

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

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Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	1
5-yr UST	0.36	3
10-yr UST	0.96	4
30-yr UST	1.71	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.87	3	1.91	2
5-yr	2.10	1	2.22	2
7-yr	2.38	0	2.46	-1
10-yr	2.58	0	2.68	-1
15-yr	3.17	0	3.29	-1
20-yr	3.31	1	3.50	0
30-yr	3.78	-2	3.90	-2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	0
3-yr	2.06	1
5-yr	2.23	-1
7-yr	2.37	0
10-yr	2.57	-2

Source : Bloomberg

### Upcoming Government Bond Tender

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

- US Treasuries closed weaker on Tuesday with the curve bear-steepening as investors fretted over the possibility of Democrats winning control of US Congress in the upcoming Senate runoff elections in Georgia. Overall benchmark yields closed between 1-5bps higher. The UST 2Y edged 1bps higher at 0.12% while the 10Y spiked 4bps compared to prior day's close at 0.96%. The heavy IG issuance platform was also partly responsible for the bearish move especially on the longer-ends. A win for the republican blue-wave may have strong implications for additional UST supply for 2021 and with that ~ potentially higher yields. Expectations of a steeper Treasury curve has caused the cost of protection to increase against rising long-end UST's. Expect attention to shift to the upcoming NFP/jobs data for December.

### MGS/GII

- On Tuesday, local govies saw profit-taking emerge especially on the front-ends following a solid 2-week performance. Overall benchmark yields closed mixed between -2 to +2bps amid an increase in secondary market volume of RM4.11b. The 5Y MGS 9/25 edged 1bps higher at 2.10% whilst the 10Y MGS 4/31 ended within 1bps from prior day's close at 2.58%. Interest was mainly seen in the off-the-run 21-22's and benchmark 7Y, 10Y GII. GII bond trades formed ~45% of overall trades. Expect attention to shift to the first auction of the year involving the 7Y MGS today.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw a further spike in investor interest amid secondary market volume of RM1.03b with interest mainly seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower on trades involving ~46 bonds in total. Govt-guaranteed PRASA 2/30 and DANA 10/33 declined between 5-6bps compared to previous-done levels at 3.03% and 3.41% each. AAA-rated MANJUNG recorded a massive RM380m in transacted amounts with the 11/21 tranche rising 4bps at 2.23% whilst the 11/31 tranche ended 9bps lower at 3.29%. Energy-related bonds JEP and Southern Power led the AA-space with yields mostly lower save for Southern Power 10/35 which rose 8bps at 3.96%. Meanwhile, the banking space saw AmBank Islamic 28NC23 edge 1bps lower at 2.79% whilst AFFIN Islamic perps 2117NC26 closed 2bps lower at 4.20%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.588	179	1.720	04/01/2021	-13
MGS 09/21	1.698	2	1.671	04/01/2021	3
MGS 11/21	1.686	79	1.738	04/01/2021	-5
MGS 03/22	1.758	42	1.775	04/01/2021	-2
MGS 08/22	1.768	305	1.799	04/01/2021	-3
MGS 09/22	1.755	249	1.804	04/01/2021	-5
MGS 03/23	1.868	57	1.835	04/01/2021	3
MGS 04/23	1.899	155	1.933	04/01/2021	-3
MGS 08/23	1.887	4	1.885	04/01/2021	0
MGS 06/24	1.980	221	1.987	04/01/2021	-1
MGS 07/24	2.006	3	2.015	04/01/2021	-1
MGS 09/24	2.021	11	2.012	04/01/2021	1
MGS 03/25	2.075	22	2.105	23/12/2020	-3
MGS 09/25	2.101	42	2.089	04/01/2021	1
MGS 04/26	2.172	6	2.219	04/01/2021	-5
MGS 07/26	2.252	2	2.270	04/01/2021	-2
MGS 11/26	2.224	82	2.218	04/01/2021	1
MGS 03/27	2.321	12	2.381	04/01/2021	-6
MGS 05/27	2.383	57	2.379	04/01/2021	0
MGS 11/27	2.397	17	2.374	04/01/2021	2
MGS 06/28	2.370	14	2.403	28/12/2020	-3
MGS 08/29	2.595	174	2.568	04/01/2021	3
MGS 04/30	2.627	6	2.650	04/01/2021	-2
MGS 04/31	2.581	161	2.583	04/01/2021	0
MGS 06/31	2.702	5	2.700	04/01/2021	0
MGS 04/33	3.173	8	3.204	04/01/2021	-3
MGS 11/33	3.216	43	3.207	04/01/2021	1
MGS 07/34	3.169	44	3.168	04/01/2021	0
MGS 05/35	3.182	1	3.166	04/01/2021	2
MGS 04/37	3.314	8	3.371	04/01/2021	-6
MGS 06/38	3.483	2	3.468	04/01/2021	2
MGS 05/40	3.312	63	3.300	04/01/2021	1
MGS 09/43	3.763	2	3.817	31/12/2020	-5
MGS 03/46	3.771	2	3.805	04/01/2021	-3
MGS 07/48	3.788	3	3.815	04/01/2021	-3
MGS 06/50	3.783	192	3.808	04/01/2021	-2
GII 03/22	1.780	3	1.782	31/12/2020	0
GII 04/22	1.800	11	1.813	18/12/2020	-1
GII 07/22	1.864	390	1.851	23/12/2020	1
GII 11/22	1.865	80	1.900	31/12/2020	-3
GII 05/23	1.906	91	1.892	04/01/2021	1
GII 10/24	2.034	35	2.063	31/12/2020	-3
GII 03/26	2.219	34	2.200	04/01/2021	2
GII 09/27	2.461	360	2.470	04/01/2021	-1
GII 08/28	2.517	30	2.559	04/01/2021	-4
GII 10/28	2.604	40	2.658	04/01/2021	-5
GII 07/29	2.703	40	2.713	04/01/2021	-1
GII 09/30	2.726	40	2.770	04/01/2021	-4
GII 10/30	2.678	447	2.686	04/01/2021	-1
GII 06/33	3.303	20	3.361	22/12/2020	-6
GII 11/34	3.291	181	3.302	04/01/2021	-1
GII 09/39	3.502	15	3.499	04/01/2021	0
GII 11/49	3.904	21	3.927	31/12/2020	-2
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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	02/21	GG	1.761	10	2.001	30/09/2020	-24	3
Prasarana Malaysia Berhad	02/30	GG	3.030	5	3.078	11/12/2020	-5	46
Prasarana Malaysia Berhad	03/31	GG	3.121	20	2.941	14/10/2020	18	54
Danainfra Nasional Berhad	10/33	GG	3.411	130	3.470	30/12/2020	-6	23
Danainfra Nasional Berhad	11/33	GG	3.409	20	3.069	04/08/2020	34	23
Danainfra Nasional Berhad	02/49	GG	4.154	5	4.148	04/11/2020	1	83
Cagamas Berhad	08/21	AAA	2.050	40	-	-	-	32
Cagamas Berhad	10/21	AAA	2.021	5	1.917	17/11/2020	10	29
Manjung Island Energy Berhad	11/21	AAA	2.226	170	2.182	17/11/2020	4	50
Malaysia Airports Capital Berhad	12/22	AAA	2.656	25	2.712	21/12/2020	-6	86
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.407	20	3.402	21/08/2019	-100	61
DiGi Telecommunications Sdn Berhad	04/24	AAA	2.403	30	2.455	22/09/2020	-5	55
Putrajaya Holdings Sdn Berhad	07/24	AAA	2.427	10	2.466	10/11/2020	-4	43
Malaysia Airports Capital Berhad	12/24	AAA	2.899	25	3.064	09/07/2020	-17	90
DiGi Telecommunications Sdn Berhad	09/26	AAA	2.721	20	2.799	21/12/2020	-8	45
Manjung Island Energy Berhad	11/31	AAA	3.286	210	3.375	11/12/2020	-9	70
Tenaga Nasional Berhad	08/32	AAA	3.329	20	3.029	17/08/2020	30	75
Danga Capital Berhad	09/33	AAA	3.534	5	3.600	22/12/2020	-7	36
Tenaga Nasional Berhad	08/40	AAA	3.848	1	3.800	04/01/2021	5	53
Samalaju Industrial Port Sdn Berhad	12/27	AA1	3.100	5	4.025	15/04/2020	-93	72
Anih Berhad	11/22	AA	2.614	10	2.690	21/10/2020	-8	82
CIMB Group Holdings Berhad	09/29	AA	2.887	20	2.909	09/12/2020	-2	31
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.307	5	3.209	09/07/2020	10	145
Perbadanan Kemajuan Pertanian Negeri Pahang (fka L	10/24	AA3	3.917	1	3.948	27/11/2020	-3	192
Edra Energy Sdn Berhad	07/25	AA3	3.344	6	4.249	18/11/2020	-91	134
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.948	2	4.018	09/12/2020	-7	185
AmBank (M) Berhad	03/27	AA3	3.072	2	2.775	27/08/2020	30	80
AmBank Islamic Berhad	10/28	AA3	2.785	20	2.800	08/10/2020	-1	31
UEM Sunrise Berhad	10/21	AA-	3.377	4	3.273	14/08/2020	10	165
Southern Power Generation Sdn Berhad	04/24	AA-	2.767	10	3.660	20/01/2020	-89	91
WCT Holdings Berhad	02/25	AA-	4.139	7	3.689	28/09/2020	45	214
Ewap Sabun Malaysia Sdn Berhad	12/25	AA-	4.049	20	4.050	28/12/2020	0	195
Sinar Kamiri Sdn Berhad	01/26	AA-	4.121	5	4.228	22/07/2020	-11	203
Jimah East Power Sdn Berhad	12/26	AA-	3.282	20	3.627	17/06/2020	-35	101
Penang Port Sdn Berhad	12/26	AA-	3.092	10	3.171	10/12/2020	-8	82
AZRB Capital Sdn Berhad	12/26	AA-	4.117	6	4.188	21/08/2020	-7	185
Southern Power Generation Sdn Berhad	04/31	AA-	3.415	5	3.448	15/12/2020	-3	83
Jimah East Power Sdn Berhad	12/32	AA-	3.807	5	3.828	16/12/2020	-2	122
Southern Power Generation Sdn Berhad	10/35	AA-	3.962	10	3.880	24/11/2020	8	79
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	3.911	1	3.922	14/12/2020	-1	133
Affin Islamic Bank Berhad	10/17	A3	4.204	10	4.221	17/12/2020	-2	88
YNH Property Berhad	08/19	-	6.360	2	6.260	28/12/2020	10	304
YNH Property Berhad	08/19	-	6.545	1	6.597	22/12/2020	-5	322
IJM Land Berhad	03/19	A2	4.643	30	4.841	04/12/2020	-20	132
IJM Land Berhad	03/19	A2	4.789	2	4.467	04/02/2020	32	147
Jimah East Power Sdn Berhad	06/26	AA-	3.221	40	3.169	15/10/2020	5	113
				<u>1028</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Cerah Sama Sdn Bhd	RM420.0 million Sukuk	AA-IS/Stable	Affirmed
Starbright Capital Berhad	RM665 mil asset-backed Medium-Term Notes	AAA/Stable	Reaffirmed

Source: RAM, MARC

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