

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries ended stonger on Wednesday boosted by the steady 10Y UST auction, weaker-than expected CPI and a dovish speech from Fed Chair Powell. The curve bull-flattened as overall benchmark yields ended 1-4bps lower from prior day's moves. The UST 2Y yield edged 1bps lower at 0.11% whilst the much-watched 10Y yields fell 4bps instead at 1.12%. The \$41b 10Y UST auction notched steady bidding metrics by chalking a BTC ratio of 2.37x (previous 6 auctions: 2.45x) given the high issuance size; and awarded at 1.155%. Powell said that he doesn't expect persistent, harmful inflation to rise and bring about tighter policy anytime soon. His statement that the US is still far from a strong labor market is expected to see bonds, well-bid. Expect attention tonight to focus on the upcoming \$27b 30Y auction and intial jobless claims as at 6<sup>th</sup> February.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	-1
5-yr UST	0.43	-2
10-yr UST	1.12	-4
30-yr UST	1.91	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.89	-3	1.88	-2
5-yr	2.15	-4	2.33	-29
7-yr	2.53	-2	2.52	2
10-yr	2.79	-2	2.83	0
15-yr	3.41	-2	3.46	-3
20-yr	3.66	1	3.72	0
30-yr	3.94	-1	4.03	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	0
3-yr	2.05	0
5-yr	2.29	1
7-yr	2.47	0
10-yr	2.73	0

Source : Bloomberg

### Upcoming Government Bond Tender.

Nil

### MGS/GII

- On Wednesday, local govvnies recovered prior days losses on bargain-hunting activities as the nation's steady current account position coupled with foreign reserves were believed to have been boosted by earlier portfolio flows especially into MYR bonds. Overall benchmark yields closed between 0-29bps lower across the curve amid a drop in secondary market volume of RM3.03b. The 5Y MGS 9/25 yields fell 4bps at 2.15% whilst the 10Y MGS 4/31 yields declined 2bps at 2.79%. Interest was mainly seen in the off-the-run 28's, 34's and also in the benchmark 3Y MGS/GII. GII bond trades rose to form ~43% of overall trades. The government has requested banks to submit proposals for a benchmarked sized USD-denominated Sukuk to possibly replace its upcoming USD800m 10Y Wakala Global Sukuk maturing on 6<sup>th</sup> July. Meanwhile, expect attention to focus on the release of 4Q2020 GDP numbers today.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw weaker momentum on Wednesday ahead of the Lunar holidays commencing this Friday. Secondary market volume eased almost by half to RM407m with interest confined along the AAA-AA curve as overall yields closed mixed on yields with trades covering ~24 names. There were no govt-guaranteed trades. CAGAMAS and BAKUN dominated the AAA-segment. CAGAMAS 23's notched total trades of RM95m in nominal amounts; closing 1-16bps lower compared to previous-done levels between 2.17-20%. BAKUN 8/29 and 8/31 edged 2bps up at 3.12% and 3.33% whilst the 8/27 and 8/30 tranches closed 1-6bps lower at 2.87% and 3.23% respectively. The banking space was relatively quiet with several odd-lot trades done on CIMB, Alliance and MBSB-related names.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.729	160	1.704	09/02/2021	3
MGS 11/21	1.735	1	1.753	09/02/2021	-2
MGS 03/22	1.774	140	1.754	08/02/2021	2
MGS 08/22	1.789	41	1.801	09/02/2021	-1
MGS 03/23	1.885	396	1.904	09/02/2021	-2
MGS 07/24	2.062	50	2.067	08/02/2021	-1
MGS 09/24	2.069	20	2.082	09/02/2021	-1
MGS 09/25	2.147	109	2.186	09/02/2021	-4
MGS 04/26	2.265	17	2.275	09/02/2021	-1
MGS 11/26	2.261	22	2.272	09/02/2021	-1
MGS 03/27	1.243	21	2.342	08/02/2021	-110
MGS 05/27	2.465	31	2.475	09/02/2021	-1
MGS 11/27	2.531	37	2.546	09/02/2021	-1
MGS 06/28	2.530	330	2.540	09/02/2021	-1
MGS 08/29	2.786	42	2.777	09/02/2021	1
MGS 04/30	2.867	20	2.871	09/02/2021	0
MGS 04/31	2.791	52	2.808	09/02/2021	-2
MGS 06/31	2.959	10	2.985	09/02/2021	-3
MGS 04/33	3.406	44	3.416	09/02/2021	-1
MGS 11/33	3.428	20	3.430	09/02/2021	0
MGS 07/34	3.406	92	3.425	09/02/2021	-2
MGS 05/40	3.657	5	3.646	09/02/2021	1
MGS 09/43	3.889	18	3.956	09/02/2021	-7
MGS 03/46	3.984	4	4.005	08/02/2021	-2
MGS 07/48	3.959	30	4.041	09/02/2021	-8
GII 04/21	1.749	100	1.758	08/02/2021	-1
GII 08/21	1.700	5	1.764	09/02/2021	-6
GII 05/23	1.880	249	1.899	08/02/2021	-2
GII 07/23	1.960	111	1.981	09/02/2021	-2
GII 10/23	1.970	10	1.796	18/01/2021	17
GII 11/23	1.990	66	1.941	05/02/2021	5
GII 10/24	2.087	55	2.091	09/02/2021	0
GII 08/25	2.188	59	2.214	09/02/2021	-3
GII 03/26	2.324	66	2.333	09/02/2021	-1
GII 09/26	2.362	6	2.347	08/02/2021	2
GII 07/27	2.564	14	2.580	09/02/2021	-2
GII 09/27	2.515	40	2.501	09/02/2021	1
GII 10/28	2.695	45	2.735	08/02/2021	-4
GII 07/29	2.798	70	2.803	09/02/2021	0
GII 06/33	3.450	80	3.446	09/02/2021	0
GII 11/34	3.498	264	3.495	09/02/2021	0
GII 07/36	3.455	3	3.485	09/02/2021	-3
GII 08/37	3.687	73	3.674	25/01/2021	1
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## 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*
Danum Capital Berhad	05/23	AAA	2.297	50	2.322	04/01/2021	-2	48
Cagamas Berhad	05/23	AAA	2.171	80	2.198	26/01/2021	-3	35
Cagamas Berhad	10/23	AAA	2.238	5	2.250	22/10/2020	-1	34
Cagamas Berhad	11/23	AAA	2.196	10	2.360	05/02/2021	-16	30
Sarawak Energy Berhad	08/25	AAA	2.584	10	2.592	07/01/2021	-1	41
Sarawak Energy Berhad	06/26	AAA	2.684	10	2.688	04/02/2021	0	51
DiGi Telecommunications Sdn Berhad	09/26	AAA	2.676	20	2.678	05/02/2021	0	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/27	AAA	2.869	20	2.882	02/02/2021	-1	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/29	AAA	3.122	40	3.098	26/01/2021	2	37
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/30	AAA	3.233	30	3.292	18/12/2020	-6	48
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/31	AAA	3.329	10	3.314	13/01/2021	2	53
Kuala Lumpur Kepong Berhad	09/29	AA1	3.221	10	3.214	08/02/2021	1	47
Celcom Networks Sdn Berhad	10/26	AA+	2.868	20	2.900	29/01/2021	-3	52
IJM Corporation Berhad	06/23	AA3	2.967	10	3.031	10/09/2020	-6	115
Press Metal Aluminium Holdings Berhad	10/24	AA3	3.746	15	3.899	10/11/2020	-15	169
AEON Credit Service (M) Berhad	02/27	AA3	3.309	2	3.328	14/01/2021	-2	96
MMC Corporation Berhad	04/27	AA-	3.907	20	3.808	30/11/2020	10	156
MMC Corporation Berhad	11/27	AA-	3.965	20	3.987	13/01/2021	-2	143
IJM Corporation Berhad	08/28	AA3	3.650	10	3.691	05/01/2021	-4	101
Gamuda Berhad	11/29	AA3	3.709	10	3.672	06/01/2021	4	95
CIMB Group Holdings Berhad	05/16	A1	3.494	3	3.281	05/02/2021	21	-16
Alliance Bank Malaysia Berhad	10/35	A2	3.497	1	3.627	02/02/2021	-13	7
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	3.889	1	3.891	09/02/2021	0	109
Affin Bank Berhad	07/18	A3	3.842	1	3.850	05/02/2021	-1	19
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\*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Top Glove Corporation Bhd	Corporate Credit rating	From AA to AA+	Upgraded
Special purpose vehicle TG Excellence Berhad	RM3.0 billion Perpetual Sukuk Wakalah Programme	AA-IS(CG)	Affirmed
MEX II Sdn Bhd	RM1.3 billion Sukuk Murabahah Programme	From BBB-IS to BB-IS	Downgraded

Source: RAM, MARC

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