

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	0.79	0
10-yr UST	1.54	2
30-yr UST	2.30	6

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.15	-3	2.17	-6
5-yr	2.56	-8	2.71	-10
7-yr	3.00	-7	3.04	-13
10-yr	3.16	-15	3.45	-14
15-yr	3.88	-10	4.04	-3
20-yr	4.15	-9	4.31	0
30-yr	4.46	0	4.55	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	-2
3-yr	2.40	-8
5-yr	2.68	-9
7-yr	2.87	-6
10-yr	3.20	-13

Source : Bloomberg

- US Treasuries ended mixed on Thursday, pivoted along the 7Y sector as sentiment from the strong auction of the long-bonds overshadowed morning session weakness arising from rate lock-down from one of the largest corporate bond offering by Verizon Communications. Overall benchmark yields closed mixed between -1 to +6bps with the longer-ends pressured. The UST 2Y yield edged 1bps lower at 0.14% whilst the much-watched UST10 rose 2bps at 1.54%. The \$24b 30Y auction saw stonger-than-expected bidding metrics with BTC ratio @ 2.28x (previous auction: 2.18%; average for previous 6 auctions: 2.39x) whilst being awarded at 2.295%. The dovish surprise from ECB which accelerated its bond-buying programme to slow the ascent in yields was seen as another support for UST's.

MGS/GII

- On Thursday, local govies saw the 2nd straight session of gains led by lower IRS amid a higher secondary market volume of RM5.73b. Bonds were well-bid following bargain levels seen following the recent sharp pull-back. Overall benchmark yields closed lower between 0-15bps. The 5Y MGS 9/25 yield fell 8bps at 2.56% whilst the 10Y MGS 4/31 rallied 15bps at 3.16% on odd-lot transaction. Interest was mainly seen in the off-the-run 21-22's, 29's and also the benchmark 3Y MGS/GII. GII bond trades dropped to form 30% of overall trades. Separately, we note the correlation between US yields and EM local debt returns is strong~ at about 70% based on a study done for 10 years on the UST 10Y. Meanwhile, expect attention to focus on today'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 sustain at about RM370m yesterday. Overall yields ended mostly mixed-to-higher on 25 various names seen along the GG-AA part of the curve. The govt-guaranteed DANA 3/29 and 11/34 spiked 73-102bps compared to previous-done levels at 3.73% and 4.27% each. AAA-rated CAGAMAS and TNB 21's exchanged hands 14-15bps higher between 2.19-23%. The long-end RANTAU 5/31 rose 47bps at 3.95%; notching RM40m in transacted amounts. Rarely-traded BESRAYA 7/27 made its way to the gainers list with RM30m worth of trades done at a whopping 67bps lower @ 3.76%. Meanwhile the banking space saw PUBLIC 2028NC23 close 16bps lower instead at 3.09%.

Upcoming Government Bond Tender

Reopening of RM4.0b 10Y GII 10/30 on Friday, 12th March, 2021

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.781	110	1.774	10/03/2021	1
MGS 09/21	1.768	530	1.777	10/03/2021	-1
MGS 11/21	1.804	361	1.809	10/03/2021	0
MGS 03/22	1.867	168	1.863	10/03/2021	0
MGS 08/22	1.972	22	1.979	10/03/2021	-1
MGS 09/22	1.976	170	1.977	10/03/2021	0
MGS 03/23	2.145	218	2.170	10/03/2021	-2
MGS 04/23	2.208	7	2.218	10/03/2021	-1
MGS 06/24	2.400	75	2.481	10/03/2021	-8
MGS 07/24	2.467	67	2.503	10/03/2021	-4
MGS 09/24	2.443	251	2.538	10/03/2021	-9
MGS 03/25	2.610	3	2.385	04/03/2021	23
MGS 09/25	2.559	290	2.641	10/03/2021	-8
MGS 04/26	2.805	20	2.873	10/03/2021	-7
MGS 07/26	2.720	95	2.826	10/03/2021	-11
MGS 11/26	2.716	335	2.831	10/03/2021	-12
MGS 03/27	3.065	1	3.049	09/03/2021	2
MGS 05/27	2.995	190	3.057	10/03/2021	-6
MGS 11/27	2.991	136	3.085	10/03/2021	-9
MGS 06/28	2.999	76	3.069	10/03/2021	-7
MGS 08/29	3.316	549	3.428	10/03/2021	-11
MGS 04/30	3.378	30	3.465	10/03/2021	-9
MGS 04/31	3.162	1	3.311	10/03/2021	-15
MGS 04/33	3.970	18	4.087	10/03/2021	-12
MGS 11/33	4.038	47	4.195	09/03/2021	-16
MGS 07/34	3.881	36	3.978	10/03/2021	-10
MGS 05/35	3.993	20	3.985	08/03/2021	1
MGS 06/38	4.273	2	4.243	08/03/2021	3
MGS 05/40	4.147	179	4.238	10/03/2021	-9
MGS 09/43	4.249	1	4.198	10/03/2021	5
MGS 06/50	4.458	32	4.458	10/03/2021	0
GII 03/22	1.844	9	1.862	08/03/2021	-2
GII 07/22	2.051	20	2.071	10/03/2021	-2
GII 05/23	2.168	558	2.227	10/03/2021	-6
GII 07/23	2.215	90	2.297	10/03/2021	-8
GII 11/23	2.241	30	2.339	10/03/2021	-10
GII 10/24	2.539	75	2.567	10/03/2021	-3
GII 03/26	2.706	340	2.807	10/03/2021	-10
GII 09/27	3.041	182	3.168	10/03/2021	-13
GII 08/28	3.124	40	2.585	22/01/2021	54
GII 10/28	3.250	50	3.264	10/03/2021	-1
GII 07/29	3.570	31	3.707	10/03/2021	-14
GII 10/30	3.450	100	3.590	10/03/2021	-14
GII 11/34	4.095	160	4.120	10/03/2021	-3
GII 07/36	4.037	10	4.063	09/03/2021	-3
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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*
Danainfra Nasional Berhad	03/29	GG	3.729	10	3.002	09/02/2021	73	57
Danainfra Nasional Berhad	11/34	GG	4.270	10	3.250	12/03/2020	102	37
Tenaga Nasional Berhad	12/21	AAA	2.229	15	2.088	03/03/2021	14	38
Berjaya Land Berhad	12/21	AAA	3.041	20	2.791	24/11/2020	25	120
Cagamas Berhad	12/21	AAA	2.190	20	2.038	14/01/2021	15	35
Putrajaya Holdings Sdn Berhad	12/21	AAA	2.180	30	2.184	26/10/2020	0	34
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.495	20	2.494	09/03/2021	0	65
Gulf Investment Corporation G.S.C	06/22	AAA	2.776	10	3.951	02/01/2020	-118	93
Mercedes-Benz Services Malaysia Sdn Berhad	11/23	AAA	2.935	20	2.579	06/01/2021	36	77
Malaysia Airports Capital Berhad	12/24	AAA	3.265	20	2.826	05/02/2021	44	83
Danum Capital Berhad	02/25	AAA	3.097	10	2.529	04/02/2021	57	66
Public Bank Berhad	04/25	AAA	3.113	20	2.728	17/11/2020	39	67
Sarawak Energy Berhad	08/25	AAA	3.119	20	3.047	08/03/2021	7	68
Cagamas MBS Berhad	12/25	AAA	3.229	10	3.850	19/03/2020	-62	66
Danga Capital Berhad	02/26	AAA	3.201	30	3.201	10/03/2021	0	63
Pengurusan Air SPV Berhad	06/26	AAA	3.188	10	2.828	25/02/2021	36	62
Rantau Abang Capital Berhad	05/31	AAA	3.950	20	3.480	17/02/2021	47	69
Public Bank Berhad	10/28	AA1	3.088	20	3.252	08/07/2020	-16	-7
Genting RMTN Berhad	11/29	AA1	4.895	2	4.778	03/09/2020	12	164
CIMB Bank Berhad	08/26	AA+	4.406	2	3.266	08/03/2021	114	183
Celcom Networks Sdn Berhad	08/27	AA+	3.514	10	3.027	24/02/2021	49	72
Imtiaz Sukuk II Berhad	10/27	AA2	3.388	10	3.128	05/02/2021	26	38
AmBank (M) Berhad	03/27	AA3	4.169	1	3.697	03/03/2021	47	138
Besraya (M) Sdn Berhad	07/27	AA3	3.762	30	4.432	25/10/2019	-67	97
LBS Bina Group Berhad	03/20	-	5.897	1	5.047	26/01/2021	85	177
				<u>370</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tropicana Corporation Berhad	RM1.5 billion Islamic Medium-Term Notes Programme (Sukuk Wakalah)	A+IS/Stable	Affirmed

Source: RAM, MARC

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