

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	1
5-yr UST	0.45	0
10-yr UST	1.16	-1
30-yr UST	1.95	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.91	0	1.90	0
5-yr	2.19	4	2.62	30
7-yr	2.55	0	2.50	-5
10-yr	2.81	5	2.83	-2
15-yr	3.43	-2	3.49	0
20-yr	3.65	4	3.72	7
30-yr	3.95	4	4.03	-2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	1
3-yr	2.05	-1
5-yr	2.28	-3
7-yr	2.47	-2
10-yr	2.73	1

Source : Bloomberg

### Upcoming Government Bond Tender.

Nil

- US Treasuries were little changed despite the decent \$58b 3Y note auction which begins this week's heavy supply cycle. The curve continued to flatten slightly as overall benchmark yields ended within 1bps from prior day's moves. The UST 2Y edged 1bps up at 0.12% whilst the much-watched 10Y yield ended 1bps lower instead at 1.16%. The \$58b 3Y UST auction notched average to slightly better than par as it chalked a BTC ratio of 2.39x (previous auction: 2.41x); and awarded at 0.196%. With plans for a massive stimulus bill underway, it is interesting to note that the UST 10Y is unusually around the level where it traded since the Fed cut rates to 0.00-0.25% and announced new QE in March last year. Expect attention to focus on the upcoming \$41b 10Y tonight and the \$27b 30Y auction on Thursday. The acid test will be how much demand there is for these longer-dated debt sales

### MGS/GII

- On Tuesday, local govovies closed mostly mixed-to-weaker despite some cheer brought on by news of a 9<sup>th</sup> consecutive month of rise in foreign holdings of overall MYR bonds. Overall benchmark yields closed between -5 to +30bps across the curve amid a sustained secondary market volume of RM4.53b. The 5Y MGS 9/25 rose 4bps at 2.19% whilst the 10Y MGS 4/31 yields spiked 5bps at 2.81%. Interest was mainly seen in the off-the-run 21's and also in the benchmark 3Y, 5Y and 10Y MGS/GII. GII bond trades dropped to form ~31% of overall trades. Foreign holdings of MYR government bonds (MGS + GII + SPK) ended higher in January; with net inflows of RM3.2b totaling RM205.3b (representing 24.2% of total outstanding). Meanwhile, expect attention to focus on the release of 4Q2020 GDP numbers tomorrow.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw strong activity on Tuesday amid a slightly lower secondary market volume of RM763m. Interest was seen across the curve as overall yields closed mixed on yields with trades covering ~30 names. Govt-guaranteed DANA 29's edged 2bps up compared to previous-done levels at 3.00% on the back of RM140m in nominal trades. PUTRAJAYA 23-24's dominated the AAA-segment again, closing 0-2bps lower between 2.31-38% whilst DIGI 4/27 rallied 14bps at 2.75%. The AA-segment saw YTL Corp 4/23 and 11/26 pressured with yields rising 3-21bps at edged 1-2bps lower at 3.02% and 3.42% each whilst energy-related YTL Power 27-28's rose 0-8bps instead at 3.46% and 3.58% respectively. The banking space saw a flurry of activity with AmBank 27NC22 and 28NC23 moving 1-9bps lower 2.66% and 2.72%. AmBank Islamic 28NC23 bonds similarly saw strong bids resulting in a 2-7bps decline between 2.79-7-92%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.704	106	1.750	08/02/2021	-5
MGS 09/21	1.751	110	1.722	08/02/2021	3
MGS 11/21	1.753	410	1.758	08/02/2021	-1
MGS 08/22	1.801	15	1.784	08/02/2021	2
MGS 09/22	1.820	20	1.786	08/02/2021	3
MGS 03/23	1.904	249	1.911	08/02/2021	-1
MGS 08/23	1.929	91	1.877	08/02/2021	5
MGS 06/24	1.999	46	1.990	08/02/2021	1
MGS 09/24	2.082	2	2.096	08/02/2021	-1
MGS 03/25	2.130	16	2.108	03/02/2021	2
MGS 09/25	2.186	348	2.150	08/02/2021	4
MGS 04/26	2.275	3	2.261	08/02/2021	1
MGS 07/26	2.315	12	2.310	08/02/2021	0
MGS 11/26	2.272	50	2.265	08/02/2021	1
MGS 05/27	2.475	115	2.458	08/02/2021	2
MGS 11/27	2.546	8	2.514	08/02/2021	3
MGS 06/28	2.540	201	2.554	08/02/2021	-1
MGS 08/29	2.777	91	2.773	08/02/2021	0
MGS 04/30	2.871	4	2.900	08/02/2021	-3
MGS 04/31	2.808	677	2.761	08/02/2021	5
MGS 06/31	2.985	9	2.939	08/02/2021	5
MGS 04/33	3.416	80	3.434	08/02/2021	-2
MGS 11/33	3.430	43	3.441	08/02/2021	-1
MGS 07/34	3.425	180	3.446	08/02/2021	-2
MGS 04/37	3.493	44	3.474	08/02/2021	2
MGS 06/38	3.727	1	3.747	08/02/2021	-2
MGS 05/40	3.646	175	3.610	08/02/2021	4
MGS 09/43	3.956	5	3.899	08/02/2021	6
MGS 07/48	4.041	1	3.998	05/02/2021	4
MGS 06/50	3.949	31	3.912	08/02/2021	4
GII 03/21	1.732	30	1.727	08/02/2021	0
GII 08/21	1.764	30	1.740	08/02/2021	2
GII 03/22	1.734	3	1.760	05/02/2021	-3
GII 07/23	1.981	2	1.975	21/01/2021	1
GII 10/24	2.091	280	2.092	08/02/2021	0
GII 08/25	2.214	2	2.187	08/02/2021	3
GII 10/25	2.274	256	2.235	08/02/2021	4
GII 03/26	2.333	240	2.313	08/02/2021	2
GII 07/27	2.580	6	2.590	08/02/2021	-1
GII 09/27	2.501	60	2.552	08/02/2021	-5
GII 12/28	2.776	2	2.672	25/01/2021	10
GII 07/29	2.803	120	2.813	08/02/2021	-1
GII 10/30	2.834	70	2.858	08/02/2021	-2
GII 06/33	3.446	40	3.442	08/02/2021	0
GII 11/34	3.495	163	3.481	08/02/2021	1
GII 07/36	3.485	40	3.485	08/02/2021	0
GII 09/39	3.717	20	3.647	03/02/2021	7
GII 11/49	4.029	31	4.046	29/01/2021	-2
		<u>4534</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*
Pengurusan Air SPV Berhad	06/25	GG	2.287	20	2.381	06/01/2021	-9	22
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/28	GG	2.843	20	2.820	19/01/2021	2	20
Danahra Nasional Berhad	02/29	GG	2.997	60	2.979	08/02/2021	2	35
Danahra Nasional Berhad	03/29	GG	3.002	80	2.982	08/02/2021	2	35
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.287	10	2.349	24/12/2020	-6	54
Putrajaya Holdings Sdn Berhad	07/23	AAA	2.306	20	2.329	04/01/2021	-2	49
Putrajaya Holdings Sdn Berhad	09/23	AAA	2.317	30	2.315	08/02/2021	0	42
Putrajaya Holdings Sdn Berhad	04/24	AAA	2.375	10	2.381	08/02/2021	-1	47
Pengurusan Air SPV Berhad	06/26	AAA	2.720	15	2.754	22/12/2020	-3	54
DiGi Telecommunications Sdn Berhad	04/27	AAA	2.747	20	2.889	10/12/2020	-14	40
TNB Western Energy Berhad	07/27	AAA	2.928	10	4.681	23/03/2016	-175	58
TNB Western Energy Berhad	01/29	AAA	3.109	10	3.097	08/02/2021	1	46
YTL Corporation Berhad	04/23	AA1	3.016	30	3.024	29/01/2021	-1	120
YTL Corporation Berhad	11/26	AA1	3.415	10	3.438	19/01/2021	-2	107
YTL Power International Berhad	05/27	AA1	3.459	120	3.463	29/01/2021	0	111
YTL Power International Berhad	08/28	AA1	3.581	100	3.505	13/10/2020	8	93
Hong Leong Financial Group Berhad	06/28	AA2	2.907	15	2.882	03/02/2021	2	36
Bumitama Agri Ltd	07/26	AA3	3.155	1	3.158	04/02/2021	0	97
AmBank (M) Berhad	10/27	AA3	2.655	10	2.669	22/01/2021	-1	11
AmBank (M) Berhad	03/28	AA3	2.721	20	2.809	09/12/2020	-9	18
AmBank Islamic Berhad	10/28	AA3	2.768	30	2.785	05/01/2021	-2	12
AmBank (M) Berhad	11/28	AA3	2.919	10	2.990	09/12/2020	-7	27
Telekosang Hydro One Sdn Berhad	08/29	AA3	4.359	10	-	-	-	171
Malakoff Power Berhad	12/23	AA-	2.647	20	2.886	10/12/2020	-24	75
Jimah East Power Sdn Berhad	12/27	AA-	3.453	10	3.374	06/01/2021	8	91
Jimah East Power Sdn Berhad	12/29	AA-	3.663	50	3.629	04/02/2021	3	91
Tan Chong Motor Holdings Berhad	11/21	A1	3.804	1	4.345	03/02/2021	-54	205
Quantum Solar Park (Semenanjung) Sdn Berhad	04/31	A+	4.930	10	4.879	21/10/2020	5	213
Quantum Solar Park (Semenanjung) Sdn Berhad	10/32	A+	5.080	10	5.740	09/08/2019	-66	228
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	3.891	2	3.975	04/02/2021	-8	109
				<u>763</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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