

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	1
5-yr UST	0.46	1
10-yr UST	1.17	1
30-yr UST	1.95	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.91	6	1.90	2
5-yr	2.15	1	2.31	5
7-yr	2.55	7	2.55	4
10-yr	2.76	0	2.86	6
15-yr	3.45	4	3.49	4
20-yr	3.61	-2	3.65	0
30-yr	3.91	-5	4.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.91	3
3-yr	2.06	6
5-yr	2.32	9
7-yr	2.48	8
10-yr	2.72	7

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

- US Treasuries pivoted around prior day's levels and ended marginally weaker (save for the long-bond) on Monday as expectations rose for further government spending; supported by weaker-than-expected January jobs numbers. The curve flattened slightly as overall benchmark yields ended mostly 1bps up. Both the UST 2Y and much-watched 10Y yield edged 1bps higher at 0.11% and 1.17% respectively. The 30Y bond retreated having breached 2.0% momentarily for the 1<sup>st</sup> time since February 2020. Plans for a massive stimulus bill made headway; arising from Treasury Secretary Yellen's comments over the weekend where she predicted that the US can get back to full employment as soon as next year if there is a robust fiscal package. That added to optimism as virus infections and lockdowns eased and as vaccination distribution improved.

##### MGS/GIII

- On Monday, local govovies closed mostly weaker led by the spike in IRS levels as the improved industrial production numbers for December 2020 painted an optimistic 4Q2020 GDP print. Overall benchmark yields closed between 0-7bps higher across the curve save for the long-end MGS amid a higher secondary market volume of RM4.94b. However the 5Y MGS 9/25 edged 1bps up at 2.15% whilst the 10Y MGS 4/31 yields closed within 1bps higher at 2.76%. Interest was mainly seen in the off-the-run 21's and also in the benchmark 3Y, 5Y and 15Y MGS/GII. GII bond trades rose to form ~42% of overall trades. Meanwhile, expect attention to focus on the release of 4Q2020 GDP numbers this Thursday.

##### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw solid activity on Monday amid a higher secondary market volume of RM869m. Interest was mainly seen across the GG-AA space as overall yields closed mostly mixed on yields lower with trades covering ~38 names. Govt-guaranteed DANA dominated this space with the 2/29 tranche closing 5bps higher compared to previous-done levels at 2.98% on the back of RM115m in nominal trades whilst the 2032 tranches edged 1bps higher at 3.21%. AAA-rated PUTRAJAYA 23-24's ended 5-8bps lower between 2.32-38% whilst RANTAU 32 spiked 17bps at 3.39%. The AA-segment saw YTL Corp 6/34 and 11/36 pressured with yields rising 3-21bps at 4.11% and 4.30% each. Meanwhile, energy-related bonds EDRA saw its 2026-2027 bonds move 1-8bps higher between 3.37-57% levels. The banking space was relatively quiet with MAYBANK 29NC24 notching a single trade of RM5m, closing 9bps lower at 2.74%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 02/21	1.936	400	1.781	04/02/2021	16
MGS 07/21	1.750	83	1.761	05/02/2021	-1
MGS 09/21	1.722	201	1.766	05/02/2021	-4
MGS 11/21	1.758	267	1.773	05/02/2021	-1
MGS 03/22	1.754	1	1.746	04/02/2021	1
MGS 09/22	1.786	7	1.845	04/02/2021	-6
MGS 03/23	1.911	657	1.856	05/02/2021	5
MGS 04/23	1.906	30	1.908	05/02/2021	0
MGS 08/23	1.877	7	1.928	05/02/2021	-5
MGS 07/24	2.067	39	2.057	05/02/2021	1
MGS 09/24	2.096	21	2.034	05/02/2021	6
MGS 09/25	2.150	116	2.135	05/02/2021	2
MGS 04/26	2.261	3	2.198	03/02/2021	6
MGS 07/26	2.310	20	2.301	05/02/2021	1
MGS 11/26	2.265	1	2.221	05/02/2021	4
MGS 03/27	2.342	4	2.364	04/02/2021	-2
MGS 05/27	2.458	10	2.385	05/02/2021	7
MGS 11/27	2.514	71	2.474	05/02/2021	4
MGS 06/28	2.554	267	2.483	05/02/2021	7
MGS 09/28	2.628	3	2.545	02/02/2021	8
MGS 08/29	2.773	22	2.758	05/02/2021	2
MGS 04/30	2.900	97	2.792	05/02/2021	11
MGS 04/31	2.761	191	2.756	05/02/2021	1
MGS 06/31	2.939	4	2.923	04/02/2021	2
MGS 04/33	3.434	21	3.394	04/02/2021	4
MGS 11/33	3.441	20	3.440	05/02/2021	0
MGS 07/34	3.446	182	3.402	05/02/2021	4
MGS 04/37	3.474	64	3.498	05/02/2021	-2
MGS 06/38	3.747	10	3.704	05/02/2021	4
MGS 05/40	3.610	45	3.628	05/02/2021	-2
GII 03/21	1.727	20	1.748	05/02/2021	-2
GII 04/21	1.758	150	1.729	05/02/2021	3
GII 08/21	1.740	700	1.759	05/02/2021	-2
GII 05/23	1.899	131	1.880	05/02/2021	2
GII 08/24	2.050	30	2.039	04/02/2021	1
GII 10/24	2.092	65	2.027	05/02/2021	6
GII 08/25	2.187	30	2.171	02/02/2021	2
GII 10/25	2.235	80	2.203	05/02/2021	3
GII 03/26	2.313	550	2.262	05/02/2021	5
GII 09/26	2.347	45	2.319	05/02/2021	3
GII 07/27	2.590	2	2.544	05/02/2021	5
GII 09/27	2.552	85	2.513	05/02/2021	4
GII 10/28	2.735	1	2.721	05/02/2021	1
GII 07/29	2.813	10	2.763	05/02/2021	5
GII 09/30	2.847	6	2.763	27/01/2021	8
GII 10/30	2.858	15	2.794	05/02/2021	6
GII 06/33	3.442	40	3.410	05/02/2021	3
GII 11/34	3.481	20	3.476	05/02/2021	0
GII 07/36	3.485	90	3.447	05/02/2021	4
		<u>4935</u>			

## 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*
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	2.479	10	3.005	22/06/2020	-53	32
Danainfra Nasional Berhad	05/28	GG	2.870	50	2.849	11/01/2021	2	34
Danainfra Nasional Berhad	02/29	GG	2.979	115	2.927	25/01/2021	5	33
Danainfra Nasional Berhad	03/29	GG	2.982	10	3.480	16/01/2020	-50	34
Danainfra Nasional Berhad	03/32	GG	3.209	20	3.199	03/02/2021	1	42
Danainfra Nasional Berhad	05/32	GG	3.210	30	3.199	03/02/2021	1	42
Aman Sukuk Berhad	10/21	AAA	2.138	40	2.478	15/07/2020	-34	39
Sarawak Energy Berhad	01/22	AAA	2.101	150	2.176	03/02/2021	-8	35
Pengurusan Air SPV Berhad	02/22	AAA	2.156	20	3.980	28/03/2019	-182	40
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.315	20	2.361	13/11/2020	-5	42
Putrajaya Holdings Sdn Berhad	04/24	AAA	2.381	20	2.463	26/11/2020	-8	48
Projek Lebuhraya Usahasama Berhad	01/27	AAA	2.878	30	2.915	21/01/2021	-4	55
TNB Western Energy Berhad	01/29	AAA	3.097	10	3.058	19/01/2021	4	45
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.082	10	3.089	02/02/2021	-1	33
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.329	30	3.326	04/02/2021	0	54
Rantau Abang Capital Berhad	01/32	AAA	3.390	30	3.218	30/10/2020	17	60
Kuala Lumpur Kepong Berhad	08/25	AA1	2.744	10	2.731	10/11/2020	1	59
Malayan Banking Berhad	01/29	AA1	2.736	5	2.829	10/12/2020	-9	9
Kuala Lumpur Kepong Berhad	09/29	AA1	3.214	10	3.213	03/02/2021	0	47
YTL Corporation Berhad	06/34	AA1	4.112	50	3.900	20/01/2021	21	68
YTL Corporation Berhad	11/36	AA1	4.300	50	4.271	29/12/2020	3	86
Celcom Networks Sdn Berhad	08/24	AA+	2.651	10	2.648	26/01/2021	0	61
Celcom Networks Sdn Berhad	08/27	AA+	2.989	10	2.991	29/01/2021	0	46
Gamuda Berhad	11/22	AA3	2.865	20	2.899	07/01/2021	-3	104
Edra Energy Sdn Berhad	01/26	AA3	3.367	10	3.358	23/10/2020	1	121
Mumtaz Rakyat Sukuk Berhad	06/26	AA3	2.609	6	2.591	23/12/2020	2	45
Edra Energy Sdn Berhad	07/26	AA3	3.428	10	3.388	28/10/2020	4	127
Edra Energy Sdn Berhad	01/27	AA3	3.499	10	3.423	22/10/2020	8	117
Edra Energy Sdn Berhad	07/27	AA3	3.561	10	3.556	04/02/2021	0	123
CIMB Thai Bank Public Company Limited	03/28	AA3	3.190	10	3.327	17/08/2020	-14	66
CIMB Thai Bank Public Company Limited	07/29	AA3	3.327	10	3.749	08/07/2020	-42	68
Alliance Bank Malaysia Berhad	10/30	A2	3.599	1	3.400	19/11/2020	20	81
Tropicana Corporation Berhad	09/19	-	5.396	1	5.178	25/01/2021	22	173
Tropicana Corporation Berhad	10/25	A+	5.215	2	5.216	03/02/2021	0	306
Tropicana Corporation Berhad	06/23	A+ IS	4.842	1	5.290	04/02/2021	-45	302
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/28	AA-	3.768	10	3.768	27/01/2021	0	112
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	11/29	AA-	3.877	10	3.949	06/07/2020	-7	113
Westports Malaysia Sdn Berhad	05/22	AA+	2.283	20	2.497	23/09/2020	-21	53
				<u>869</u>				

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

## Rating Action

Isuser	PDS Description	Rating/Outlook	Action
MNRB Holdings Berhad	RM320 million Sukuk Murabahah Programme (2019/-)	AAA/Stable/P1	Reaffirmed
	Senior Sukuk	AA3/Stable	Reaffirmed
	Subordinated Sukuk	A1/Stable	Reaffirmed
Malaysian Reinsurance Berhad	Insurer Financial Strength Rating	AA2/Stable/P1	Reaffirmed
	RM250 million Subordinated Medium-Term Note Programme (2015/2030)	AA3/Stable	Reaffirmed
Westports Malaysia Sdn Bhd	RM2.0 bil Sukuk Musharakah Programme 2011/2031	AAA/stable	Assigned

Source: RAM, MARC

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