

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 0.14        | 0         |
| 5-yr UST  | 0.45        | 3         |
| 10-yr UST | 1.08        | 4         |
| 30-yr UST | 1.85        | 4         |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 1.88        | -1        | 1.91        | 0         |
| 5-yr   | 2.13        | 2         | 2.27        | 4         |
| 7-yr   | 2.45        | 2         | 2.53        | 3         |
| 10-yr  | 2.57        | -1        | 2.72        | 3         |
| 15-yr  | 3.17        | -3        | 3.31        | 1         |
| 20-yr  | 3.47        | 10        | 3.53        | 5         |
| 30-yr  | 3.81        | 0         | 3.90        | 0         |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 1.91        | -1        |
| 3-yr           | 2.06        | 0         |
| 5-yr           | 2.26        | -1        |
| 7-yr           | 2.40        | 0         |
| 10-yr          | 2.58        | 0         |

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasuries ended mostly weaker on Thursday on a relatively quiet session ahead of the upcoming payrolls data. The curve steepened as overall benchmark yields closed between 0-4bps higher. The UST 2Y yield closed within 1bps higher at 0.14% and the much-watched UST 10Y yield rose 4bps compared to prior day's close at 1.08%; driven by expectations that federal spending will increase under the one-party rule. Other factors contributing to the rise in yields were the better-than-expected ISM Services Index and robust futures volumes. Expect attention tonight to shift to the upcoming release of US NFP/payrolls for December. Market reaction to softer numbers may be mixed as further stimulus expectations may cause yields to go higher.

### MGS/GII

- On Thursday, local govies succumbed under continued profit-taking across the curve as overall benchmark yields closed mostly between 0-10bps higher (save for the 10 and 15Y MGS) amid a sustained secondary market volume of RM3.51b. The 5Y MGS 9/25 yield rose 2bps at 2.13% whilst the 10Y MGS4/31 yield edged 1bps lower at 2.57%. Interest was mainly seen in the off-the-run 21's, 28's, 29's and benchmark 10Y, 15y MGS/GII. GII bond trades dropped to form ~22% of overall trades. Separately, following the recent US Senate results, expect EM Asia FX to remain favourable going forward.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to draw strong interest amid a higher secondary market volume of RM989m with interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower on trades involving ~36 bonds in total. Govt-guaranteed DANA 29's rose 21-28bps further again compared to previous-done levels between 2.98-3.00% whilst the longer-end PRASA, DANA and JKSB 30's rallied 4-17bps between 3.09-22% area. AAA-rated PLUS saw RM60m in nominal amounts traded 2bps higher at 2.52% whilst DIGI and SEB 24's declined 6-8bps between 2.33-48%. SEB also saw action in both the 2032 and 2036 tranches with yields declining between 5-7bps at 3.42% and 3.72% respectively. AA-rated energy-related bonds i.e. MALAKOFF Power saw its 2029-2031 tranches fall sharply on yields between 4.27-72% area whereas UEM Sunrise 5/23 ended 4bps lower at 3.80%. Meanwhile, the banking space saw nil trades.

## Daily Trades : Government Bond

| Securities | Closing | Vol         | Previous | Previous                   | Chg  |
|------------|---------|-------------|----------|----------------------------|------|
|            | YTM     | (RM mil)    | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) |
| MGS 02/21  | 1.742   | 10          | 1.530    | 06/01/2021                 | 21   |
| MGS 07/21  | 1.671   | 517         | 1.690    | 06/01/2021                 | -2   |
| MGS 09/21  | 1.683   | 43          | 1.693    | 06/01/2021                 | -1   |
| MGS 11/21  | 1.741   | 407         | 1.741    | 06/01/2021                 | 0    |
| MGS 03/22  | 1.744   | 11          | 1.753    | 06/01/2021                 | -1   |
| MGS 08/22  | 1.773   | 8           | 1.784    | 06/01/2021                 | -1   |
| MGS 09/22  | 1.749   | 9           | 1.755    | 05/01/2021                 | -1   |
| MGS 03/23  | 1.876   | 216         | 1.882    | 06/01/2021                 | -1   |
| MGS 04/23  | 1.866   | 3           | 1.875    | 06/01/2021                 | -1   |
| MGS 08/23  | 1.878   | 9           | 1.893    | 06/01/2021                 | -2   |
| MGS 06/24  | 1.989   | 2           | 1.980    | 05/01/2021                 | 1    |
| MGS 07/24  | 2.013   | 4           | 2.007    | 06/01/2021                 | 1    |
| MGS 09/24  | 2.036   | 5           | 2.002    | 06/01/2021                 | 3    |
| MGS 09/25  | 2.124   | 124         | 2.106    | 06/01/2021                 | 2    |
| MGS 04/26  | 2.247   | 4           | 2.256    | 06/01/2021                 | -1   |
| MGS 07/26  | 2.273   | 2           | 2.275    | 06/01/2021                 | 0    |
| MGS 11/26  | 2.284   | 78          | 2.218    | 06/01/2021                 | 7    |
| MGS 03/27  | 2.389   | 2           | 2.354    | 06/01/2021                 | 3    |
| MGS 05/27  | 2.447   | 57          | 2.424    | 06/01/2021                 | 2    |
| MGS 11/27  | 2.373   | 24          | 2.396    | 06/01/2021                 | -2   |
| MGS 06/28  | 2.478   | 268         | 2.440    | 06/01/2021                 | 4    |
| MGS 08/29  | 2.645   | 202         | 2.607    | 06/01/2021                 | 4    |
| MGS 04/30  | 2.676   | 3           | 2.668    | 06/01/2021                 | 1    |
| MGS 04/31  | 2.571   | 141         | 2.584    | 06/01/2021                 | -1   |
| MGS 06/31  | 2.760   | 79          | 2.710    | 06/01/2021                 | 5    |
| MGS 04/33  | 3.203   | 4           | 3.219    | 06/01/2021                 | -2   |
| MGS 11/33  | 3.294   | 93          | 3.198    | 06/01/2021                 | 10   |
| MGS 07/34  | 3.168   | 248         | 3.194    | 06/01/2021                 | -3   |
| MGS 05/35  | 3.234   | 1           | 3.182    | 05/01/2021                 | 5    |
| MGS 06/38  | 3.503   | 32          | 3.458    | 06/01/2021                 | 4    |
| MGS 05/40  | 3.471   | 80          | 3.368    | 06/01/2021                 | 10   |
| MGS 09/43  | 3.798   | 22          | 3.834    | 06/01/2021                 | -4   |
| MGS 03/46  | 3.790   | 2           | 3.771    | 05/01/2021                 | 2    |
| MGS 07/48  | 3.827   | 3           | 3.851    | 06/01/2021                 | -2   |
| MGS 06/50  | 3.810   | 16          | 3.807    | 06/01/2021                 | 0    |
| GII 03/22  | 1.854   | 3           | 1.780    | 05/01/2021                 | 7    |
| GII 04/22  | 1.820   | 20          | 1.800    | 05/01/2021                 | 2    |
| GII 03/26  | 2.273   | 30          | 2.237    | 06/01/2021                 | 4    |
| GII 09/27  | 2.527   | 20          | 2.496    | 06/01/2021                 | 3    |
| GII 10/28  | 2.683   | 140         | 2.630    | 06/01/2021                 | 5    |
| GII 07/29  | 2.736   | 170         | 2.703    | 05/01/2021                 | 3    |
| GII 10/30  | 2.719   | 261         | 2.692    | 06/01/2021                 | 3    |
| GII 06/33  | 3.343   | 10          | 3.297    | 06/01/2021                 | 5    |
| GII 11/34  | 3.310   | 111         | 3.302    | 06/01/2021                 | 1    |
| GII 09/39  | 3.525   | 20          | 3.478    | 06/01/2021                 | 5    |
|            |         | <u>3511</u> |          |                            |      |

## Daily Trades : Corp Bonds/ Sukuk

| Securities                                   |       | Rating | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) | Spread<br>Against<br>MGS* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Pengurusan Air SPV Berhad                    | 06/22 | GG     | 1.969          | 10              | 1.951           | 25/11/2020                             | 2           | 23                        |
| Pengurusan Air SPV Berhad                    | 06/23 | GG     | 2.078          | 10              | 2.539           | 25/06/2020                             | -46         | 28                        |
| Danainfra Nasional Berhad                    | 07/29 | GG     | 2.975          | 30              | 2.692           | 18/08/2020                             | 28          | 40                        |
| Danainfra Nasional Berhad                    | 11/29 | GG     | 3.005          | 45              | 2.800           | 24/07/2020                             | 21          | 43                        |
| Prasarana Malaysia Berhad                    | 02/30 | GG     | 3.051          | 25              | 3.030           | 05/01/2021                             | 2           | 47                        |
| Prasarana Malaysia Berhad                    | 03/30 | GG     | 3.050          | 20              | 3.089           | 09/12/2020                             | -4          | 47                        |
| Danainfra Nasional Berhad                    | 04/30 | GG     | 3.049          | 80              | 3.149           | 14/12/2020                             | -10         | 47                        |
| Jambatan Kedua Sdn Berhad                    | 05/30 | GG     | 3.049          | 10              | 3.219           | 26/06/2020                             | -17         | 47                        |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 03/32 | GG     | 3.259          | 20              | 3.390           | 16/03/2020                             | -13         | 68                        |
| Pengurusan Air SPV Berhad                    | 11/21 | AAA    | 2.160          | 30              | 2.164           | 19/11/2020                             | 0           | 42                        |
| Projek Lebuhraya Usahasama Berhad            | 01/24 | AAA    | 2.522          | 60              | 2.498           | 22/10/2020                             | 2           | 65                        |
| DiGi Telecommunications Sdn Berhad           | 04/24 | AAA    | 2.326          | 10              | 2.403           | 05/01/2021                             | -8          | 46                        |
| Sarawak Energy Berhad                        | 07/24 | AAA    | 2.475          | 50              | 2.535           | 16/12/2020                             | -6          | 61                        |
| Cagamas Berhad                               | 11/24 | AAA    | 2.449          | 40              | 2.308           | 06/11/2020                             | 14          | 44                        |
| Sarawak Energy Berhad                        | 08/25 | AAA    | 2.592          | 40              | 2.697           | 10/12/2020                             | -11         | 49                        |
| Danga Capital Berhad                         | 02/26 | AAA    | 2.665          | 40              | 2.750           | 08/12/2020                             | -9          | 56                        |
| DiGi Telecommunications Sdn Berhad           | 09/26 | AAA    | 2.703          | 15              | 2.721           | 05/01/2021                             | -2          | 42                        |
| Aman Sukuk Berhad                            | 05/27 | AAA    | 2.819          | 10              | 2.830           | 28/12/2020                             | -1          | 54                        |
| Sarawak Energy Berhad                        | 12/32 | AAA    | 3.419          | 70              | 3.468           | 17/12/2020                             | -5          | 84                        |
| Sarawak Energy Berhad                        | 04/36 | AAA    | 3.740          | 20              | 3.809           | 17/12/2020                             | -7          | 55                        |
| CIMB Group Holdings Berhad                   | 06/22 | AA1    | 2.391          | 50              | 2.460           | 16/12/2020                             | -7          | 65                        |
| Imtiaz Sukuk II Berhad                       | 10/25 | AA2    | 2.899          | 70              | 2.939           | 18/11/2020                             | -4          | 79                        |
| UMW Holdings Berhad                          | 11/25 | AA2    | 2.994          | 10              | 3.032           | 22/12/2020                             | -4          | 89                        |
| Gamuda Berhad                                | 11/22 | AA3    | 2.899          | 20              | 2.997           | 23/10/2020                             | -10         | 111                       |
| Gamuda Land (T12) Sdn Berhad                 | 08/25 | AA3    | 3.421          | 10              | 3.495           | 21/12/2020                             | -7          | 131                       |
| Cerah Sama Sdn Berhad                        | 01/23 | AA-    | 2.962          | 20              | 2.964           | 22/12/2020                             | 0           | 117                       |
| UEM Sunrise Berhad                           | 05/23 | AA-    | 3.797          | 10              | 3.834           | 15/12/2020                             | -4          | 200                       |
| Cerah Sama Sdn Berhad                        | 01/24 | AA-    | 3.094          | 10              | 5.179           | 19/01/2015                             | -209        | 122                       |
| Pelabuhan Tanjung Pelepas Sdn Berhad         | 06/25 | AA-    | 2.998          | 10              | 3.027           | 21/09/2020                             | -3          | 99                        |
| MMC Corporation Berhad                       | 03/28 | AA-    | 4.029          | 20              | 4.084           | 06/01/2021                             | -5          | 159                       |
| Malakoff Power Berhad                        | 12/29 | AA-    | 3.494          | 20              | 4.272           | 14/04/2020                             | -78         | 92                        |
| Malakoff Power Berhad                        | 12/31 | AA-    | 3.684          | 30              | 4.718           | 03/12/2018                             | -103        | 110                       |
| Tan Chong Motor Holdings Berhad              | 11/21 | A1     | 3.821          | 1               | 3.814           | 30/12/2020                             | 1           | 208                       |
| Tropicana Corporation Berhad                 | 09/19 | -      | 5.573          | 2               | 5.595           | 09/12/2020                             | -2          | 223                       |
| DRB-Hicom Berhad                             | 12/22 | A+     | 3.731          | 1               | 3.988           | 14/08/2020                             | -26         | 194                       |
| Malakoff Power Berhad                        | 12/30 | AA-    | 3.594          | 70              | 4.029           | 20/01/2020                             | -44         | 101                       |
|  |       |        |                | <u>989</u>      |                 |  |             |                           |

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

| Rating Action         |  |                        |            |
|-----------------------|--|------------------------|------------|
| Isuser                | PDS Description                                | Rating/Outlook         | Action     |
| Citibank Berhad       | Financial Institution ratings                  | AAA/Stable/P1          | Reaffirmed |
| Silver Sparrow Berhad | RM515 mil Guaranteed MTN Programme (2011/2021) | AAA(fg)/AAA(bg)/Stable | Reaffirmed |

Source: RAM, MARC

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