

## 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	0.42	2
10-yr UST	1.10	2
30-yr UST	1.87	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.84	0	1.86	-2
5-yr	2.07	2	2.22	2
7-yr	2.46	0	2.47	-1
10-yr	2.71	0	2.75	-1
15-yr	3.32	1	3.43	0
20-yr	3.54	0	3.64	0
30-yr	3.91	-1	4.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	0
3-yr	1.96	-2
5-yr	2.17	-1
7-yr	2.35	1
10-yr	2.61	1

Source : Bloomberg

#### Upcoming Government Bond Tender

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

- US Treasuries regained ground following an initial drop but remained in negative territory on Tuesday as additional fiscal stimulus being discussed about, reduced the appeal of UST's. 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 2bps up at 1.10%. The selling was nevertheless restrained by the Fed's ongoing commitment to low rates and also technicals. Front-end investors and traders are expected to await the Treasury's refuding announcement tonight for guidance on the cash balance and potential cuts to Treasury bill supply. Meanwhile, on an otherwise quiet economic front, expect trading on Wednesday to take cues from ADP private sector employment change tonight followed by the NFP jobs numbers later this Friday.

##### MGS/GII

- On Tuesday, local govies saw wider participation from investors and traders alike. Overall benchmark yields closed mostly mixed between -2 to +2bps across the curve amid a further spike in secondary market volume @ RM6.37b. The 5Y MGS 9/25 yield closed 2bps higher at 2.07% whilst the 10Y MGS 4/31 ended within 1bps up at 2.71%. Interest was spread out in the off-the-run 21's, 23's, 28's and also benchmark 7Y GII and also the 20Y MGS. GII bond trades rose to form ~46% of overall trades. Expect investors to focus on the 5Y GII auction today besides being on the lookout for any updates on MCO 2.0 and vaccination rollout matters following the extension of the lockdown until 18<sup>th</sup> February.

##### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space maintained strong secondary activity on Monday. Interest was seen mainly across the AAA-AA part of the curve amid a slight increase in market volume @ RM552m as overall yields closed mostly mixed again with trades covering ~27 names. The sole govt-guaranteed trade involved PRASA 12/38 which rose 5bps compared to previous-done levels at 3.81%. AAA-rated DANUM 2/25 and DIGI 9/29 closed 10bps lower instead at 2.54% and 3.09% respectively. AA-rated energy-related bonds JEP saw the 2024 tranche edge 1bps lower at 3.06% whilst the 2025 tranches ended 2-3bps higher between 3.13-19%. KL Kepong saw a total of RM80m exchange hands with the 4/26 and 9/29 moving 1-3bps lower at 2.82% and 3.22% each. The banking space saw UOB 30NC25 decline 3bps at 2.93%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 02/21	1.608	29	1.770	27/01/2021	-16
MGS 07/21	1.743	61	1.747	29/01/2021	0
MGS 09/21	1.724	196	1.755	29/01/2021	-3
MGS 11/21	1.742	325	1.752	29/01/2021	-1
MGS 03/22	1.767	22	1.736	29/01/2021	3
MGS 08/22	1.745	81	1.757	29/01/2021	-1
MGS 09/22	1.773	54	1.712	29/01/2021	6
MGS 03/23	1.835	159	1.839	29/01/2021	0
MGS 04/23	1.837	240	1.876	29/01/2021	-4
MGS 08/23	1.883	15	1.864	29/01/2021	2
MGS 06/24	1.962	69	1.933	29/01/2021	3
MGS 07/24	1.996	5	1.960	29/01/2021	4
MGS 09/24	2.015	94	1.976	29/01/2021	4
MGS 03/25	2.085	49	2.059	29/01/2021	3
MGS 09/25	2.073	153	2.048	29/01/2021	2
MGS 04/26	2.200	80	2.219	29/01/2021	-2
MGS 07/26	2.238	180	2.257	29/01/2021	-2
MGS 11/26	2.215	137	2.241	29/01/2021	-3
MGS 03/27	2.337	13	2.350	29/01/2021	-1
MGS 05/27	2.382	68	2.355	29/01/2021	3
MGS 11/27	2.437	60	2.435	29/01/2021	0
MGS 06/28	2.463	83	2.463	29/01/2021	0
MGS 08/29	2.697	454	2.691	29/01/2021	1
MGS 04/30	2.791	56	2.811	29/01/2021	-2
MGS 04/31	2.705	92	2.702	29/01/2021	0
MGS 06/31	2.872	23	2.842	29/01/2021	3
MGS 04/33	3.343	108	3.375	29/01/2021	-3
MGS 11/33	3.376	26	3.372	29/01/2021	0
MGS 07/34	3.323	157	3.317	29/01/2021	1
MGS 05/35	3.384	4	3.376	29/01/2021	1
MGS 04/37	3.550	9	3.499	29/01/2021	5
MGS 06/38	3.655	26	3.662	29/01/2021	-1
MGS 05/40	3.544	308	3.541	29/01/2021	0
MGS 09/43	3.875	9	3.876	25/01/2021	0
MGS 03/46	3.918	12	3.961	29/01/2021	-4
MGS 07/48	3.950	2	3.955	29/01/2021	0
MGS 06/50	3.909	3	3.921	29/01/2021	-1
GII 03/21	1.747	135	1.787	29/01/2021	-4
GII 04/21	1.701	30	1.738	26/01/2021	-4
GII 08/21	1.749	400	1.750	27/01/2021	0
GII 03/22	1.746	214	1.793	29/01/2021	-5
GII 04/22	1.729	50	1.780	26/01/2021	-5
GII 07/22	1.785	410	1.730	20/01/2021	5
GII 05/23	1.857	210	1.876	29/01/2021	-2
GII 11/23	1.933	9	1.927	29/01/2021	1
GII 10/24	1.984	367	1.951	29/01/2021	3
GII 08/25	2.171	2	2.150	29/01/2021	2
GII 03/26	2.218	41	2.199	29/01/2021	2
GII 09/26	2.278	20	2.281	29/01/2021	0
GII 09/27	2.473	354	2.480	29/01/2021	-1
GII 10/28	2.670	278	2.669	29/01/2021	0
GII 07/29	2.727	130	2.727	29/01/2021	0
GII 10/30	2.746	221	2.755	29/01/2021	-1
GII 06/33	3.369	13	3.380	29/01/2021	-1
GII 11/34	3.433	2	3.407	29/01/2021	3
GII 07/36	3.434	21	3.439	29/01/2021	0
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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*
Prasarana Malaysia Berhad	12/38	GG	3.809	15	3.758	21/12/2020	5	26
Sarawak Energy Berhad	01/22	AAA	2.150	150	2.190	25/01/2021	-4	40
Malaysia Airports Capital Berhad	12/22	AAA	2.636	20	2.650	11/01/2021	-1	84
Danum Capital Berhad	02/25	AAA	2.536	20	2.637	18/12/2020	-10	56
Manjung Island Energy Berhad	11/25	AAA	2.622	30	2.675	17/12/2020	-5	54
Sarawak Energy Berhad	06/26	AAA	2.680	30	2.697	22/01/2021	-2	60
Bakun Hydro Power Generation Sdn Berhad (fka Sarav Danga Capital Berhad	08/27	AAA	2.882	20	2.893	27/01/2021	-1	42
	09/27	AAA	2.869	10	2.850	23/11/2020	2	40
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.089	10	3.191	14/12/2020	-10	41
Pengerang LNG (Two) Sdn Berhad	10/29	AAA	3.093	10	-	-	-	42
Sabah Development Bank Berhad	04/24	AA1	2.931	10	3.794	02/12/2020	-86	109
Sabah Development Bank Berhad	08/25	AA1	3.100	10	-	-	-	102
GENM Capital Berhad	08/25	AA1	3.926	1	3.933	15/01/2021	-1	184
Kuala Lumpur Kepong Berhad	04/26	AA1	2.816	20	2.850	25/01/2021	-3	73
Kuala Lumpur Kepong Berhad	09/29	AA1	3.219	60	3.229	27/01/2021	-1	54
United Overseas Bank (Malaysia) Berhad	08/30	AA1	2.928	20	2.957	27/01/2021	-3	22
UMW Holdings Berhad	06/22	AA2	2.462	20	2.467	26/01/2021	0	71
UMW Holdings Berhad	10/26	AA2	3.115	20	3.165	24/12/2020	-5	85
Jimah East Power Sdn Berhad	12/24	AA-	3.061	30	3.067	11/01/2021	-1	108
Jimah East Power Sdn Berhad	06/25	AA-	3.128	10	3.110	21/01/2021	2	115
Jimah East Power Sdn Berhad	12/25	AA-	3.192	10	3.163	06/01/2021	3	111
Tan Chong Motor Holdings Berhad	11/21	A1	4.346	20	3.818	08/01/2021	53	260
UMW Holdings Berhad	04/18	A1	4.632	2	4.309	14/01/2021	32	109
Alliance Bank Malaysia Berhad	10/35	A2	3.627	2	3.578	29/01/2021	5	30
IJM Land Berhad	03/19	A2	4.422	1	5.088	29/01/2021	-67	88
Tropicana Corporation Berhad	10/23	A+	5.034	1	5.034	29/01/2021	0	319
Tropicana Corporation Berhad	10/25	A+	5.277	1	5.277	29/01/2021	0	319
				<u>552</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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