

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	0
5-yr UST	0.49	0
10-yr UST	1.21	0
30-yr UST	2.01	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.88	2	1.87	0
5-yr	2.15	-1	2.37	6
7-yr	2.53	-1	2.55	4
10-yr	2.78	0	2.82	-2
15-yr	3.51	12	3.49	4
20-yr	3.76	12	3.74	3
30-yr	4.01	6	4.07	4

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.92	2
3-yr	2.10	7
5-yr	2.38	11
7-yr	2.56	9
10-yr	2.85	12

Source : Bloomberg

Upcoming Government Bond Tender.

Reopening of RM2.0b + RM2.0b (Private Placement) 20Y MGS 5/40 on Wednesday, 17th February 2021

- UST market was closed Monday for Presidents Day celebrations. To recap, the UST 2Y yield is at 0.11% whilst the much-watched 10Y yields at 1.19%; levels unseen since the pandemic roiled financial markets in March, last year. Cash bond yields are expected to reach new YTD highs as markets reopen tonight. Yields have been under pressure and are sensitive to any indication from authorities that monetary policy may not remain easy going forward. Expect attention to focus on the upcoming PPI, retail sales numbers for January followed by the 20Y auction tomorrow.

MGS/GII

- On Monday, local govies ended mostly weaker led by IRS which spiked following BNM governor's indication that last year's aggressive OPR cuts are deemed to be sufficient to drive growth for now. Overall benchmark yields closed mostly higher i.e. between -2 to +12bps across the curve amid a rise in secondary market volume of RM2.04b. The 5Y MGS 9/25 yield edged 1bps lower at 2.15% whilst the 10Y MGS 4/31 closed unchanged at 2.78%. Interest was mainly seen in the off-the-run 21's and also in the benchmark 3Y, 15Y MGS. GII bond trades maintained to form ~38% of overall trades. We expect BNM to leave its OPR unchanged at 1.75% for now as vaccine rollouts, eventual lifting of movement restrictions along with firmer oil prices is expected to provide a boost to the economy. Meanwhile the data front remains light for the week. However expect attention to focus on the upcoming 20Y MGS auction tomorrow.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw investor interest return on Monday following the long weekend break. Secondary market volume rose sharply RM641m with trades covering ~23 names only as overall yields ended mixed-to-higher. The long-end gov-guaranteed PRASA 9/47 and DANA 2/49 rose 2-10bps compared to previous-done levels at 4.19% and 4.25% respectively. AAA-rated AMAN 22, 24 and 27's rallied 7-9bps to close at 2.10%, 2.39% and 2.75% each whilst the 2026 tranche declined sharply by 45bps at 2.66%. AA-rated UMW 9/23 notched RM60m in nominal amounts; edging 2bps lower at 2.65% whereas CELCOM 8/24 and 8/27 ended unchanged at 2.65% and 2.99% respectively. The banking space was nevertheless 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	1.752	170	1.729	10/02/2021	2
MGS 08/22	1.746	5	1.821	11/02/2021	-8
MGS 09/22	1.825	1	1.820	09/02/2021	0
MGS 03/23	1.883	278	1.860	11/02/2021	2
MGS 08/23	1.925	19	1.930	11/02/2021	0
MGS 06/24	2.038	87	1.999	09/02/2021	4
MGS 07/24	2.100	10	2.042	11/02/2021	6
MGS 09/24	2.110	1	2.033	11/02/2021	8
MGS 03/25	2.140	15	2.128	11/02/2021	1
MGS 09/25	2.153	18	2.160	11/02/2021	-1
MGS 04/26	2.332	10	2.265	10/02/2021	7
MGS 07/26	2.355	17	2.308	11/02/2021	5
MGS 05/27	2.455	10	2.484	11/02/2021	-3
MGS 11/27	2.536	18	2.533	11/02/2021	0
MGS 06/28	2.529	34	2.538	11/02/2021	-1
MGS 08/29	2.858	77	2.770	11/02/2021	9
MGS 04/30	2.865	6	2.854	11/02/2021	1
MGS 04/31	2.784	57	2.784	11/02/2021	0
MGS 06/31	2.963	16	2.970	11/02/2021	-1
MGS 11/33	3.467	41	3.429	11/02/2021	4
MGS 07/34	3.511	325	3.390	11/02/2021	12
MGS 04/37	3.609	2	3.477	11/02/2021	13
MGS 06/38	3.647	9	3.698	11/02/2021	-5
MGS 05/40	3.764	14	3.646	11/02/2021	12
MGS 09/43	3.851	3	3.889	10/02/2021	-4
MGS 03/46	3.948	2	3.984	11/02/2021	-4
MGS 07/48	3.988	4	3.959	10/02/2021	3
MGS 06/50	4.007	2	3.948	11/02/2021	6
GII 07/23	1.984	30	1.937	11/02/2021	5
GII 10/23	2.019	20	1.970	10/02/2021	5
GII 11/23	2.009	160	1.990	10/02/2021	2
GII 10/24	2.125	49	2.087	10/02/2021	4
GII 08/25	2.258	97	2.188	11/02/2021	7
GII 10/25	2.272	179	2.251	11/02/2021	2
GII 03/26	2.369	40	2.313	11/02/2021	6
GII 06/27	2.543	50	2.526	13/01/2021	2
GII 07/27	2.549	23	2.569	11/02/2021	-2
GII 09/27	2.555	30	2.512	11/02/2021	4
GII 10/28	2.690	14	2.695	10/02/2021	0
GII 07/29	2.857	4	2.862	11/02/2021	0
GII 06/33	3.448	4	3.451	11/02/2021	0
GII 11/34	3.502	3	3.495	11/02/2021	1
GII 07/36	3.493	30	3.455	10/02/2021	4
GII 09/39	3.744	20	3.717	09/02/2021	3
GII 11/49	4.070	32	4.033	11/02/2021	4
		<u>2036</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	09/42	GG	3.973	40	4.130	15/04/2020	-16	24
Lembaga Pembiayaan Perumahan Sektor Awam	11/43	GG	4.035	40	-	-	-	30
Danainfra Nasional Berhad	11/45	GG	4.123	10	4.530	26/03/2020	-41	39
Danainfra Nasional Berhad	05/46	GG	4.147	20	4.100	25/11/2020	5	41
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.155	20	3.830	08/05/2020	33	42
Prasarana Malaysia Berhad	09/47	GG	4.186	40	4.169	04/02/2021	2	45
Danainfra Nasional Berhad	02/49	GG	4.253	70	4.154	05/01/2021	10	52
Aman Sukuk Berhad	04/22	AAA	2.103	5	2.185	04/01/2021	-8	35
Aman Sukuk Berhad	04/24	AAA	2.386	20	2.478	22/12/2020	-9	49
Danum Capital Berhad	02/26	AAA	2.636	90	2.649	04/02/2021	-1	44
Aman Sukuk Berhad	05/26	AAA	2.658	10	3.108	30/06/2020	-45	46
DiGi Telecommunications Sdn Berhad	09/26	AAA	2.677	15	2.676	10/02/2021	0	27
Aman Sukuk Berhad	05/27	AAA	2.748	10	2.819	07/01/2021	-7	34
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/27	AAA	2.898	10	2.869	10/02/2021	3	49
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/29	AAA	3.159	10	3.122	10/02/2021	4	44
UMW Holdings Berhad	09/23	AA2	2.648	60	2.668	03/02/2021	-2	75
Hong Leong Financial Group Berhad	06/29	AA2	3.052	50	3.033	26/01/2021	2	33
Anih Berhad	11/22	AA	2.592	50	2.644	19/01/2021	-5	77
AEON Credit Service (M) Berhad	02/27	AA3	3.315	1	3.309	10/02/2021	1	91
Tanjung Bin Energy Issuer Berhad	03/32	AA3	3.660	20	3.619	16/12/2020	4	81
Tropicana Corporation Berhad	06/23	A+	5.034	1	4.842	08/02/2021	19	321
Celcom Networks Sdn Berhad	08/24	AA+	2.648	20	2.651	08/02/2021	0	59
Celcom Networks Sdn Berhad	08/27	AA+	2.990	30	2.989	08/02/2021	0	42
				<u>641</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Manjung Island Energy Berhad	RM3.86 bil Islamic Securities (2011/2030) (Series 1)	AAA/Stable	Reaffirmed
	RM990 mil Islamic Securities (2011/2031) (Series 2)	AAA(s)/Stable	Reaffirmed

Source: RAM, MARC

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