

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

c		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.13	2
5-yr UST	0.42	5
10-yr UST	1.04	8
30-yr UST	1.82	11

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.88	1	1.91	0
5-yr	2.11	0	2.24	2
7-yr	2.42	4	2.50	4
10-yr	2.58	0	2.69	2
15-yr	3.19	2	3.30	1
20-yr	3.37	6	3.48	-2
30-yr	3.81	2	3.90	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	1
3-yr	2.06	0
5-yr	2.27	4
7-yr	2.40	3
10-yr	2.58	2

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasuries bear-steepend sharply on Wednesday as investors reacted to the outcome of Georgia's Senate runoff elections; with the US Capitol placed under lockdown following Republican protests. Overall benchmark yields closed between 2-11bps higher. The UST 2Y yields rose 2bps higher at 0.13% while the 10Y spiked 8bps compared to prior day's close at 1.04%; highest since March last year. Movements in UST's were seen in sharp contrast to Wall Street's performance. The win for the Republicans may herald greater government spending with strong implications for additional UST supply for 2021 and subsequently, higher yields. Meanwhile the US Treasury may keep the amount of cash it holds at the Fed above \$800b until after the tax season ends in April. Expect attention to shift to tomorrow's release of NFP/jobs data for December. This follows ADP's data last night stating that private sector employment fell by 123k in December; a sharp contrast to the consensus of +75k.

### MGS/GII

- On Wednesday, local govies continued to see profit-taking across the curve as overall benchmark yields closed between 0-6bps higher (save for the 20Y GII) amid a slight decrease in secondary market volume of RM3.09b. Both the 5Y MGS 9/25 and 10Y MGS4/31 ended within 1bps higher at 2.10% and 2.58% respectively. Interest was mainly seen in the off-the-run 21's, 28's and benchmark 10Y MGS/GII. GII bond trades formed ~45% of overall trades. The auction exercise involving the reopening of the 7Y MGS6/28 saw strong bidding metrics on a BTC ratio of 2.026x; averaging 2.449%.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw solid interest despite a lower secondary market volume of RM745m with interest seen across the curve. Overall yields closed mostly lower on trades involving ~36 bonds in total. Govt-guaranteed DANA 29's rose 27-28bps compared to previous-done levels at 2.98% levels whereas PTP 10/31 declined 4bps at 3.25%. AAA-rated MERCEDEZ 23's fell 11-16bps between 2.54-58% area. SEB 1/27 notched RM80m in trades; ending 7bps lower by 7bps at 2.74%. Energy-related bond BGSM 22 fell 4bps at 2.59% whilst the 2027 tranche rose 3bps instead at 3.11%. JEP too saw decent demand resulting in its 2025 and 2027 tranches decreasing 6-30bps lower at 3.16%, 3.32% and 3.37% respectively. Meanwhile, the banking space saw AFFIN Islamic perps 2117NC26 trade again but however unchanged 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	1.690	311	1.588	05/01/2021	10
MGS 09/21	1.693	192	1.698	05/01/2021	0
MGS 11/21	1.741	408	1.686	05/01/2021	6
MGS 03/22	1.753	1	1.758	05/01/2021	-1
MGS 08/22	1.784	11	1.768	05/01/2021	2
MGS 03/23	1.882	21	1.868	05/01/2021	1
MGS 04/23	1.875	8	1.899	05/01/2021	-2
MGS 08/23	1.893	8	1.887	05/01/2021	1
MGS 07/24	2.007	18	2.006	05/01/2021	0
MGS 03/25	2.086	6	2.075	05/01/2021	1
MGS 09/25	2.106	9	2.101	05/01/2021	0
MGS 04/26	2.256	6	2.172	05/01/2021	8
MGS 07/26	2.275	57	2.252	05/01/2021	2
MGS 11/26	2.218	59	2.235	05/01/2021	-2
MGS 03/27	2.354	16	2.321	05/01/2021	3
MGS 05/27	2.424	52	2.383	05/01/2021	4
MGS 06/28	2.440	501	2.370	05/01/2021	7
MGS 08/29	2.607	60	2.595	05/01/2021	1
MGS 04/30	2.668	5	2.627	05/01/2021	4
MGS 04/31	2.584	209	2.581	05/01/2021	0
MGS 06/31	2.710	44	2.702	05/01/2021	1
MGS 04/33	3.219	51	3.173	05/01/2021	5
MGS 11/33	3.198	66	3.216	05/01/2021	-2
MGS 07/34	3.194	23	3.169	05/01/2021	2
MGS 04/37	3.365	2	3.314	05/01/2021	5
MGS 06/38	3.458	7	3.483	05/01/2021	-2
MGS 05/40	3.368	15	3.312	05/01/2021	6
MGS 09/43	3.834	30	3.763	05/01/2021	7
MGS 07/48	3.851	2	3.788	05/01/2021	6
GII 05/23	1.905	22	1.906	05/01/2021	0
GII 11/23	2.023	140	2.008	31/12/2020	2
GII 10/24	2.060	71	2.034	05/01/2021	3
GII 10/25	2.222	40	2.207	22/12/2020	2
GII 03/26	2.237	10	2.219	05/01/2021	2
GII 09/27	2.496	110	2.461	05/01/2021	4
GII 08/28	2.558	30	2.517	05/01/2021	4
GII 10/28	2.630	10	2.604	05/01/2021	3
GII 09/30	2.736	10	2.726	05/01/2021	1
GII 10/30	2.692	341	2.678	05/01/2021	1
GII 06/33	3.297	41	3.303	05/01/2021	-1
GII 11/34	3.302	62	3.291	05/01/2021	1
GII 09/39	3.478	3	3.502	05/01/2021	-2
		<u>3088</u>			

## Daily Trades : Corp Bonds/ Sukuk

c		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Pengurusan Air SPV Berhad	06/25	GG	2.381	20	2.358	04/01/2021	2	37
Danainfra Nasional Berhad	09/29	GG	2.980	35	2.699	12/08/2020	28	40
Danainfra Nasional Berhad	11/29	GG	2.981	30	2.711	18/08/2020	27	40
Pelabuhan Tanjung Pelepas Sdn Berhad	10/31	GG	3.251	40	3.289	05/05/2020	-4	67
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	3.470	10	3.570	24/12/2020	-10	28
Projek Lebuhraya Usahasama Berhad	01/38	GG	3.800	15	3.799	22/12/2020	0	61
Danainfra Nasional Berhad	02/39	GG	3.660	1	3.701	30/12/2020	-4	31
Manjung Island Energy Berhad	11/22	AAA	2.289	30	2.308	23/12/2020	-2	50
Mercedes-Benz Services Malaysia Sdn Berhad	09/23	AAA	2.542	10	2.700	08/10/2020	-16	67
Mercedes-Benz Services Malaysia Sdn Berhad	11/23	AAA	2.579	10	2.685	06/11/2020	-11	71
Sarawak Energy Berhad	01/27	AAA	2.739	80	2.813	17/12/2020	-7	46
Rantau Abang Capital Berhad	03/29	AAA	3.030	10	3.121	15/12/2020	-9	52
Manjung Island Energy Berhad	11/31	AAA	3.278	170	3.286	05/01/2021	-1	69
YTL Corporation Berhad	07/30	AA1	3.550	1	3.563	04/01/2021	-1	97
CIMB Bank Berhad	08/26	AA+	2.422	60	4.405	18/11/2020	-198	14
First Resources Limited	10/21	AA2	2.608	10	2.649	27/10/2020	-4	86
Projek Lebuhraya Usahasama Berhad	01/23	AA	2.407	20	3.402	21/08/2019	-100	61
Fortune Premiere Sdn Berhad	09/26	AA	3.279	1	3.289	14/12/2020	-1	100
BGSM Management Sdn Berhad	12/22	AA3	2.595	20	2.634	01/10/2020	-4	80
BGSM Management Sdn Berhad	12/27	AA3	3.108	20	3.080	31/12/2020	3	67
MMC Corporation Berhad	03/28	AA-	4.084	15	3.925	05/01/2021	16	165
Gamuda Berhad	11/29	AA3	3.672	10	3.737	18/12/2020	-6	109
Gamuda Land (T12) Sdn Berhad	08/30	AA3	3.900	1	3.932	16/12/2020	-3	132
WCT Holdings Berhad	05/22	AA-	3.811	10	3.875	26/11/2020	-6	207
AZRB Capital Sdn Berhad	12/22	AA-	3.657	10	4.189	22/06/2020	-53	186
AZRB Capital Sdn Berhad	12/24	AA-	3.856	10	3.913	04/11/2020	-6	184
Leader Energy Sdn Berhad	07/25	AA-	3.715	10	-	-	-	161
Pelabuhan Tanjung Pelepas Sdn Berhad	08/25	AA-	3.040	10	3.073	09/11/2020	-3	93
Jimah East Power Sdn Berhad	12/25	AA-	3.163	10	3.286	17/07/2020	-12	106
Sinar Kamiri Sdn Berhad	01/26	AA-	4.118	5	4.121	05/01/2021	0	201
Jimah East Power Sdn Berhad	06/27	AA-	3.324	10	3.380	28/12/2020	-6	104
Jimah East Power Sdn Berhad	12/27	AA-	3.374	10	3.676	23/06/2020	-30	94
CIMB Group Holdings Berhad	05/16	A1	3.430	1	3.436	05/01/2021	-1	8
IJM Land Berhad	03/19	A2	4.640	30	4.643	05/01/2021	0	129
Affin Islamic Bank Berhad	10/17	A3	4.199	10	4.204	05/01/2021	0	85
YNH Property Berhad	08/19	-	6.294	1	6.360	05/01/2021	-7	295
				<u>745</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Bumitama Agri Ltd	RM2 bil Islamic MTN Sukuk Musharakah (2014/2029)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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