

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.13	-1
5-yr UST	0.44	-3
10-yr UST	1.08	-5
30-yr UST	1.83	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.77	5	1.81	2
5-yr	2.02	3	2.17	0
7-yr	2.44	0	2.48	-1
10-yr	2.65	2	2.73	0
15-yr	3.31	0	3.45	0
20-yr	3.61	3	3.58	0
30-yr	3.92	0	3.94	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.84	1
3-yr	1.92	1
5-yr	2.14	1
7-yr	2.32	1
10-yr	2.55	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- Financial markets including underlying cash US Treasuries were closed for the day owing to Martin Luther King Jr. Day. Separately President-elect Biden's commitment to a massive spending program could balloon the already huge government debt held by the public which statistically has increased by another \$7 trillion in the past four (4) years to \$21.6 trillion. Markets are expected to watch incoming Yellen's proposals as US Treasury Secretary and top economic advisor to the President this week. Meanwhile, expect attention to focus on the upcoming 20Y bond auction tomorrow.

MGS/GII

- On Monday, local govies were presured following announcement of additional relief package of RM15b; as overall benchmark yields closed mostly higher between 0-5bps across the curve (save for the 7Y GII) amid a pullback in secondary market volume @ RM3.42b. The 5Y MGS 9/25 yield rose 3bps at 2.02% whilst the 10Y MGS 4/31 yield edged 2bps higher at 2.65%. Interest was mainly seen in the off-the-run 21's, 23's, 29's and benchmark 3Y, 7Y MGS/GII. GII bond trades dropped to form ~27% of overall trades. The PERMAI package aimed to cushion the economic impact of the latest lockdowns & movement restrictions following a spike in COVID-19 cases in many states. Nevertheless we opine that these measures are not new and are reallocations of funds from the National Budget 2021 announced last year which are not expected to increase the fiscal deficit nor government bond supplies. Meanwhile, expect attention to focus on the upcoming MPC meeting on OPR decision tomorrow.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw investor interest along the GG-AA part of the curve amid a lower secondary market volume of RM365m as overall yields closed mostly mixed on trades involving ~20 bonds in total. Govt-guaranteed LPPSA 4/29 and 10/38 ended 0-3bps higher compared to previous-done levels at 2.97% and 3.83% respectively. AAA-rated TNB 8/33 however spiked 18bps at 3.45%. In the AA-space, IMTIAZ 5/22 saw substantial amounts of RM80m exchange hands; closing 3bps lower at 2.50% whilst energy-related bonds MALAKOFF 12/25 and Southern Power 4/24 moved opposite directions to end at 3.00% and 2.76% each. Meanwhile, the banking space saw odd-lot transactions for both MBSB and AFFIN-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	1.785	129	1.374	15/01/2021	41
MGS 07/21	1.671	256	1.699	15/01/2021	-3
MGS 09/21	1.755	18	1.704	14/01/2021	5
MGS 11/21	1.701	110	1.639	15/01/2021	6
MGS 03/22	1.710	3	1.662	15/01/2021	5
MGS 09/22	1.723	39	1.669	15/01/2021	5
MGS 03/23	1.770	263	1.716	15/01/2021	5
MGS 04/23	1.743	37	1.740	15/01/2021	0
MGS 06/24	1.891	157	1.877	15/01/2021	1
MGS 07/24	1.917	80	1.893	15/01/2021	2
MGS 03/25	2.049	92	2.040	13/01/2021	1
MGS 09/25	2.018	52	1.989	15/01/2021	3
MGS 04/26	2.196	8	2.191	13/01/2021	1
MGS 07/26	2.244	100	2.251	15/01/2021	-1
MGS 11/26	2.182	222	2.174	15/01/2021	1
MGS 05/27	2.389	64	2.404	15/01/2021	-2
MGS 11/27	2.465	72	2.465	15/01/2021	0
MGS 06/28	2.438	333	2.441	15/01/2021	0
MGS 08/29	2.689	267	2.692	15/01/2021	0
MGS 04/31	2.650	2	2.626	15/01/2021	2
MGS 07/34	3.313	114	3.309	15/01/2021	0
MGS 05/35	3.328	4	3.404	12/01/2021	-8
MGS 06/38	3.624	6	3.611	14/01/2021	1
MGS 05/40	3.612	40	3.584	14/01/2021	3
GII 07/22	1.898	10	2.385	19/06/2020	-49
GII 04/23	1.978	30	2.415	23/06/2020	-44
GII 05/23	1.809	40	1.789	15/01/2021	2
GII 10/23	1.796	160	1.813	13/01/2021	-2
GII 11/23	1.804	230	1.833	14/01/2021	-3
GII 03/26	2.172	86	2.171	15/01/2021	0
GII 09/26	2.247	70	2.246	15/01/2021	0
GII 09/27	2.480	20	2.488	15/01/2021	-1
GII 08/28	2.581	30	2.576	13/01/2021	0
GII 10/28	2.688	24	2.686	15/01/2021	0
GII 10/30	2.729	165	2.726	15/01/2021	0
GII 07/36	3.447	90	3.430	15/01/2021	2
		<u>3423</u>			

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*
Perbadanan Tabung Pendidikan Tinggi Nasional	07/23	GG	2.015	15	2.045	Sep-2020	28
Prasarana Malaysia Berhad	02/26	GG	2.480	10	2.402	Sep-2020	46
Pengurusan Air SPV Berhad	02/29	GG	2.930	10	2.696	Sep-2020	40
Lembaga Pembiayaan Perumahan Sektor Awam	04/29	GG	2.970	10	2.970	Jan-2021	44
Prasarana Malaysia Berhad	02/30	GG	3.044	10	3.051	Jan-2021	42
Lembaga Pembiayaan Perumahan Sektor Awam	10/38	GG	3.830	5	3.800	Jun-2020	21
Putrajaya Bina Sdn Berhad	09/22	AAA	2.277	20	3.803	Jun-2019	57
Danum Capital Berhad	05/30	AAA	3.202	10	3.219	Dec-2020	58
Tenaga Nasional Berhad	08/33	AAA	3.454	30	3.277	Nov-2020	12
Imtiaz Sukuk II Berhad	05/22	AA2	2.497	80	2.524	Dec-2020	81
UMW Holdings Berhad	09/23	AA2	2.680	20	2.731	Dec-2020	94
Fortune Premiere Sdn Berhad	09/26	AA	3.269	62	3.279	Jan-2021	102
Perbadanan Kemajuan Negeri Selangor	06/22	AA3	3.108	10	3.395	Feb-2020	142
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.843	1	3.843	Jan-2021	183
Malakoff Power Berhad	12/25	AA-	3.001	30	4.594	Dec-2018	98
AmBank (M) Berhad	03/27	AA3	3.092	1	3.072	Jan-2021	85
Southern Power Generation Sdn Berhad	04/24	AA-	2.756	20	2.767	Jan-2021	102
Malaysian Resources Corporation Berhad	08/27	AA-	3.958	20	4.068	Dec-2020	153
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	3.904	1	3.911	Jan-2021	127
Affin Bank Berhad	07/18	A3	3.497	1	3.854	Jan-2021	-36
			<u>365</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Credit Guarantee and Investment Facility	Insurer Financial Strength ratings	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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