

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries closed narrowly mixed on Monday with the curve slightly steeper as overall benchmark yields flirted in narrow ranges before closing between -1 to +1bps. The UST 2Y edged 1bps lower at 0.11% while the 10Y closed within 1bps lower compared to prior day's close at 0.91%, ahead of the US Senate runoff elections in Georgia which will decide if a victory there would ensure a one-party rule. There was some early pressure causing some steepening due to the resumption of IG credit issuance totalling \$23.5b; led by Broadcom's \$10b multi-tranche offering. The better-than-expected construction spending and Markit PMI had little impact on the market. Expect attention to shift to several upcoming data releases beginning with ISM manufacturing and nonfarm jobs data for December. The results of the election next week will be watched carefully for signs to see who controls the Senate along with scope for further fiscal stimulus.

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Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	-1
5-yr UST	0.34	-1
10-yr UST	0.91	0
30-yr UST	1.66	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.84	-4	1.89	-2
5-yr	2.09	-1	2.20	-5
7-yr	2.38	-1	2.47	-4
10-yr	2.58	-6	2.69	-12
15-yr	3.17	-2	3.30	-2
20-yr	3.30	-7	3.50	-5
30-yr	3.81	-1	3.93	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	0
3-yr	2.05	-1
5-yr	2.24	-2
7-yr	2.37	2
10-yr	2.59	-1

Source : Bloomberg

MGS/GIII

- Local govies started 2021 with a bang as buyers swarmed the market causing overall benchmarks yields to end between 0-12bps lower amid a spike in secondary market volume of RM3.96b. The 5Y MGS 9/25 edged 1bps lower at 2.09% whilst the 10Y MGS 4/31 rallied 6bps at 2.58%. Interest was mainly seen in the off-the-run 21's and benchmark 5Y, 7Y GII and 10Y MGS. GII bond trades formed ~50% of overall trades. Meanwhile the MYR trades near the strongest in over 2 years amid an improvement in manufacturing gauges coupled with dollar weakness. Expect attention to shift to the first auction of the year involving the 7Y MGS tomorrow.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw improvement in investor interest amid a rise in secondary market volume of RM241m with interest seen across the curve. Overall yields closed mixed on trades involving ~16 in total. Govt-guaranteed DANA 11/27 spiked 25bps compared to previous-done levels at 2.75% whilst the longer-end PRASA 3/40 rallied 21bps instead at 3.70%. AAA-rated DANUM and PUTRAJAYA 23's ended 3-7bps lower between 2.32-33% area. Energy-related bonds JEP dominated the AA-space with the 2022 tranches closing lower on yields between 2.79-89%. Meanwhile, the banking space saw CIMB Group Holdings perps rise 19bps at 3.51%.

Upcoming Government Bond Tender

Reopening of RM3.5b 7Y MGS 6/28 on Wednesday, 6th of Jan

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.720	70	1.688	31/12/2020	3
MGS 09/21	1.671	53	1.660	30/12/2020	1
MGS 11/21	1.738	300	1.817	31/12/2020	-8
MGS 03/22	1.775	97	1.822	31/12/2020	-5
MGS 08/22	1.799	43	1.837	31/12/2020	-4
MGS 09/22	1.804	47	1.813	31/12/2020	-1
MGS 03/23	1.835	176	1.872	31/12/2020	-4
MGS 04/23	1.933	23	1.916	31/12/2020	2
MGS 08/23	1.885	46	1.908	31/12/2020	-2
MGS 06/24	1.987	60	1.997	31/12/2020	-1
MGS 07/24	2.015	3	2.045	31/12/2020	-3
MGS 09/24	2.012	20	2.062	30/12/2020	-5
MGS 09/25	2.089	69	2.098	31/12/2020	-1
MGS 04/26	2.219	9	2.277	31/12/2020	-6
MGS 07/26	2.270	50	2.294	31/12/2020	-2
MGS 09/26	2.278	4	2.102	18/12/2020	18
MGS 11/26	2.218	21	2.260	30/12/2020	-4
MGS 03/27	2.381	5	2.422	31/12/2020	-4
MGS 05/27	2.379	57	2.387	31/12/2020	-1
MGS 11/27	2.374	31	2.424	31/12/2020	-5
MGS 08/29	2.568	18	2.587	31/12/2020	-2
MGS 04/30	2.650	36	2.682	31/12/2020	-3
MGS 04/31	2.583	285	2.646	31/12/2020	-6
MGS 06/31	2.700	127	2.793	31/12/2020	-9
MGS 04/33	3.204	20	3.181	31/12/2020	2
MGS 11/33	3.207	10	3.260	30/12/2020	-5
MGS 07/34	3.168	146	3.193	31/12/2020	-2
MGS 05/35	3.166	20	3.248	31/12/2020	-8
MGS 04/37	3.371	2	3.393	31/12/2020	-2
MGS 06/38	3.468	1	3.475	31/12/2020	-1
MGS 05/40	3.300	24	3.365	31/12/2020	-7
MGS 03/46	3.805	5	3.842	30/12/2020	-4
MGS 07/48	3.815	4	3.847	31/12/2020	-3
MGS 06/50	3.808	64	3.820	31/12/2020	-1
GII 03/21	1.784	80	1.778	30/12/2020	1
GII 04/21	1.764	50	1.654	25/08/2020	11
GII 08/21	1.640	20	1.630	22/12/2020	1
GII 05/23	1.892	160	1.915	30/12/2020	-2
GII 03/26	2.200	275	2.255	31/12/2020	-5
GII 09/27	2.470	296	2.505	31/12/2020	-3
GII 08/28	2.559	90	2.803	15/12/2020	-24
GII 10/28	2.658	60	2.673	31/12/2020	-2
GII 07/29	2.713	60	2.727	31/12/2020	-1
GII 09/30	2.770	40	2.887	31/12/2020	-12
GII 10/30	2.686	509	2.806	31/12/2020	-12
GII 11/34	3.302	270	3.323	31/12/2020	-2
GII 09/39	3.499	101	3.546	31/12/2020	-5
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Pengurusan Air SPV Berhad	06/25	GG	2.358	10	2.294	18/11/2020	6	35
Lembaga Pembiayaan Perumahan Sektor Awam	11/25	GG	2.341	5	2.348	11/11/2020	-1	25
Danahfra Nasional Berhad	11/27	GG	2.752	10	2.502	19/08/2020	25	37
Prasarana Malaysia Berhad	03/40	GG	3.699	20	3.912	04/12/2020	-21	39
Aman Sukuk Berhad	04/22	AAA	2.185	5	2.338	29/09/2020	-15	45
Danum Capital Berhad	05/23	AAA	2.322	20	2.393	19/10/2020	-7	52
Putrajaya Holdings Sdn Berhad	07/23	AAA	2.329	5	2.359	10/11/2020	-3	47
Manjung Island Energy Berhad	11/28	AAA	3.015	10	2.899	22/07/2020	12	54
Sarawak Energy Berhad	11/28	AAA	2.939	10	3.009	10/12/2020	-7	47
YTL Corporation Berhad	07/30	AA1	3.563	1	3.697	29/12/2020	-13	98
United Overseas Bank (Malaysia) Berhad	08/30	AA1	2.999	10	2.911	29/12/2020	9	41
Jimah East Power Sdn Berhad	06/22	AA-	2.791	50	2.822	22/10/2020	-3	106
Jimah East Power Sdn Berhad	12/22	AA-	2.886	50	3.200	25/06/2020	-31	108
Guan Chong Berhad	12/27	AA-	3.709	20	-	-	-	133
Special Power Vehicle Berhad	05/21	A1	3.389	10	3.470	06/11/2020	-8	166
CIMB Group Holdings Berhad	05/16	A1	3.512	5	3.324	08/12/2020	19	21
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Bank Islam Malaysia Berhad	Financial Institution ratings	AA3/Stable/P1	Reaffirmed

Source: RAM, MARC

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