

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	-1
5-yr UST	0.80	1
10-yr UST	1.57	0
30-yr UST	2.30	-2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	6	2.20	11
5-yr	2.48	12	2.71	8
7-yr	2.97	12	2.92	0
10-yr	3.29	18	3.35	17
15-yr	3.90	19	3.79	0
20-yr	4.08	16	4.23	13
30-yr	4.48	18	4.27	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	3
3-yr	2.40	9
5-yr	2.67	13
7-yr	2.85	10
10-yr	3.18	8

Source : Bloomberg

Upcoming Government Bond Tender.

Nil

- US Treasuries made some big swings before settling mixed following the solid NFP job report last Friday. Overall benchmark yields closed between -2 to +1bps versus prior day. The UST 2Y yield edged 1bps down at 0.14% whilst the much-watched 10Y yield closed within 1bps higher at 1.57%; having touched an intra-day high of 1.62%; the highest seen in a year. Trading in Fixed Income is becoming an arduous task as traders/investors digest potential inflationary conditions as Fed Chair Powell did not reassure that he would push back against the recent rise in long-term bond yields. Nevertheless, the Fed's bond buybacks for \$3.6b this week especially in the 7-20Y sector is expected to provide some relief for now. Meanwhile, expect attention to focus on this week's consumer, producer prices for February along with the results on the auctions for 3Y, 10Y and 30Y bonds.

MGS/GII

- Last Friday, local govies ended sharply weaker following BNM's pause with OPR staying pat at 1.75%. The policy statement sounded more upbeat about the economic outlook as oil prices remained strong and vaccine rollouts allows the slow but sure removal of movement restrictions. Overall benchmark yields jumped between 0-19bps across the curve amid a doubling of secondary market volume @ RM3.50b on Friday. The 5Y MGS 9/25 yield rose 12bps at 2.48% whilst the 10Y MGS 4/31 yield spiked 18bps at 3.29%. Interest was mainly seen in the off-the-run 21's and also the benchmark 3Y, 5Y MGS/GII and 10Y MGS. GII bond trades rose to form ~23% of overall trades. The 30Y MGS auction reopening saw decent bidding metrics with institutional support mainly from onshore. It was awarded at 4.486% on a BTC ratio of 2.023x. Meanwhile, expect attention to focus on the upcoming industrial production numbers for January at the end of this week.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw improved activity amid a slight rise in secondary market volume of RM251m. Overall yields ended mostly higher with transactions seen along the GG-AA part of the curve on about 16 names. Government-guaranteed DANA 32's saw RM70m transacted with yields jumping 34-47bps compared to previous-done levels at 3.81%. AAA-rated DANGA 1/24 and PUTRAJAYA 4/25 similarly saw yields spike 20-23bps at 2.70% levels. AA-rated construction giants GAMUDA 3/23 eased 5bps at 2.96% whilst IJM 6/23 edged 1bps up at 2.98%. Meanwhile the banking space saw several odd-lot transactions for AFFIN Islamic and CIMB Group perp bonds.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.769	604	1.749	04/03/2021	2
MGS 09/21	1.778	210	1.696	04/03/2021	8
MGS 11/21	1.754	170	1.754	03/03/2021	0
MGS 03/22	1.854	24	1.815	04/03/2021	4
MGS 09/22	1.900	32	1.899	03/03/2021	0
MGS 03/23	2.115	404	2.057	04/03/2021	6
MGS 04/23	2.128	180	2.026	04/03/2021	10
MGS 09/24	2.408	30	2.202	04/03/2021	21
MGS 09/25	2.476	24	2.359	04/03/2021	12
MGS 11/26	2.633	22	2.551	04/03/2021	8
MGS 05/27	2.953	60	2.751	03/03/2021	20
MGS 11/27	2.825	1	2.841	04/03/2021	-2
MGS 06/28	2.965	28	2.844	04/03/2021	12
MGS 08/29	3.257	146	3.161	04/03/2021	10
MGS 04/31	3.288	223	3.108	04/03/2021	18
MGS 06/31	3.409	73	3.255	04/03/2021	15
MGS 04/33	3.844	95	3.749	04/03/2021	9
MGS 07/34	3.898	159	3.713	04/03/2021	19
MGS 04/37	4.180	49	3.958	04/03/2021	22
MGS 06/38	4.133	1	4.114	04/03/2021	2
MGS 05/40	4.082	34	3.920	04/03/2021	16
MGS 09/43	4.351	4	4.139	04/03/2021	21
MGS 07/48	4.499	7	4.252	03/03/2021	25
MGS 06/50	4.484	131	4.300	04/03/2021	18
GII 08/21	1.775	20	1.750	04/03/2021	2
GII 07/22	2.010	16	1.770	26/02/2021	24
GII 05/23	2.198	372	2.093	04/03/2021	11
GII 11/23	2.233	12	2.066	03/03/2021	17
GII 08/25	2.546	6	2.389	02/03/2021	16
GII 10/25	2.508	20	2.453	04/03/2021	6
GII 03/26	2.707	252	2.622	04/03/2021	9
GII 10/30	3.354	30	3.182	03/03/2021	17
GII 07/36	3.792	60	3.792	04/03/2021	0
GII 09/39	4.228	5	4.096	25/02/2021	13
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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*	
Danainfra Nasional Berhad	11/24	GG	2.447	15	2.206	26/01/2021	24	13
Prasarana Malaysia Berhad	08/26	GG	2.731	30	2.458	29/01/2021	27	26
Danainfra Nasional Berhad	03/32	GG	3.805	40	3.470	25/02/2021	34	55
Danainfra Nasional Berhad	05/32	GG	3.805	30	3.339	19/02/2021	47	55
Rantau Abang Capital Berhad	10/22	AAA	2.599	5	2.216	18/02/2021	38	67
Danum Capital Berhad	05/23	AAA	2.652	10	2.297	10/02/2021	36	72
Danga Capital Berhad	01/24	AAA	2.701	10	2.475	04/03/2021	23	57
Putrajaya Holdings Sdn Berhad	04/25	AAA	2.698	40	2.500	22/01/2021	20	38
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.348	1	3.973	20/01/2021	138	342
Gamuda Berhad	03/23	AA3	2.959	40	3.008	11/12/2020	-5	103
IJM Corporation Berhad	06/23	AA3	2.975	20	2.967	10/02/2021	1	104
TG Excellence Berhad	02/20	AA-	3.955	1	3.500	03/03/2021	46	-12
Jati Cakerawala Sdn Berhad	01/22	A1	3.795	1	3.804	17/02/2021	-1	201
CIMB Group Holdings Berhad	05/16	A1	3.925	1	4.176	03/03/2021	-25	-15
Affin Islamic Bank Berhad	10/17	A3	4.058	8	4.199	06/01/2021	-14	-2
Eco World Capital Assets Berhad	08/24	-	5.870	1	5.794	19/02/2021	8	374
				<u>251</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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