

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 | 0.44 | 0 |
| 10-yr UST | 1.14 | 0 |
| 30-yr UST | 1.94 | 1 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 1.87 | 4 | 1.90 | -24 |
| 5-yr | 2.13 | 1 | 2.26 | 0 |
| 7-yr | 2.50 | 1 | 2.52 | 5 |
| 10-yr | 2.75 | 2 | 2.78 | 4 |
| 15-yr | 3.36 | 2 | 3.44 | 0 |
| 20-yr | 3.57 | 3 | 3.65 | 0 |
| 30-yr | 3.97 | 3 | 4.05 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 1.88 | -1 |
| 3-yr | 2.00 | 2 |
| 5-yr | 2.21 | -1 |
| 7-yr | 2.40 | 0 |
| 10-yr | 2.61 | 0 |

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries were narrowly mixed on Thursday ahead of the NFP jobs data release tomorrow. The curve steepened, pushing the 5s30s spreads to a 5-year high as overall benchmark yields generally gyrated between ~0-1bps. The UST 2Y yield closed within 1bps lower at 0.11% whilst the much-watched 10Y closed within 1bps higher instead at 1.14%. The longer-ends reacted to the sell-off in Gilts following BOE's expression of hope that the UK economy will pick up steam amid strong vaccination efforts. The reflation trade theme is seen to be on course again as the yield curve steepens. Meanwhile, the US initial jobless claims for period ending 30th January fell for the 3rd straight week to the lowest level since 28th November. This augurs well for further economic recovery. Expect attention to shift to the release of the important NFP jobs numbers tonight.

MGS/GII

- On Thursday, local govies especially MGS continued to drift weaker. Overall benchmark yields closed between 0-5bps higher across the curve save for the adjustment of the skewed trade on the 3Y GII. Secondary market volume was sharply lower compared to prior day at RM3.53b. The 5Y MGS 9/25 yield edged 1bps higher at 2.13% whilst the 10Y MGS 4/31 yields ended 2bps up at 2.75%. Interest was mainly seen in the benchmark 5Y and 10Y MGS/GII. GII bond trades decreased to form ~44% of overall trades. The government is seen to allow the re-opening of more businesses in a televised briefing yesterday. Meantime, expect a quiet session today on lack of further catalysts and light economic calendar as investors wind down for the weekend.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space witnessed strong secondary market activity on Thursday with interest seen across the curve amid a sustained a slightly lower volume of RM486m. Overall yields closed mostly mixed-to-lower with trades covering ~41 names. Govt-guaranteed LPPSA 28-29's edged 2bps lower compared to previous-done levels between 2.87-95% whilst the long-end PRASA 9/47 rallied 9bps at 4.17%. AAA-rated AMAN 7/27 declined 10bps at 2.80% whilst MANJUNG 11/27 moved 3bps lower at 2.87%. The AA-segment saw several energy-related bonds such as MALAKOFF 12/22 and JEP 12/29 exchange hands on mixed yields with cloing levels at 2.55% and 3.63% each. The shorter-end UEM Sunrise and WCT 21's saw decent demand resulting in a 2-4bps decline at 3.28% and 3.64% respectively. The banking space saw UOB 30NC25 close unchanged at 2.93% whereas AFFIN 27NC22 closed 10bps lower at 3.29%.

Daily Trades : Government Bond

| Securities | Closing | Vol | Previous | Previous | Chg |
|------------|---------|-------------|----------|----------------------------|------|
| | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS 02/21 | 1.781 | 5 | 1.608 | 02/02/2021 | 17 |
| MGS 07/21 | 1.739 | 82 | 1.652 | 03/02/2021 | 9 |
| MGS 09/21 | 1.766 | 19 | 1.751 | 03/02/2021 | 2 |
| MGS 11/21 | 1.692 | 151 | 1.697 | 03/02/2021 | -1 |
| MGS 09/22 | 1.845 | 126 | 1.791 | 03/02/2021 | 5 |
| MGS 03/23 | 1.873 | 134 | 1.837 | 03/02/2021 | 4 |
| MGS 04/23 | 1.842 | 6 | 1.855 | 03/02/2021 | -1 |
| MGS 08/23 | 1.885 | 14 | 1.863 | 03/02/2021 | 2 |
| MGS 09/25 | 2.130 | 252 | 2.122 | 03/02/2021 | 1 |
| MGS 07/26 | 2.296 | 148 | 2.276 | 03/02/2021 | 2 |
| MGS 11/26 | 2.256 | 53 | 2.203 | 03/02/2021 | 5 |
| MGS 03/27 | 2.364 | 8 | 2.345 | 03/02/2021 | 2 |
| MGS 05/27 | 2.419 | 5 | 2.412 | 03/02/2021 | 1 |
| MGS 06/28 | 2.497 | 147 | 2.487 | 03/02/2021 | 1 |
| MGS 08/29 | 2.746 | 97 | 2.697 | 03/02/2021 | 5 |
| MGS 04/30 | 2.786 | 4 | 2.791 | 03/02/2021 | 0 |
| MGS 04/31 | 2.745 | 509 | 2.724 | 03/02/2021 | 2 |
| MGS 11/33 | 3.434 | 39 | 3.424 | 03/02/2021 | 1 |
| MGS 07/34 | 3.363 | 38 | 3.344 | 03/02/2021 | 2 |
| MGS 05/35 | 3.426 | 32 | 3.384 | 02/02/2021 | 4 |
| MGS 04/37 | 3.537 | 5 | 3.496 | 03/02/2021 | 4 |
| MGS 06/38 | 3.686 | 2 | 3.676 | 03/02/2021 | 1 |
| MGS 05/40 | 3.572 | 16 | 3.544 | 03/02/2021 | 3 |
| MGS 06/50 | 3.971 | 68 | 3.943 | 03/02/2021 | 3 |
| GII 03/21 | 1.743 | 20 | 1.914 | 03/02/2021 | -17 |
| GII 04/21 | 1.714 | 200 | 1.701 | 02/02/2021 | 1 |
| GII 04/21 | 1.728 | 100 | 1.764 | 04/01/2021 | -4 |
| GII 03/22 | 1.765 | 9 | 1.757 | 03/02/2021 | 1 |
| GII 05/23 | 1.900 | 180 | 1.886 | 03/02/2021 | 1 |
| GII 05/24 | 2.024 | 60 | 1.909 | 19/01/2021 | 12 |
| GII 08/24 | 2.039 | 50 | 2.143 | 22/12/2020 | -10 |
| GII 10/24 | 2.026 | 186 | 1.988 | 03/02/2021 | 4 |
| GII 10/25 | 2.204 | 30 | 2.166 | 27/01/2021 | 4 |
| GII 03/26 | 2.259 | 290 | 2.255 | 03/02/2021 | 0 |
| GII 07/27 | 2.545 | 20 | 2.523 | 03/02/2021 | 2 |
| GII 09/27 | 2.518 | 50 | 2.471 | 03/02/2021 | 5 |
| GII 10/28 | 2.710 | 62 | 2.670 | 02/02/2021 | 4 |
| GII 10/30 | 2.783 | 200 | 2.744 | 03/02/2021 | 4 |
| GII 07/36 | 3.439 | 110 | 3.438 | 03/02/2021 | 0 |
| | | <u>3527</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 | 09/26 | GG | 2.469 | 10 | 2.439 | 27/01/2021 | 3 | 17 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 10/28 | GG | 2.874 | 10 | 2.891 | 13/01/2021 | -2 | 25 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 04/29 | GG | 2.951 | 40 | 2.970 | 18/01/2021 | -2 | 33 |
| Prasarana Malaysia Berhad | 09/47 | GG | 4.169 | 10 | 4.260 | 10/12/2020 | -9 | 59 |
| DiGi Telecommunications Sdn Berhad | 04/22 | AAA | 2.176 | 10 | 2.320 | 17/09/2020 | -14 | 43 |
| Mercedes-Benz Services Malaysia Sdn Berhad | 05/22 | AAA | 2.418 | 20 | 2.471 | 28/10/2020 | -5 | 67 |
| Telekom Malaysia Berhad | 06/22 | AAA | 2.196 | 20 | 2.175 | 03/02/2021 | 2 | 45 |
| Cagamas Berhad | 11/25 | AAA | 2.504 | 15 | 2.487 | 17/11/2020 | 2 | 39 |
| Danum Capital Berhad | 02/26 | AAA | 2.649 | 10 | 2.678 | 19/01/2021 | -3 | 53 |
| Sarawak Energy Berhad | 06/26 | AAA | 2.688 | 20 | 2.680 | 02/02/2021 | 1 | 57 |
| Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Berhad) | 08/26 | AAA | 2.759 | 40 | 2.762 | 29/01/2021 | 0 | 46 |
| Aman Sukuk Berhad | 01/27 | AAA | 2.751 | 20 | 2.769 | 22/01/2021 | -2 | 45 |
| Manjung Island Energy Berhad | 07/27 | AAA | 2.799 | 10 | 2.900 | 30/09/2020 | -10 | 50 |
| Projek Lebuh raya Usahasama Berhad | 11/27 | AAA | 2.869 | 10 | 2.900 | 19/01/2021 | -3 | 37 |
| Projek Lebuh raya Usahasama Berhad | 01/31 | AAA | 3.326 | 3 | 3.360 | 11/12/2020 | -3 | 58 |
| GENM Capital Berhad | 07/23 | AA1 | 3.177 | 1 | 4.376 | 05/11/2020 | -120 | 137 |
| GENM Capital Berhad | 08/25 | AA1 | 3.403 | 5 | 3.926 | 02/02/2021 | -52 | 129 |
| United Overseas Bank (Malaysia) Berhad | 08/30 | AA1 | 2.928 | 20 | 2.928 | 02/02/2021 | 0 | 21 |
| Kuala Lumpur Kepong Berhad | 09/34 | AA1 | 3.801 | 2 | 3.803 | 26/01/2021 | 0 | 44 |
| Imtiaz Sukuk II Berhad | 10/25 | AA2 | 2.868 | 20 | 2.868 | 03/02/2021 | 0 | 75 |
| Fortune Premiere Sdn Berhad | 09/23 | AA | 2.884 | 1 | 2.948 | 07/12/2020 | -6 | 102 |
| Cahaya Mata Sarawak Berhad | 05/22 | AA3 | 2.522 | 2 | 2.747 | 06/08/2020 | -23 | 77 |
| Country Garden Real Estate Sdn Berhad | 05/22 | AA3 | 2.984 | 1 | 3.653 | 08/05/2020 | -67 | 123 |
| Trinity Asia Ventures Berhad | 09/22 | AA3 | 3.877 | 10 | 3.889 | 03/02/2021 | -1 | 207 |
| Bumitama Agri Ltd | 07/26 | AA3 | 3.158 | 2 | 3.269 | 15/12/2020 | -11 | 104 |
| Press Metal Aluminium Holdings Berhad | 10/26 | AA3 | 3.995 | 30 | 4.049 | 20/11/2020 | -5 | 169 |
| Edra Energy Sdn Berhad | 07/27 | AA3 | 3.556 | 2 | 3.638 | 03/12/2020 | -8 | 125 |
| UEM Sunrise Berhad | 06/21 | AA- | 3.283 | 20 | 3.319 | 03/02/2021 | -4 | 153 |
| WCT Holdings Berhad | 10/21 | AA- | 3.637 | 10 | 3.652 | 03/02/2021 | -2 | 189 |
| Malakoff Power Berhad | 12/22 | AA- | 2.548 | 20 | 2.658 | 08/01/2021 | -11 | 74 |
| Sinar Kamiri Sdn Berhad | 01/23 | AA- | 3.577 | 5 | 3.585 | 03/02/2021 | -1 | 177 |
| UEM Sunrise Berhad | 10/25 | AA- | 3.962 | 5 | 4.092 | 09/12/2020 | -13 | 185 |
| Southern Power Generation Sdn Berhad | 10/27 | AA- | 3.113 | 1 | 3.109 | 04/08/2020 | 0 | 61 |
| Affin Bank Berhad | 02/27 | A1 | 3.200 | 14 | 2.996 | 11/01/2021 | 20 | 90 |
| Affin Bank Berhad | 09/27 | A1 | 3.285 | 15 | 3.385 | 24/11/2020 | -10 | 79 |
| CIMB Group Holdings Berhad | 05/16 | A1 | 3.727 | 1 | 3.726 | 02/02/2021 | 0 | 15 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3 | 3.975 | 10 | 3.904 | 18/01/2021 | 7 | 123 |
| Jimah East Power Sdn Berhad | 12/29 | AA- | 3.629 | 20 | 3.589 | 21/01/2021 | 4 | 92 |
| Fortune Premiere Sdn Berhad | 10/25 | AA IS | 3.137 | 2 | 3.195 | 21/12/2020 | -6 | 102 |
| Sime Darby Property Berhad | 12/25 | AA+ | 3.007 | 10 | - | - | - | 89 |
| Sime Darby Property Berhad | 12/27 | AA+ | 3.355 | 10 | 3.389 | 05/01/2021 | -3 | 86 |
| | | | | <u>486</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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