

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries sold-off on Tuesday following the long break to mark the celebrations for Presidents Day. The reflation trade made its rounds again as the curve steepened with overall benchmark yields ending 1-7bps higher from last Friday's move. The UST 2Y yield edged 1bps up at 0.11% whilst the much-watched 10Y yields spiked 7bps instead at 1.28%; the highest levels seen since February 2020. Expect upcoming supply pressures with the 20Y and also the TIPS auction to add to the woes. Investors were seen mulling over the factoring of an economic stimulus totaling as much as \$1.9 trillion. Elsewhere foreign holdings of UST's reveal a 5<sup>th</sup> straight month of declines in December @ \$7.05 trillion. Both Japan and China have reduced outstanding amounts of \$1.257 trillion and \$1.062 trillion respectively. Expect some attention to focus on the upcoming PPI, retail sales numbers for January followed by the 20Y auction tonight.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	1
5-yr UST	0.55	5
10-yr UST	1.28	7
30-yr UST	2.08	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.90	2	1.98	10
5-yr	2.25	10	2.44	7
7-yr	2.67	14	2.60	5
10-yr	2.95	17	2.99	17
15-yr	3.53	2	3.51	1
20-yr	3.80	4	4.03	29
30-yr	4.07	6	4.09	1

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	1
3-yr	2.12	2
5-yr	2.40	2
7-yr	2.60	4
10-yr	2.91	6

Source : Bloomberg

### Upcoming Government Bond Tender.

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

### MGS/GII

- On Tuesday, local govies continued to end weaker as traders aggressively paid IRS; taking cue from BNM's indication last week that OPR cuts in 2020 were deemed to be sufficient to drive growth for now. Overall benchmark yields closed 1-29bps higher across the curve amid the doubling of secondary market volume to RM4.34b. The 5Y MGS 9/25 yield rose 10bps at 2.25% whilst the 10Y MGS 4/31 yields spiked 17bps at 2.95%. Interest was mainly seen in the off-the-run 21-23's, 27's, 29's and also in the benchmark 5Y, 15Y GII/MGS. GII bond trades maintained to form ~38% of overall trades. We expect a silver lining as vaccine rollouts, eventual lifting of movement restrictions along with firmer oil prices able to provide a boost to the economy. Meanwhile, expect attention to focus on the upcoming 20Y MGS auction today.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw steady investor interest on Tuesday as secondary market volume maintained at ~RM608m with trades covering ~30 names. Overall yields ended mixed with transactions seen mainly across the curve. Govt-guaranteed LPPSA 10/28 rose 7bps compared to previous-done levels at 4.19% whilst DANA 4/29 spiked 11bps at 3.05%. Whilst AAA-rated BAKUN 8/24 rallied 11bps to close at 2.50%, DANUM 2/26 closed unchanged at 2.64%. CELCOM dominated the AA-space with the 2022-2027 tranches closing between a mere -2 to +1bps between 2.42-99% area whilst IJM 6/22 notched RM40m worth of trades, closing 13bps lower at 2.82%. The banking space was active with both CIMB 26NC21 and RHB Islamic 27NC22 falling sharply lower on yields at 2.30% and 2.65% each. AFFIN Islamic 28NC23 meantime edged 2bps lower at 3.62%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.740	294	1.752	15/02/2021	-1
MGS 09/21	1.694	18	1.747	11/02/2021	-5
MGS 11/21	1.701	17	1.741	11/02/2021	-4
MGS 03/22	1.777	260	1.795	11/02/2021	-2
MGS 08/22	1.811	37	1.746	15/02/2021	6
MGS 03/23	1.901	182	1.883	15/02/2021	2
MGS 04/23	1.920	276	1.905	11/02/2021	1
MGS 08/23	1.933	34	1.925	15/02/2021	1
MGS 06/24	2.067	1	2.038	15/02/2021	3
MGS 07/24	2.113	28	2.100	15/02/2021	1
MGS 09/24	2.121	10	2.110	15/02/2021	1
MGS 03/25	2.163	13	2.140	15/02/2021	2
MGS 09/25	2.253	62	2.153	15/02/2021	10
MGS 04/26	2.371	69	2.332	15/02/2021	4
MGS 07/26	2.417	30	2.355	15/02/2021	6
MGS 03/27	2.521	6	1.243	10/02/2021	128
MGS 05/27	2.548	251	2.455	15/02/2021	9
MGS 11/27	2.667	34	2.536	15/02/2021	13
MGS 06/28	2.666	193	2.529	15/02/2021	14
MGS 08/29	2.973	222	2.858	15/02/2021	12
MGS 04/30	2.954	49	2.865	15/02/2021	9
MGS 04/31	2.953	117	2.784	15/02/2021	17
MGS 06/31	3.042	6	2.963	15/02/2021	8
MGS 04/33	3.505	15	3.400	15/02/2021	11
MGS 11/33	3.559	110	3.467	15/02/2021	9
MGS 07/34	3.530	268	3.511	15/02/2021	2
MGS 05/35	3.546	1	3.413	05/02/2021	13
MGS 05/40	3.800	40	3.764	15/02/2021	4
MGS 03/46	3.946	14	3.948	15/02/2021	0
MGS 06/50	4.065	21	4.007	15/02/2021	6
GII 04/21	1.735	140	1.742	11/02/2021	-1
GII 08/21	1.751	120	1.750	11/02/2021	0
GII 05/23	1.975	160	1.876	11/02/2021	10
GII 11/23	2.031	20	2.009	15/02/2021	2
GII 08/25	2.257	45	2.258	15/02/2021	0
GII 10/25	2.284	50	2.272	15/02/2021	1
GII 03/26	2.439	300	2.369	15/02/2021	7
GII 07/27	2.643	20	2.549	15/02/2021	9
GII 09/27	2.603	70	2.555	15/02/2021	5
GII 10/28	2.765	13	2.690	15/02/2021	8
GII 10/30	2.985	10	2.816	15/02/2021	17
GII 06/33	3.451	60	3.448	15/02/2021	0
GII 11/34	3.618	19	3.502	15/02/2021	12
GII 07/36	3.506	210	3.493	15/02/2021	1
GII 08/37	3.734	24	3.683	15/02/2021	5
GII 09/39	4.032	397	3.744	15/02/2021	29
GII 11/49	4.085	2	4.070	15/02/2021	1
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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	11/22	GG	2.017	20	1.998	30/09/2020	2	20
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	2.941	10	2.871	05/02/2021	7	14
Danainfra Nasional Berhad	04/29	GG	3.050	40	2.940	19/01/2021	11	25
Aman Sukuk Berhad	04/24	AAA	2.397	20	2.386	15/02/2021	1	50
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/24	AAA	2.496	10	2.607	02/12/2020	-11	60
Bank Pembangunan Malaysia Berhad	10/25	AAA	2.738	20	2.811	08/12/2020	-7	50
Danum Capital Berhad	02/26	AAA	2.641	10	2.636	15/02/2021	0	41
Malaysia Airport Holdings Berhad	11/27	AAA	3.219	2	3.295	05/01/2021	-8	55
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.409	10	3.329	08/02/2021	8	46
Public Islamic Bank Berhad	10/29	AA1	2.824	10	2.858	27/10/2020	-3	-8
Celcom Networks Sdn Berhad	08/22	AA+	2.417	30	2.434	26/01/2021	-2	60
Celcom Networks Sdn Berhad	08/24	AA+	2.649	20	2.648	15/02/2021	0	55
CIMB Bank Berhad	08/26	AA+	2.300	90	2.595	20/11/2020	-30	6
Celcom Networks Sdn Berhad	10/26	AA+	2.878	20	2.868	10/02/2021	1	41
Celcom Networks Sdn Berhad	08/27	AA+	2.991	80	2.990	15/02/2021	0	33
Tanjung Bin Power Sdn Berhad	08/22	AA2	2.578	10	2.649	19/01/2021	-7	82
Benih Restu Berhad	06/25	AA2	2.932	20	3.032	26/08/2020	-10	84
UMW Holdings Berhad	11/25	AA2	2.982	10	2.994	07/01/2021	-1	75
Fortune Premiere Sdn Berhad	09/23	AA	2.888	3	2.884	04/02/2021	0	99
Anih Berhad	11/25	AA	3.007	10	3.370	09/06/2020	-36	77
IJM Corporation Berhad	06/22	AA3	2.820	40	2.953	26/11/2020	-13	106
RHB Islamic Bank Berhad	04/27	AA3	2.646	10	2.998	09/07/2020	-35	18
Perbadanan Kemajuan Pertanian Negeri Pahang (fka L	10/27	AA3	4.370	2	4.310	02/11/2020	6	171
Gamuda Berhad	11/29	AA3	3.729	20	3.709	10/02/2021	2	83
UEM Edgenta Berhad	04/22	AA-	2.655	10	2.777	14/12/2020	-12	90
Penang Port Sdn Berhad	12/29	AA-	3.420	2	3.401	29/01/2021	2	52
Jimah East Power Sdn Berhad	06/30	AA-	3.718	10	3.643	27/01/2021	8	82
Jimah East Power Sdn Berhad	06/31	AA-	3.749	30	3.679	27/01/2021	7	80
Affin Islamic Bank Berhad	10/28	A1	3.620	10	3.638	17/12/2020	-2	82
CIMB Group Holdings Berhad	05/16	A1	3.335	30	3.494	10/02/2021	-16	-55
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\*spread against nearest indicative tenured MGS (Source : BPAM)

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

Source: RAM, MARC

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