTL Power International Berhad	06/22	AA1	2.806	10	2.817	19/01/2021	-1	106
YTL Corporation Berhad	04/23	AA1	3.024	30	3.046	07/10/2020	-2	123
Celcom Networks Sdn Berhad	10/26	AA+	2.900	20	2.903	26/01/2021	0	61
YTL Power International Berhad	05/27	AA1	3.463	40	3.458	22/01/2021	0	118
Westports Malaysia Sdn Berhad	05/21	AA+	2.135	10	2.208	20/11/2020	-7	39
Westports Malaysia Sdn Berhad	05/24	AA+	2.576	10	3.725	26/09/2019	-115	73
Westports Malaysia Sdn Berhad	04/26	AA+	2.779	10	2.823	27/01/2021	-4	71
Celcom Networks Sdn Berhad	08/27	AA+	2.991	10	2.989	25/01/2021	0	53
Perbadanan Kemajuan Negeri Selangor	08/21	AA3	2.916	30	2.985	12/01/2021	-7	117
AmBank Islamic Berhad	03/27	AA3	2.526	30	2.611	17/12/2020	-9	24
UEM Sunrise Berhad	12/22	AA-	3.548	10	3.546	19/01/2021	0	175
Penang Port Sdn Berhad	12/31	AA-	3.600	22	3.595	25/01/2021	0	90
Penang Port Sdn Berhad	12/29	AA-	3.401	35	3.449	10/12/2020	-5	73
Alliance Bank Malaysia Berhad	10/35	A2	3.578	1	3.578	26/01/2021	0	26
IJM Land Berhad	03/19	A2	5.088	5	4.843	18/01/2021	25	154
Tropicana Corporation Berhad	10/23	A+	5.034	2	4.896	22/10/2020	14	319
Tropicana Corporation Berhad	10/25	A+	5.277	1	5.104	27/01/2021	17	321
				<u>502</u>				

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

Rating Action

Isuser	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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