

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	2
5-yr UST	0.73	7
10-yr UST	1.48	9
30-yr UST	2.28	8

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.96	-1	2.03	0
5-yr	2.33	1	2.62	0
7-yr	2.79	1	2.88	0
10-yr	3.09	3	3.18	-2
15-yr	3.68	1	3.78	-1
20-yr	3.92	0	4.10	0
30-yr	4.15	-1	4.27	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.28	3
5-yr	2.52	0
7-yr	2.73	2
10-yr	3.08	-3

Source : Bloomberg

### Upcoming Government Bond Tender.

Re-opening of RM2.0b + RM2.0b Private Placement of 30Y MGS 5/40 on Friday, 5<sup>th</sup> March, 2021

- US Treasuries shifted lower on Wednesday as the bond market sell-off gathered pace, following news that ECB policymakers downplayed concerns to cap debt yields. President Biden's announcement that vaccine availability for all citizens will be available latest by end-May coupled with higher inflationary expectations (aided by climbing oil prices), added to the spike in yields. Overall benchmark yields closed between 2-9bps higher versus prior day. The UST 2Y yield edged 2bps up at 0.14% whilst the much-watched 10Y yield spiked 9bps instead at 1.48%; highest seen since February 2020. Whilst the Fed is seen to be comfortable with slightly higher yields to reflect better growth expectations, the pricing-in of aggressive rate hikes on the front-end is likely to raise concerns. Meanwhile attention is expected to shift to the important release of February jobs data tomorrow.

### MGS/GII

- On Wednesday, local govies ranged sideways on lack of meaningful leads ahead of the MPC meeting today amid a lower secondary market volume of RM2.06b. Overall benchmark yields closed mostly mixed between -2 to +3bps across the curve save for most GII tenures which were largely unchanged. The 5Y MGS 9/25 yield edged 1bps higher at 2.33% whilst the 10Y MGS 4/31 yield rose 3bps instead at 3.09%. Interest was mainly seen in the off-the-run 21's, 29's and also the benchmark 3Y MGS. GII bond trades maintained to form a mere ~13% of overall trades. Meanwhile, expect attention to focus on BNM's decision on the OPR this afternoon followed by the auction of the nation's long-bond tomorrow.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw further improvement in investor interest with overall yields ending mostly higher with transactions seen across the GG-AA part of the curve. Secondary market volume rose d/d to RM514m with trades covering ~21 names. Government-guaranteed DANA 11/29 and 11/34 saw yields spike 31-71bps compared to previous-done levels at 3.31% and 3.93% each. AAA-rated water utility bond PASB 22 and 24 notched RM100m in nominal amounts; edging 0-1bps higher at 2.19% and 2.54% respectively. AA-rated energy-related bond EDRA saw its 2024, 2025 and 2029 tranches closed mixed on yields at 3.06%, 3.36% and 3.78% respectively whilst IJM 8/28 closed 8bps higher at 3.78%. Meanwhile, the banking space saw the short-tenured BPMB 3/22 exchange hands again; edging 1bps up at 2.29% whilst Bank Islam 30NC25 ended unchanged at 3.54%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.730	99	1.759	02/03/2021	-3
MGS 09/21	1.738	153	1.733	02/03/2021	0
MGS 11/21	1.754	100	1.754	02/03/2021	0
MGS 03/22	1.782	190	1.808	02/03/2021	-3
MGS 08/22	1.855	31	1.862	02/03/2021	-1
MGS 09/22	1.899	30	1.880	01/03/2021	2
MGS 03/23	1.957	352	1.975	02/03/2021	-2
MGS 04/23	1.971	74	1.973	02/03/2021	0
MGS 08/23	2.009	47	2.003	02/03/2021	1
MGS 06/24	2.112	20	2.161	02/03/2021	-5
MGS 07/24	2.183	12	2.167	02/03/2021	2
MGS 09/24	2.163	1	2.199	02/03/2021	-4
MGS 03/25	2.279	12	2.276	02/03/2021	0
MGS 09/25	2.330	2	2.323	02/03/2021	1
MGS 07/26	2.517	11	2.524	01/03/2021	-1
MGS 11/26	2.525	173	2.520	02/03/2021	0
MGS 05/27	2.751	24	2.747	02/03/2021	0
MGS 11/27	2.775	18	2.787	02/03/2021	-1
MGS 06/28	2.792	80	2.786	02/03/2021	1
MGS 08/29	3.110	253	3.105	02/03/2021	0
MGS 04/31	3.086	21	3.054	02/03/2021	3
MGS 04/33	3.680	7	3.694	02/03/2021	-1
MGS 07/34	3.680	43	3.674	02/03/2021	1
MGS 04/37	3.934	3	3.955	02/03/2021	-2
MGS 06/38	4.126	10	4.080	02/03/2021	5
MGS 05/40	3.917	10	3.917	02/03/2021	0
MGS 07/48	4.252	2	4.297	01/03/2021	-4
MGS 06/50	4.148	1	4.154	02/03/2021	-1
GII 08/21	1.770	10	1.680	26/02/2021	9
GII 11/23	2.066	70	2.077	02/03/2021	-1
GII 10/24	2.221	30	2.210	26/02/2021	1
GII 09/27	2.877	25	2.877	02/03/2021	0
GII 07/29	3.136	24	3.162	02/03/2021	-3
GII 10/30	3.182	60	3.202	02/03/2021	-2
GII 07/36	3.775	58	3.784	01/03/2021	-1
		<u>2055</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*
Danainfra Nasional Berhad	11/29	GG	3.310	50	3.000	15/01/2021	31	27
Danainfra Nasional Berhad	11/34	GG	3.931	10	3.221	29/07/2020	71	24
Cagamas Berhad	10/21	AAA	1.949	10	1.954	20/10/2020	0	19
Tenaga Nasional Berhad	12/21	AAA	2.088	25	2.142	25/01/2021	-5	33
Pengurusan Air SPV Berhad	02/22	AAA	2.192	70	2.204	04/09/2020	-1	44
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.290	40	2.276	02/03/2021	1	53
Pengurusan Air SPV Berhad	02/24	AAA	2.539	30	2.537	02/03/2021	0	57
Ranhill Powertron II Sdn Berhad	06/24	AAA	3.016	5	3.700	31/01/2020	-68	105
Putrajaya Holdings Sdn Berhad	07/24	AAA	2.488	30	2.427	05/01/2021	6	52
Danga Capital Berhad	01/33	AAA	3.879	20	3.849	25/02/2021	3	81
United Overseas Bank (Malaysia) Berhad	07/28	AA1	2.807	20	2.829	27/08/2020	-2	1
Kuala Lumpur Kepong Berhad	09/29	AA1	3.450	20	3.221	10/02/2021	23	41
Celcom Networks Sdn Berhad	08/24	AA+	2.697	20	2.649	16/02/2021	5	73
Edra Solar Sdn Berhad	10/24	AA2	3.059	10	3.143	04/11/2020	-8	87
Hong Leong Financial Group Berhad	06/29	AA2	3.138	20	3.052	15/02/2021	9	18
Edra Solar Sdn Berhad	10/29	AA2	3.780	10	3.607	15/01/2021	17	74
BGSM Management Sdn Berhad	06/24	AA3	2.677	10	2.819	11/12/2020	-14	71
Edra Energy Sdn Berhad	07/25	AA3	3.358	10	3.344	05/01/2021	1	116
Country Garden Real Estate Sdn Berhad	03/27	AA3	3.866	10	3.868	01/03/2021	0	124
IJM Corporation Berhad	08/28	AA3	3.779	20	3.698	17/02/2021	8	98
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA-	3.090	20	3.095	26/02/2021	-1	90
MMC Corporation Berhad	11/25	AA-	3.747	20	3.747	19/01/2021	0	141
TG Excellence Berhad	02/20	AA-	3.500	1	3.031	01/03/2021	47	-43
Bank Islam Malaysia Berhad	10/30	A1	3.540	25	3.543	01/03/2021	0	47
CIMB Group Holdings Berhad	05/16	A1	4.176	1	3.863	24/02/2021	31	24
Alliance Bank Malaysia Berhad	10/35	A2	3.925	1	3.825	26/02/2021	10	24
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	3.988	5	3.991	01/03/2021	0	92
YNH Property Berhad	08/19	-	6.815	1	6.815	02/03/2021	0	288
				<u>514</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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