

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.79	6
10-yr UST	1.57	8
30-yr UST	2.32	4

MGS			GII	
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.06	9	2.09	6
5-yr	2.36	3	2.62	0
7-yr	2.84	5	2.92	4
10-yr	3.11	2	3.18	0
15-yr	3.71	3	3.79	2
20-yr	3.92	0	4.10	0
30-yr	4.30	15	4.27	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.96	1
3-yr	2.31	3
5-yr	2.55	2
7-yr	2.75	2
10-yr	3.10	2

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 sustained a further blow on Thursday as Fed Chair Powell's comments failed to reassure investors and traders. He vowed to keep monetary policy steady even as the economy improves and inflation begins to rise. Overall benchmark yields closed between 0-8bps higher versus prior day. The UST 2Y yield was unchanged at 0.15% whilst the much-watched 10Y yield spiked 8bps instead at 1.57%; the highest seen in 12 months. The recent volatile sell-off is not expected to ease anytime soon considering key risk events between now and the next scheduled FOMC meeting on 17<sup>th</sup> March. These include the February jobs report tonight, CPI data next week, followed by several bond auctions including the 20Y a day before the FOMC meeting. Nevertheless, the Fed's bond buybacks for \$3.6b next week especially in the 7-20Y sector is expected to provide some relief. Meanwhile, expect all eyes on the important release of February jobs data today.

### MGS/GIII

- On Thursday, local govies ended weaker following BNM's decision to stay pat on the OPR at 1.75%, based on positive vibes over economic outlook going forward. This was in line with our house view. Overall benchmark yields closed mostly higher between 0-15bps across the curve amid a tepid secondary market volume of RM1.47b. The 5Y MGS 9/25 yield moved 3bps higher at 2.36% whilst the 10Y MGS 4/31 yield edged 2bps higher at 3.11%. Interest was mainly seen in the off-the-run 21-22's and also the benchmark 5Y MGS. GII bond trades maintained to form a mere ~16% of overall trades. BNM is expected to hold rates steady in 2021 as recovery and growth is on the mend. Meanwhile, expect attention to focus on the auction of the nation's long-bond today.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space turned tepid in terms of activity amid a secondary market volume of a mere RM170m with overall yields ending mostly higher with transactions seen along the GG-AA part of the curve on about 8 names. Government-guaranteed PRASA2/26 and DANA 7/29 saw yields spike 11-32bps compared to previous-done levels at 2.64% and 3.30% each. AAA-rated DANGA similarly rose 16bps at 2.48% whilst AA-rated UNITAPAH 12/24 bucked the overall trend by rallying 45bps at 2.99%. Toll operator KESTURI 12/27 rose 19bps at 3.83%. Meanwhile the banking space saw AFFIN Islamic 28NC23 move 6bps up at 3.68%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.749	338	1.730	03/03/2021	2
MGS 09/21	1.696	54	1.738	03/03/2021	-4
MGS 03/22	1.815	250	1.782	03/03/2021	3
MGS 08/22	1.892	20	1.855	03/03/2021	4
MGS 03/23	2.057	135	1.957	03/03/2021	10
MGS 04/23	2.026	1	1.971	03/03/2021	5
MGS 08/23	2.032	68	2.009	03/03/2021	2
MGS 07/24	2.175	13	2.183	03/03/2021	-1
MGS 09/24	2.202	2	2.163	03/03/2021	4
MGS 03/25	2.385	32	2.279	03/03/2021	11
MGS 09/25	2.359	109	2.330	03/03/2021	3
MGS 07/26	2.530	1	2.517	03/03/2021	1
MGS 11/26	2.551	34	2.525	03/03/2021	3
MGS 11/27	2.841	2	2.775	03/03/2021	7
MGS 06/28	2.844	10	2.792	03/03/2021	5
MGS 09/28	3.004	1	2.862	19/02/2021	14
MGS 08/29	3.161	62	3.110	03/03/2021	5
MGS 04/31	3.108	9	3.086	03/03/2021	2
MGS 06/31	3.255	1	3.225	02/03/2021	3
MGS 04/33	3.749	1	3.680	03/03/2021	7
MGS 11/33	3.792	1	3.834	01/03/2021	-4
MGS 07/34	3.713	71	3.680	03/03/2021	3
MGS 04/37	3.958	4	3.934	03/03/2021	2
MGS 06/38	4.114	1	4.126	03/03/2021	-1
MGS 05/40	3.920	6	3.917	03/03/2021	0
MGS 06/50	4.300	1	4.148	03/03/2021	15
GII 08/21	1.750	100	1.770	03/03/2021	-2
GII 05/23	2.093	21	2.027	02/03/2021	7
GII 10/24	2.317	50	2.221	03/03/2021	10
GII 10/25	2.453	2	2.469	26/02/2021	-2
GII 03/26	2.622	20	2.621	02/03/2021	0
GII 09/27	2.921	1	2.877	03/03/2021	4
GII 07/29	3.162	25	3.136	03/03/2021	3
GII 06/33	3.751	4	3.771	02/03/2021	-2
GII 11/34	3.841	1	3.931	02/03/2021	-9
GII 07/36	3.792	17	3.775	03/03/2021	2
		<u>1469</u>			

## 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*	
Prasarana Malaysia Berhad	02/26	GG	2.637	20	2.528	25/01/2021	11	26
Danahra Nasional Berhad	07/29	GG	3.299	60	2.975	07/01/2021	32	32
Danga Capital Berhad	01/24	AAA	2.475	10	2.316	05/02/2021	16	43
UniTapah Sdn Berhad	12/24	AA1	2.987	10	3.436	21/02/2020	-45	76
Bumitama Agri Ltd	07/26	AA3	3.298	10	3.269	02/03/2021	3	92
IJM Corporation Berhad	08/28	AA3	3.789	20	3.779	03/03/2021	1	95
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/27	AA-	3.827	20	3.638	27/01/2021	19	98
Affin Islamic Bank Berhad	10/28	A1	3.682	20	3.620	16/02/2021	6	70
			<u>170</u>					

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

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<b>Rating Action</b>			
<b>Issuer</b>	<b>PDS Description</b>	<b>Rating/Outlook</b>	<b>Action</b>
Nil	Nil	Nil	Nil

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Source: RAM, MARC

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