

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	1
5-yr UST	0.44	2
10-yr UST	1.14	4
30-yr UST	1.93	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.84	0	2.14	28
5-yr	2.12	5	2.26	4
7-yr	2.49	2	2.47	0
10-yr	2.72	2	2.74	0
15-yr	3.34	2	3.44	0
20-yr	3.54	0	3.65	1
30-yr	3.94	3	4.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.89	1
3-yr	1.98	2
5-yr	2.21	4
7-yr	2.40	5
10-yr	2.61	0

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasuries pulled back on Wednesday as investors and traders grew more confident that the COVID-19 vaccine rollouts and further fiscal aid from Congress would benefit the economy going forward. The curve steepened as overall benchmark yields closed between 1-6bps higher. The UST 2Y yield edged 1bps up at 0.12% whilst the much-watched 10Y yield spiked 4bps at 1.14%. Private payroll processor ADP's stronger-than-expected job report is expected to provide hope for a rebound in the upcoming jobs data release on Friday. The long bond settled at its highest in almost a year with the 5s30s spread of 149bps at its widest in almost 5 years. It has stayed above its moving averages, supported by prospects of another round of stimulus package and also rising expectations of inflation. Expect attention to shift to the release of the important NFP jobs numbers tomorrow.

### MGS/GII

- On Wednesday, local govies were mostly pressured with MGS leading the decline as overall benchmark yields closed between 0-5bps across the curve save for the RM50m trade on 3Y GII. Secondary market volume remained solid @ RM6.27b. The 5Y MGS 9/25 yield spiked 5bps higher at 2.12% whilst the 10Y MGS 4/31 yields ended 2bps up at 2.72%. Interest was mainly seen in the off-the-run 21-22's, 34's and also benchmark 10Y MGS. GII bond trades rose to form ~54% of overall trades. The 5Y GII auction yesterday saw strong bidding metrics i.e BTC ratio of 2.067x and awarded at 2.252%. Meantime, expect investors to monitor further updates on the extended MCO and vaccination rollout matters.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to witness strong secondary market activity on Wednesday. Interest was seen mainly across the GG-AA part of the curve amid a sustained volume of RM583m as overall yields closed mostly mixed again with trades covering ~25 names. Govt-guaranteed DANA 25's ended 4-20bps lower compared to previous-done levels at 3.20% whilst GOVCO 2/32 spiked 27bps instead at 3.24%. AAA-rated MACB 12/22 closed unchanged at 2.63% whereas MAHB 11/30 made its miden trade at 3.64%. AA-rated plantation giant KL Kepong 9/29 traded again; edging 1bps down at 3.21% whilst WCT 10/21 declined 10bps at 3.65%. The banking space saw RHB 30NC25 move 3bps lower at 2.99% whilst Hong Leong Financial Group 28NC23 stayed flat at 2.88%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.652	327	1.743	02/02/2021	-9
MGS	08/22	1.758	7	1.745	02/02/2021	1
MGS	07/24	1.986	40	1.996	02/02/2021	-1
MGS	09/25	2.122	80	2.053	02/02/2021	7
MGS	08/23	1.863	67	1.883	02/02/2021	-2
MGS	03/22	1.642	27	1.767	02/02/2021	-13
MGS	03/25	2.108	1	2.085	02/02/2021	2
MGS	07/26	2.276	137	2.238	02/02/2021	4
MGS	06/50	3.943	2	3.909	02/02/2021	3
MGS	03/27	2.345	16	2.337	02/02/2021	1
MGS	09/22	1.791	158	1.773	02/02/2021	2
MGS	03/46	3.914	2	3.918	02/02/2021	0
MGS	09/24	2.027	14	2.015	02/02/2021	1
MGS	04/23	1.855	99	1.837	02/02/2021	2
MGS	08/29	2.678	22	2.697	02/02/2021	-2
MGS	04/31	2.724	266	2.705	02/02/2021	2
MGS	05/27	2.412	39	2.395	02/02/2021	2
MGS	04/30	2.791	10	2.791	02/02/2021	0
MGS	04/26	2.198	20	2.200	02/02/2021	0
MGS	03/23	1.837	128	1.835	02/02/2021	0
MGS	09/21	1.751	166	1.724	02/02/2021	3
MGS	11/26	2.203	111	2.215	02/02/2021	-1
MGS	04/37	3.496	6	3.550	02/02/2021	-5
MGS	11/33	3.424	32	3.376	02/02/2021	5
MGS	06/24	1.971	26	1.962	02/02/2021	1
MGS	06/31	2.885	10	2.872	02/02/2021	1
MGS	04/32	3.131	2	3.110	29/01/2021	2
MGS	04/33	3.360	77	3.343	02/02/2021	2
MGS	11/21	1.697	534	1.742	02/02/2021	-4
MGS	11/27	2.446	8	2.437	02/02/2021	1
MGS	06/38	3.676	57	3.655	02/02/2021	2
MGS	07/34	3.344	186	3.323	02/02/2021	2
MGS	06/28	2.487	107	2.463	02/02/2021	2
MGS	05/40	3.544	103	3.544	02/02/2021	0
GII	07/27	2.523	20	2.532	29/01/2021	-1
GII	07/29	2.723	2	2.727	02/02/2021	0
GII	09/27	2.471	65	2.473	02/02/2021	0
GII	07/36	3.438	40	3.434	02/02/2021	0
GII	08/21	1.750	800	1.749	02/02/2021	0
GII	10/30	2.744	209	2.746	02/02/2021	0
GII	09/26	2.304	20	2.278	02/02/2021	3
GII	04/22	1.757	46	1.729	02/02/2021	3
GII	03/26	2.255	1405	2.218	02/02/2021	4
GII	03/22	1.757	310	1.746	02/02/2021	1
GII	10/24	1.988	5	1.984	02/02/2021	0
GII	08/33	3.386	10	3.429	26/01/2021	-4
GII	03/21	1.914	215	1.747	02/02/2021	17
GII	11/34	3.451	234	3.433	02/02/2021	2
GII	05/23	1.886	5	1.857	02/02/2021	3
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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*
Pengurusan Air SPV Berhad	02/29	GG	2.898	20	2.940	19/01/2021	-4	31
GovCo Holdings Berhad	02/32	GG	3.240	15	2.969	02/09/2020	27	53
Danainfra Nasional Berhad	03/32	GG	3.199	60	3.239	26/11/2020	-4	49
Danainfra Nasional Berhad	05/32	GG	3.199	20	3.397	10/12/2020	-20	49
Sarawak Energy Berhad	01/22	AAA	2.176	80	2.150	02/02/2021	3	43
Telekom Malaysia Berhad	06/22	AAA	2.175	40	2.183	20/01/2021	-1	43
Malaysia Airports Capital Berhad	12/22	AAA	2.633	20	2.636	02/02/2021	0	83
Putrajaya Bina Sdn Berhad	09/24	AAA	2.455	30	2.520	10/11/2020	-6	47
Danga Capital Berhad	02/26	AAA	2.646	20	2.689	26/01/2021	-4	56
Malaysia Airport Holdings Berhad	11/30	AAA	3.639	20	-	-	-	93
Kuala Lumpur Kepong Berhad	09/29	AA1	3.213	20	3.219	02/02/2021	-1	54
UMW Holdings Berhad	09/23	AA2	2.668	20	2.664	19/01/2021	0	82
Imtiaz Sukuk II Berhad	10/25	AA2	2.868	50	2.887	21/01/2021	-2	78
Hong Leong Financial Group Berhad	06/28	AA2	2.882	20	2.885	26/01/2021	0	41
Fortune Premiere Sdn Berhad	12/22	AA	2.823	10	2.807	08/12/2020	2	102
UEM Sunrise Berhad	06/21	AA-	3.319	20	3.157	14/10/2020	16	157
Trinity Asia Ventures Berhad	09/22	AA3	3.889	10	4.141	17/07/2020	-25	209
IJM Corporation Berhad	04/25	AA3	3.217	40	3.250	19/08/2020	-3	124
RHB Bank Berhad	05/30	AA3	2.988	30	3.019	27/01/2021	-3	31
WCT Holdings Berhad	10/21	AA-	3.652	10	3.750	26/10/2020	-10	190
Sinar Kamiri Sdn Berhad	01/23	AA-	3.585	5	4.684	29/10/2019	-110	178
TG Excellence Berhad	02/20	AA-	3.602	1	3.194	22/01/2021	41	5
Tan Chong Motor Holdings Berhad	11/21	A1	4.345	20	4.346	02/02/2021	0	260
Tropicana Corporation Berhad	10/25	A+	5.216	1	5.277	02/02/2021	-6	313
YNH Property Berhad	08/19	-	6.295	1	6.817	29/01/2021	-52	275
				<u>583</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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