

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	0
5-yr UST	0.46	-3
10-yr UST	1.08	-5
30-yr UST	1.82	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.85	2	1.83	-2
5-yr	2.04	-8	2.17	-8
7-yr	2.44	-17	2.48	-6
10-yr	2.64	-7	2.73	-7
15-yr	3.31	-7	3.43	-10
20-yr	3.59	1	3.58	-2
30-yr	3.96	1	3.94	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.82	-4
3-yr	1.92	-6
5-yr	2.13	-4
7-yr	2.31	-4
10-yr	2.55	-3

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

- US Treasuries gained strength especially on the mid-to-longer ends following strong 30Y bond auction which was comparable to prior day's equally strong 10Y auction. Overall benchmark yields closed between 0-6bps lower with the UST 2Y closing within 1bps lower at 0.14% and the much-watched UST 10Y rallying, pushing yields down 5bps at 1.08%; shrugging-off current concerns that the prospects over federal spending will increase under the Republicans. The \$24b UST 30Y auction saw strong bidding metrics of 2.47x (average for previous 6 auctions: 2.37x) and awarded at 1.825%; benefitting from yield near the highest levels since February last year and steepness vs 5Y sector. Meanwhile Fed Reserve Governor Brainard said that the Fed was committed to support the economy and had no imminent plans to taper its monthly purchases at least until 1H2022. Expect some attention to shift to the upcoming release of initial jobless claims as at 9th January.

MGS/GII

- On Wednesday, local govies were well-bid; led by lower IRS levels as overall benchmark yields closed mostly lower between 2-17bps amid a rise in secondary market volume at RM4.97b. The 5Y MGS 9/25 yield fell 8bps at 2.04% whilst the 10Y MGS 4/31 yield ended 7bps lower at 2.64%. Interest was mainly seen in the off-the-run 21-22s, 28's and benchmark 3Y, 7Y MGS/GII. GII bond trades maintained to form ~34% of overall trades. Buying confidence continued for the 2nd day despite fears over the lockdown and state emergency declaration imposed on many states that may impact the economy and the MYR. Nevertheless, positive vibes from the rise in foreign holdings of MYR bonds last month boosted confidence. Expect investors to focus on the auction exercise involving new issuance 15Y GII today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw a spike in investor interest taking cue from the stronger levels seen in govies with secondary market volume rising sharply to RM725m. Interest was seen across the GG-AA part of the curve as overall yields closed mostly mixed on trades involving ~33 bonds in total. Both govt-guaranteed PRASA and LPPSA 28's saw different fortunes with levels closing between -5 to +27bps at ~2.89% levels. AAA-rated PLUS 22 edged 2bps lower at 2.26% whilst TNB saw a total of RM145m in nominal amounts exchange hands. TNB 32 and 37 closed 0-1bps higher at 3.34% and 3.81% whilst the 8/38 tranche spiked 24bps instead at 3.87%. In the AA-space, MMC Corp 3/28 traded again closing unchanged at 4.03% whilst the 11/27 tranche rose 8bps at 3.99%. Meanwhile, the banking space saw Ambank Islamic 30NC25 close 7bps lower at 3.06%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 02/21	1.752	49	1.803	12/01/2021	-5
MGS 07/21	1.719	163	1.780	12/01/2021	-6
MGS 09/21	1.704	150	1.804	12/01/2021	-10
MGS 11/21	1.701	380	1.766	12/01/2021	-6
MGS 03/22	1.758	121	1.771	12/01/2021	-1
MGS 08/22	1.704	22	1.779	12/01/2021	-8
MGS 09/22	1.700	226	1.800	12/01/2021	-10
MGS 03/23	1.849	218	1.833	12/01/2021	2
MGS 04/23	1.888	81	1.893	12/01/2021	-1
MGS 06/24	1.950	30	1.634	12/01/2021	32
MGS 07/24	1.968	2	2.012	12/01/2021	-4
MGS 09/24	1.995	71	2.047	12/01/2021	-5
MGS 03/25	2.040	20	2.080	12/01/2021	-4
MGS 09/25	2.035	297	2.113	12/01/2021	-8
MGS 04/26	2.191	5	2.272	12/01/2021	-8
MGS 07/26	2.236	110	2.357	12/01/2021	-12
MGS 11/26	2.258	88	2.290	12/01/2021	-3
MGS 03/27	2.415	1	2.404	08/01/2021	1
MGS 05/27	2.399	86	2.495	12/01/2021	-10
MGS 11/27	2.460	21	2.511	12/01/2021	-5
MGS 06/28	2.436	583	2.605	12/01/2021	-17
MGS 08/29	2.684	32	2.728	12/01/2021	-4
MGS 04/30	2.801	2	2.829	12/01/2021	-3
MGS 04/31	2.643	8	2.709	12/01/2021	-7
MGS 06/31	2.852	60	2.899	12/01/2021	-5
MGS 04/32	2.969	1	3.021	30/12/2020	-5
MGS 11/33	3.383	10	3.430	12/01/2021	-5
MGS 07/34	3.309	119	3.378	12/01/2021	-7
MGS 04/37	4.461	1	3.487	12/01/2021	97
MGS 06/38	3.610	4	3.604	12/01/2021	1
MGS 05/40	3.591	181	3.577	12/01/2021	1
MGS 03/46	3.977	2	3.936	12/01/2021	4
MGS 07/48	4.015	40	3.978	12/01/2021	4
MGS 06/50	3.960	98	3.952	12/01/2021	1
GII 08/21	1.701	110	1.640	04/01/2021	6
GII 07/22	1.769	100	1.769	12/01/2021	0
GII 05/23	1.830	397	1.853	12/01/2021	-2
GII 10/23	1.813	16	1.977	22/12/2020	-16
GII 11/23	1.833	125	1.993	12/01/2021	-16
GII 05/24	1.965	20	2.078	31/12/2020	-11
GII 10/24	1.931	75	2.041	12/01/2021	-11
GII 03/26	2.174	282	2.253	12/01/2021	-8
GII 09/26	2.284	40	2.464	12/01/2021	-18
GII 06/27	2.526	4	2.521	24/12/2020	0
GII 09/27	2.480	258	2.542	12/01/2021	-6
GII 08/28	2.576	10	2.625	12/01/2021	-5
GII 10/28	2.656	35	2.735	12/01/2021	-8
GII 07/29	2.697	90	2.813	12/01/2021	-12
GII 09/30	2.767	10	2.824	08/01/2021	-6
GII 10/30	2.727	72	2.801	12/01/2021	-7
GII 06/33	3.401	2	3.310	11/01/2021	9
GII 11/34	3.426	2	3.523	12/01/2021	-10
GII 09/39	3.579	11	3.600	12/01/2021	-2
GII 05/47	4.044	30	4.005	31/12/2020	4
		<u>4972</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*
Prasarana Malaysia Berhad	08/26	GG	2.581	10	2.454	04/11/2020	13	34
Prasarana Malaysia Berhad	09/28	GG	2.889	15	2.617	07/09/2020	27	35
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	2.891	30	2.941	27/11/2020	-5	36
Danainfra Nasional Berhad	09/30	GG	3.094	40	-	-	-	44
Prasarana Malaysia Berhad	03/31	GG	3.161	10	3.121	05/01/2021	4	51
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	3.749	20	3.590	10/06/2020	16	42
Swirl Assets Berhad	09/21	AAA	3.106	2	3.190	21/09/2020	-8	141
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.257	40	2.273	11/12/2020	-2	56
Gas Malaysia Distribution Sdn Berhad	12/22	AAA	2.382	10	2.416	19/11/2020	-3	65
Cagamas Berhad	10/24	AAA	2.387	20	2.186	30/10/2020	20	46
Cagamas Berhad	11/24	AAA	2.387	20	2.522	11/01/2021	-14	46
Danga Capital Berhad	02/26	AAA	2.678	20	2.665	07/01/2021	1	66
Manjung Island Energy Berhad	11/26	AAA	2.771	20	2.718	01/12/2020	5	53
Sarawak Energy Berhad	01/27	AAA	2.738	80	2.739	06/01/2021	0	49
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/31	AAA	3.314	10	3.320	30/12/2020	-1	66
Manjung Island Energy Berhad	11/31	AAA	3.289	10	3.278	06/01/2021	1	64
Tenaga Nasional Berhad	08/32	AAA	3.340	40	3.329	05/01/2021	1	69
Tenaga Nasional Berhad	08/37	AAA	3.814	50	3.819	21/12/2020	0	48
Tenaga Nasional Berhad	08/38	AAA	3.869	55	3.629	09/11/2020	24	28
Westports Malaysia Sdn Berhad	04/26	AA+	2.847	20	2.892	25/09/2020	-4	83
Fortune Premiere Sdn Berhad	09/25	AA	3.140	10	3.163	30/12/2020	-2	112
Perbadanan Kemajuan Negeri Selangor	01/22	AA3	3.073	10	3.067	29/12/2020	1	138
Perbadanan Kemajuan Negeri Selangor	05/22	AA3	3.126	60	53.917	02/03/2020	-17	143
Gamuda Land (T12) Sdn Berhad	08/25	AA3	3.419	10	3.421	07/01/2021	0	140
MMC Corporation Berhad	03/28	AA-	4.027	40	4.029	12/01/2021	-0.2	158.1
AmBank Islamic Berhad	12/30	AA3	3.057	10	3.130	07/12/2020	-7	40
Edra Energy Sdn Berhad	07/34	AA3	4.151	20	4.129	11/01/2021	2	82
MMC Corporation Berhad	11/27	AA-	3.987	40	3.904	28/12/2020	8	154
TG Excellence Berhad	02/20	AA-	3.038	1	3.259	29/12/2020	-22	-55
Hong Leong Financial Group Berhad	11/17	A1	3.800	1	3.102	05/11/2020	70	21
IJM Land Berhad	03/19	A2	5.200	1	4.640	06/01/2021	56	161
YNH Property Berhad	08/19	-	6.596	1	6.714	12/01/2021	-12	301
Cypark Renewable Energy Sdn Berhad	09/20	-	6.475	1	6.500	29/12/2020	-3	289
				<u>725</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
George Kent (Malaysia) Berhad	Proposed RM100.0 million Islamic Commercial Papers (ICP) Programme and RM500.0 million Islamic Medium-Term Notes (IMTN)	MARC-1 IS and A+IS	Assigned

Source: RAM, MARC

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