

## 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	0.48	2
10-yr UST	1.13	5
30-yr UST	1.87	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.72	-13	1.80	-3
5-yr	2.01	-3	2.18	1
7-yr	2.43	-1	2.48	0
10-yr	2.63	-1	2.69	-4
15-yr	3.32	1	3.43	0
20-yr	3.58	-1	3.58	0
30-yr	3.92	-4	3.94	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.83	1
3-yr	1.92	0
5-yr	2.15	2
7-yr	2.29	-2
10-yr	2.55	0

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasury yields which initially fell due to the weaker-than-expected initial jobless claims as at 9<sup>th</sup> January however renewed their climb on Thursday on expectations that the Biden administration would embark on further stimulus beginning with a \$1.9 trillion package. Overall benchmark yields ended between 0-6bps higher with the UST 2Y yield closing almost unchanged at 0.14% whilst the much-watched UST 10Y yield spiked 5bps at 1.13%. Meanwhile Fed Chair Powell reiterated that rates are not expected to be raised anytime soon and offered no indication of a QE tapering this year. Trading on Friday may be impacted by reaction to a slew of US economic data, including reports on retail sales, industrial production and consumer sentiment.

### MGS/GII

- On Thursday, local govies saw the shorter-end yields continued to march downwards partly due to traders expectation that another rate cut is in the offing following the government's move to tighten movement restrictions and declare a state of emergency. Overall benchmark yields closed mostly mixed between -13 and +1bps across the curve amid a drop in secondary market volume @ RM3.34b. The 5Y MGS 9/25 yield eased 3bps at 2.01% whilst the 10Y MGS 4/31 yield edged 1bps lower at 2.63%. Interest was mainly seen in the off-the-run 21's, 28's and benchmark 3Y, 5Y, 7Y MGS/GII. GII bond trades maintained to form ~36% of overall trades. The 2<sup>nd</sup> auction exercise for the year saw solid bidding metrics for the new issuance of 15Y GII 7/36 @ BTC ratio of 2.917x and awarded at 3.447%. Expect the continued rise in foreign holdings of MYR bonds to boost confidence.

### Corp Bonds/Sukuk

- The secondary market for Corporate Bond/Sukuk space has off-late been alternating between strong and weak investor interest. Yesterday's action was relatively light with some interest seen along the GG-AA part of the curve as overall yields closed mostly mixed on trades involving ~18 bonds in total. Govt-guaranteed GOVCO which were untraded for almost 1year and above saw yields fall sharply lower compared to previous-done levels between 2.10-20%. Both AAA-rated TELEKOM 6/21 and TNB 8/38 closed unchanged at 2.085 and 3.07% respectively. In the AA-space, UEM Sunrise 12/22 notched RM40m in transactions; declining 12bps at 3.61%. Meanwhile, the banking space saw several odd-lot transactions in AFFIN and ALLIANCE bank-related names.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 02/21	1.750	80	1.752	13/01/2021	0
MGS 07/21	1.699	14	1.719	13/01/2021	-2
MGS 09/21	1.704	280	1.704	13/01/2021	0
MGS 11/21	1.689	30	1.701	13/01/2021	-1
MGS 03/23	1.716	318	1.849	13/01/2021	-13
MGS 08/23	1.764	10	1.903	12/01/2021	-14
MGS 06/24	1.936	35	1.950	13/01/2021	-1
MGS 07/24	1.918	2	1.968	13/01/2021	-5
MGS 09/24	2.018	20	1.995	13/01/2021	2
MGS 09/25	2.009	114	2.035	13/01/2021	-3
MGS 07/26	2.224	113	2.236	13/01/2021	-1
MGS 09/26	2.292	10	2.402	12/01/2021	-11
MGS 11/26	2.192	169	2.258	13/01/2021	-7
MGS 05/27	2.378	172	2.399	13/01/2021	-2
MGS 11/27	2.460	9	2.460	13/01/2021	0
MGS 06/28	2.427	220	2.436	13/01/2021	-1
MGS 08/29	2.676	95	2.684	13/01/2021	-1
MGS 04/30	2.735	20	2.801	13/01/2021	-7
MGS 04/31	2.633	37	2.643	13/01/2021	-1
MGS 06/31	2.880	34	2.852	13/01/2021	3
MGS 11/33	3.385	6	3.383	13/01/2021	0
MGS 07/34	3.317	321	3.309	13/01/2021	1
MGS 06/38	3.611	10	3.610	13/01/2021	0
MGS 05/40	3.584	23	3.591	13/01/2021	-1
MGS 06/50	3.921	2	3.960	13/01/2021	-4
GII 07/22	1.739	120	1.769	12/01/2021	-3
GII 05/23	1.804	60	1.830	13/01/2021	-3
GII 11/23	1.833	10	1.833	13/01/2021	0
GII 10/24	1.995	23	1.931	13/01/2021	6
GII 03/26	2.181	330	2.174	13/01/2021	1
GII 09/26	2.282	210	2.284	13/01/2021	0
GII 09/27	2.485	134	2.480	13/01/2021	0
GII 10/28	2.692	70	2.656	13/01/2021	4
GII 07/29	2.707	170	2.697	13/01/2021	1
GII 07/36	3.425	70	-	13/01/2021	-
		<u>3342</u>			

## Daily Trades : Corp Bonds/ Sukuk

Cagamas Berhad	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*	
Danainfra Nasional Berhad	05/23	GG	2.017	20	2.143	04/12/2020	-13	31
GovCo Holdings Berhad	02/24	GG	2.100	20	4.050	27/02/2019	-195	36
GovCo Holdings Berhad	09/24	GG	2.199	35	4.270	27/09/2017	-207	27
Lembaga Pembiayaan Perumahan Sektor Awam	04/29	GG	2.960	50	3.087	28/05/2020	-13	44
Danainfra Nasional Berhad	11/29	GG	3.000	30	3.005	07/01/2021	0	39
Telekom Malaysia Berhad	06/21	AAA	2.077	10	2.082	18/11/2020	0	39
Cagamas Berhad	12/21	AAA	2.038	10	-	-	-	35
Cagamas Berhad	10/24	AAA	2.371	20	2.387	13/01/2021	-2	44
Danga Capital Berhad	09/33	AAA	3.540	20	3.534	05/01/2021	1	22
Tenaga Nasional Berhad	08/38	AAA	3.869	5	3.869	13/01/2021	0	29
AEON Credit Service (M) Berhad	02/27	AA3	3.328	10	3.377	17/08/2020	-5	109
UEM Sunrise Berhad	12/22	AA-	3.614	40	3.732	10/12/2020	-12	190
Alliance Bank Malaysia Berhad	10/35	A2	3.901	1	3.875	08/01/2021	3	58
Affin Bank Berhad	07/18	A3	3.854	1	4.598	11/01/2021	-74	27
Eco World International Berhad	04/23	-	5.863	1	5.883	23/11/2020	-2	415
Eco World International Berhad	05/23	-	5.777	1	5.711	28/12/2020	7	407
AEON Credit Service (M) Berhad	12/14	-	4.466	1	4.398	10/11/2020	7	88
Tropicana Corporation Berhad	09/19	-	5.188	1	5.860	12/01/2021	-67	160
			<u>275</u>					

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

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Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

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Source: RAM, MARC

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