

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries pared its earlier gains but ended positive on Tuesday following strong 10Y auction as overall benchmark yields closed between 0-2bps lower. The UST 2Y closed within 1bps lower at 0.14% and the much-watched UST 10Y edged 2bps lower compared to prior day's close at 1.13%; shrugging-off ongoing concerns that the prospects over federal spending will increase under the Republican rule. The \$38b UST 10Y auction saw strong bidding metrics of 2.47x and awarded 1.164%; in a sign that demand exceeded dealers expectations despite being \$3b larger than last quarter and ~\$14b larger than a year ago. Expect short-term UST volatility to sustain its volatility with attention focussed on the upcoming inflation data for December and also reopening of \$20b 30Y bonds on Wednesday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	0
5-yr UST	0.49	-1
10-yr UST	1.13	-2
30-yr UST	1.87	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.83	-4	1.85	-8
5-yr	2.11	-2	2.25	-2
7-yr	2.50	2	2.54	2
10-yr	2.71	5	2.80	1
15-yr	3.38	0	3.52	2
20-yr	3.58	7	3.60	-1
30-yr	3.95	5	3.94	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.86	-6
3-yr	1.98	-6
5-yr	2.17	-7
7-yr	2.35	-7
10-yr	2.58	-7

Source : Bloomberg

Upcoming Government Bond Tender

New Issuance of RM3.0b + RM1.5b Private Placement of 15Y GII 7/36 on Thursday, 14th Jan 2021

MGS/GII

- On Tuesday, local govies saw the short-ends richer as overall benchmark yields closed mostly weaker between -8 to +7bps amid a sustained secondary market volume of RM3.45b. The 5Y MGS 9/25 yield edged 2bps lower at 2.11% whilst the 10Y MGS 4/31 yield spiked 5bps at 2.71%. Interest was mainly seen in the off-the-run 21-22s, 28's and benchmark 15Y MGS. GII bond trades rose to form ~36% of overall trades. Some buying confidence in the longer-ends emerged following positive vibes from the 8th m/m rise in foreign holdings of MYR bonds in December last year. Expect EM Asia FX including MYR to remain favourable going forward. Meanwhile the economic calendar remains light with MPC meeting scheduled next week on the 20th of January.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw lukewarm interest amid a low secondary market volume of RM291m with some interest seen across the GG-AA part of the curve. Overall yields closed mostly mixed-to-lower on trades involving only ~15 bonds in total. Govt-guaranteed DANA 11/30 closed 3bps lower compared to previous-done levels at 3.12% whilst PTPTN 3/32 rose 3bps instead at 3.28%. AAA-rated CAGAMAS 21's saw heightened transactions of RM95m in nominal amounts; closing 4-12bps lower at ~1.98% levels. In the AA-space, MALAKOFF 12/21 edged 2bps lower at 2.43% whilst MMC Corp 3/28 ended unchanged at 4.03%. Meanwhile, the banking space saw nil trades.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 02/21	1.803	204	1.752	11/01/2021	5
MGS 07/21	1.780	180	1.761	11/01/2021	2
MGS 09/21	1.804	21	1.754	11/01/2021	5
MGS 11/21	1.766	120	1.722	08/01/2021	4
MGS 03/22	1.771	3	1.720	11/01/2021	5
MGS 08/22	1.779	3	1.771	11/01/2021	1
MGS 09/22	1.800	123	1.797	11/01/2021	0
MGS 03/23	1.833	36	1.877	08/01/2021	-4
MGS 04/23	1.893	5	1.877	11/01/2021	2
MGS 08/23	1.903	15	1.889	08/01/2021	1
MGS 06/24	1.634	63	2.011	11/01/2021	-38
MGS 07/24	2.012	5	2.022	11/01/2021	-1
MGS 09/24	2.047	6	2.020	08/01/2021	3
MGS 03/25	2.080	3	2.098	08/01/2021	-2
MGS 09/25	2.113	60	2.136	11/01/2021	-2
MGS 04/26	2.272	3	2.270	11/01/2021	0
MGS 07/26	2.357	125	2.317	11/01/2021	4
MGS 09/26	2.402	61	2.278	04/01/2021	12
MGS 11/26	2.290	27	2.262	11/01/2021	3
MGS 05/27	2.495	25	2.474	11/01/2021	2
MGS 11/27	2.511	51	2.487	11/01/2021	2
MGS 06/28	2.605	313	2.529	11/01/2021	8
MGS 08/29	2.728	48	2.692	11/01/2021	4
MGS 04/30	2.829	14	2.666	08/01/2021	16
MGS 04/31	2.709	79	2.663	11/01/2021	5
MGS 06/31	2.899	73	2.820	11/01/2021	8
MGS 04/33	3.348	3	3.280	08/01/2021	7
MGS 11/33	3.430	4	3.383	11/01/2021	5
MGS 07/34	3.378	246	3.377	11/01/2021	0
MGS 05/35	3.404	3	3.329	11/01/2021	7
MGS 04/37	3.487	1	3.362	11/01/2021	13
MGS 06/38	3.604	2	3.601	11/01/2021	0
MGS 05/40	3.577	148	3.503	08/01/2021	7
MGS 09/43	3.852	2	3.843	08/01/2021	1
MGS 03/46	3.936	13	3.790	07/01/2021	15
MGS 07/48	3.978	11	3.906	08/01/2021	7
MGS 06/50	3.952	115	3.905	11/01/2021	5
GII 07/22	1.769	340	1.853	11/01/2021	-8
GII 11/22	1.871	70	1.865	05/01/2021	1
GII 05/23	1.853	91	1.932	11/01/2021	-8
GII 11/23	1.993	150	2.000	11/01/2021	-1
GII 10/24	2.041	20	2.083	11/01/2021	-4
GII 08/25	2.283	60	2.230	08/01/2021	5
GII 10/25	2.670	160	2.222	06/01/2021	45
GII 03/26	2.253	201	2.277	11/01/2021	-2
GII 09/26	2.464	10	2.483	11/01/2021	-2
GII 07/27	2.507	1	2.585	11/01/2021	-8
GII 09/27	2.542	55	2.522	11/01/2021	2
GII 10/28	2.735	43	2.735	11/01/2021	0
GII 07/29	2.813	1	2.798	11/01/2021	2
GII 10/30	2.801	4	2.795	11/01/2021	1
GII 11/34	3.523	20	3.505	11/01/2021	2
GII 09/39	3.600	10	3.608	11/01/2021	-1
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Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Danainfra Nasional Berhad	11/30	GG	3.118	20	3.148	30/12/2020	-3	42
Perbadanan Tabung Pendidikan Tinggi Nasional	03/32	GG	3.285	20	3.259	07/01/2021	3	59
Cagamas Berhad	09/21	AAA	1.981	55	2.096	14/12/2020	-12	23
Cagamas Berhad	10/21	AAA	1.979	40	2.021	05/01/2021	-4	23
Cagamas Berhad	10/21	AAA	1.980	5	-	-	-	23
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.416	40	2.407	05/01/2021	1	61
Pengurusan Air SPV Berhad	06/27	AAA	2.815	30	2.819	11/01/2021	0	46
Kuala Lumpur Kepong Berhad	09/29	AA1	3.249	20	3.247	23/12/2020	0	57
Kuala Lumpur Kepong Berhad	09/34	AA1	3.817	10	3.820	30/12/2020	0	45
Perbadanan Kemajuan Negeri Selangor	08/21	AA3	2.985	10	2.959	12/08/2020	3	123
Perbadanan Kemajuan Negeri Selangor	10/21	AA3	3.045	10	3.658	23/12/2019	-61	129
Malakoff Power Berhad	12/21	AA-	2.427	10	2.446	11/01/2021	-2	67
MMC Corporation Berhad	03/28	AA-	4.029	20	4.029	07/01/2021	0	148
CIMB Group Holdings Berhad	05/16	A1	3.762	1	3.761	05/01/2021	0	23
YNH Property Berhad	08/19	-	6.714	1	6.714	08/01/2021	0	318
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Berjaya Land Berhad	RM500.0 million Medium-Term Notes (MTN) Programme guaranteed by Danajamin Nasional Berhad	AAA(FG)/Stable	Affirmed
	M150.0 million MTN Programme guaranteed by OCBC Bank (Malaysia) Berhad (OCBC Malaysia)	AAA(BG)/Stable	Affirmed
Standard Chartered Bank Malaysia Berhad	Financial Institution rating	AAA/Stable/P1	Reaffirmed
EKVE Sdn Bhd	Guaranteed Sukuk Murabahah Facility of up to RM1 bil in Nominal Value	AAA(bg)/Stable	Reaffirmed
Gulf Investment Corporation G.S.C.'s (GIC or the Corporation)	Corporate Credit ratings	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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