

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	-1
5-yr UST	0.79	-2
10-yr UST	1.52	-1
30-yr UST	2.24	0

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.18	-3	2.23	0
5-yr	2.64	-6	2.81	-14
7-yr	3.07	-5	3.17	10
10-yr	3.31	-7	3.59	-2
15-yr	3.98	-7	4.06	0
20-yr	4.24	70	4.31	7
30-yr	4.46	-11	4.55	28

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.03	4
3-yr	2.48	4
5-yr	2.77	2
7-yr	2.93	0
10-yr	3.33	5

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.0b 10Y GII 10/30 on

Friday, 12th March, 2021

- US Treasuries ended stronger on Wednesday, boosted by slightly softer core inflation data for February. Overall benchmark yields closed between 1-2bps lower with both the UST 2Y and UST10 yield edging 1bps lower at 0.15% and 1.52% each. Meanwhile the \$38b 10Y auction saw average bidding metrics with BTC ratio @ 2.38x (average for previous 6 auctions: 2.41x), and awarded at a high yield of 1.523%. Investors nevertheless have shown keen interest in recent auctions following the poor 7Y auction note auction. This week's bond sales forms part of a \$274 billion quarterly funding target and comes amid a modest easing of inflation expectations even as investors look to a faster-than-expected post pandemic recovery and higher oil prices. Expect attention tonight to focus on the initial jobless claims as at 6th of March coupled with the auction results of \$24b 30Y bonds.

MGS/GII

- On Wednesday, local govies recovered lost ground following 3 consecutive sessions of weakness led by higher IRS amid a lower secondary market volume of RM3.51b. Sentiment was partially boosted by the surge in foreign holdings of overall MYR bonds by RM7.2b or 3.2% to RM233.9b for the 10th consecutive month. Overall benchmark yields closed mostly mixed-to-lower i.e. between -14 to +28bps save for the adjustment on the skewed trade seen earlier on the 20Y MGS. The 5Y MGS 9/25 yield fell 6bps at 2.64% whilst the 10Y MGS 4/31 yield was 7bps lower at 3.31%. Interest was mainly seen in the off-the-run 21-22's, 29's and also the benchmark 3Y MGS/GII. GII bond trades jumped to form ~48% of overall trades. Meanwhile, expect attention to focus on tomorrow's release on the industrial production numbers for January and the reopening sale of GII 10/30.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw secondary market volume improve slightly to RM332m yesterday. Overall yields ended mostly higher on 17 various names seen along the AAA to single-A part of the curve including several odd-lot ones for single-A names. There were no government-guaranteed trades. AAA-rated PASB 21-22's spiked 21-23bps compared to previous-done levels between 2.37-42%. DANGA 2/26 similarly rose 35bps at 3.20%; notching RM40m in transacted amounts. AA-rated MMC Corp dominated the AA-space with the 11/27 and 3/28 tranches edging 2bps and moving 28bps higher at 4.29% and 4.35% respectively. Both tranches saw RM40m each exchanging hands. Meanwhile the banking space was relatively quiet.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.774	103	1.771	09/03/2021	0
MGS 09/21	1.777	157	1.808	09/03/2021	-3
MGS 11/21	1.809	32	1.844	09/03/2021	-4
MGS 03/22	1.863	28	1.868	09/03/2021	-1
MGS 08/22	1.979	16	2.066	09/03/2021	-9
MGS 09/22	1.977	76	2.000	09/03/2021	-2
MGS 03/23	2.170	297	2.202	09/03/2021	-3
MGS 04/23	2.218	35	2.244	09/03/2021	-3
MGS 08/23	2.247	44	2.295	09/03/2021	-5
MGS 06/24	2.481	86	2.510	09/03/2021	-3
MGS 07/24	2.503	40	2.602	09/03/2021	-10
MGS 09/24	2.538	22	2.607	09/03/2021	-7
MGS 09/25	2.641	160	2.699	09/03/2021	-6
MGS 07/26	2.826	76	2.850	09/03/2021	-2
MGS 11/26	2.831	71	2.771	09/03/2021	6
MGS 05/27	3.057	15	3.101	09/03/2021	-4
MGS 11/27	3.085	1	2.995	09/03/2021	9
MGS 06/28	3.069	51	3.117	09/03/2021	-5
MGS 08/29	3.428	248	3.465	09/03/2021	-4
MGS 04/30	3.465	1	3.498	09/03/2021	-3
MGS 04/31	3.311	87	3.386	09/03/2021	-8
MGS 04/33	4.087	29	3.949	09/03/2021	14
MGS 07/34	3.978	109	4.048	09/03/2021	-7
MGS 04/37	4.189	4	4.136	08/03/2021	5
MGS 05/40	4.238	39	4.264	09/03/2021	-3
MGS 09/43	4.198	1	4.448	09/03/2021	-25
MGS 07/48	4.549	2	4.597	09/03/2021	-5
MGS 06/50	4.458	1	4.563	09/03/2021	-11
GII 03/21	1.775	15	1.754	09/03/2021	2
GII 08/21	1.810	10	1.800	09/03/2021	1
GII 04/22	1.936	276	1.907	09/03/2021	3
GII 07/22	2.071	10	2.127	09/03/2021	-6
GII 05/23	2.227	643	2.223	09/03/2021	0
GII 07/23	2.297	40	2.011	26/02/2021	29
GII 10/23	2.366	20	2.371	09/03/2021	0
GII 11/23	2.339	20	2.359	09/03/2021	-2
GII 10/24	2.567	7	2.317	04/03/2021	25
GII 03/26	2.807	142	2.950	09/03/2021	-14
GII 07/27	3.126	10	2.847	01/03/2021	28
GII 09/27	3.168	1	3.069	09/03/2021	10
GII 10/28	3.264	60	2.998	02/03/2021	27
GII 07/29	3.707	12	3.666	09/03/2021	4
GII 09/30	3.682	20	3.015	23/02/2021	67
GII 10/30	3.590	63	3.608	09/03/2021	-2
GII 06/33	4.096	10	3.751	04/03/2021	35
GII 11/34	4.120	260	4.201	09/03/2021	-8
GII 09/39	4.309	40	4.239	09/03/2021	7
GII 11/49	4.550	23	4.273	02/03/2021	28
		<u>3510</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	11/21	AAA	2.366	10	2.156	05/02/2021	21	54
Pengurusan Air SPV Berhad	02/22	AAA	2.421	40	2.192	03/03/2021	23	59
Danum Capital Berhad	05/23	AAA	2.708	65	2.652	05/03/2021	6	69
Pengerang LNG (Two) Sdn Berhad	10/25	AAA	3.047	10	2.473	27/10/2020	57	39
Danga Capital Berhad	02/26	AAA	3.201	40	2.850	01/03/2021	35	54
Pengerang LNG (Two) Sdn Berhad	10/26	AAA	3.299	10	2.798	07/12/2020	50	37
Sabah Credit Corporation	12/21	AA1	2.603	10	2.683	20/07/2020	-8	77
Danajamin Nasional Berhad	10/27	AA1	2.912	10	2.715	29/12/2020	20	-17
Anih Berhad	11/21	AA	2.557	30	2.524	02/12/2020	3	73
Bermaz Auto Berhad	12/23	AA3	3.266	15	3.260	16/12/2020	1	106
MMC Corporation Berhad	11/27	AA-	4.291	40	4.011	22/02/2021	28	121
MMC Corporation Berhad	03/28	AA-	4.348	40	4.330	09/03/2021	2	127
Tropicana Corporation Berhad	10/23	A+	5.021	1	5.435	09/03/2021	-41	282
DRB-Hicom Berhad	12/29	A+	4.914	10	4.912	23/02/2021	0	158
Alliance Bank Malaysia Berhad	10/35	A2	3.925	1	3.925	03/03/2021	0	-9
Eco World International Berhad	10/21	-	5.525	1	5.255	08/03/2021	27	369
Eco World International Berhad	05/23	-	5.889	1	6.399	08/03/2021	-51	387
				<u>332</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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