

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	0.55	0
10-yr UST	1.28	1
30-yr UST	2.07	2

MGS			GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)	
3-yr	1.90	-1	1.99	0	
5-yr	2.34	1	2.47	0	
7-yr	2.71	-1	2.65	7	
10-yr	2.99	0	3.02	2	
15-yr	3.75	-2	3.75	9	
20-yr	3.96	-4	4.04	-2	
30-yr	4.21	1	4.14	6	

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.14	-2
5-yr	2.46	0
7-yr	2.65	2
10-yr	2.97	2

Source : Bloomberg

Upcoming Government Bond Tender.

Nil

- US Treasuries closed off their lows (following an initial lack of direction earlier on Thursday) as Labor Department's report showed initial jobless claims came in higher-than-expected at 861k for period ending 13th February. The curve was steeper with overall benchmark yields ending a mere 0-2bps higher versus prior day. The UST 2Y yield closed unchanged at 0.11% whilst the much-watched 10Y edged 1bps higher at 1.28%. Meanwhile Treasury's \$9b 30Y TIPS auction was mixed but leaned to the weaker side with a BTC ratio of 2.31x (previous average for last 3 auctions: 2.45x); but awarded at an improved yield of -0.04%. As investors were seen digesting the rollout of vaccines and an economic stimulus of \$1.9 trillion, global bonds have been enduring one of its poorest starts to the year since 2013. Expect some attention tonight to focus on the upcoming Markit manufacturing and services PMI data for February.

MGS/GII

- On Thursday, local govies saw MGS mostly better-bid whilst GII continued to be pressured as IRS levels rose especially for the longer tenures. Overall benchmark yields closed mixed between ~ -4 to +9bps higher across the curve amid an improved secondary market volume at RM5.66b. The 5Y MGS 9/25 yield edged 1bps higher at 2.34% whilst the 10Y MGS 4/31 ended unchanged at 2.99%. Interest was mainly seen in the benchmark 3Y, 5Y MGS and also the 10Y MGS/GII. GII bond trades jumped to form ~46% of overall trades. Meanwhile a recent Bloomberg survey on 34 economists indicates that the local economy is expected to contract by 2.8% in 1Q2021.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to see tepid interest on Thursday as secondary market volume fell sharply @ ~RM124m with trades covering a mere ~8 names. Overall yields ended mixed again with transactions seen mainly along the AAA-AA part of the curve. There were no govt-guaranteed trades. AAA-rated RANTAU 10/22 closed 11bps lower compared to previous-done levels at 2.20%. AA-rated energy bonds EDRA 26 rose 9bps at 3.46% whilst UEM Sunrise 12/22 edged 2bps lower at 3.52%. The banking space saw PUBLIC Islamic 27NC22 exchange hands again; but rising 2bps instead at 2.49% whereas MAYBANK perps 2117NC24 declined sharply on yields at 3.11%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.731	180	1.735	17/02/2021	0
MGS 09/21	1.776	31	1.756	17/02/2021	2
MGS 11/21	1.733	10	1.748	17/02/2021	-1
MGS 03/22	1.765	100	1.777	17/02/2021	-1
MGS 08/22	1.811	1	1.804	17/02/2021	1
MGS 03/23	1.902	208	1.908	17/02/2021	-1
MGS 08/23	1.965	17	1.945	17/02/2021	2
MGS 06/24	2.057	84	2.067	16/02/2021	-1
MGS 07/24	2.129	54	2.144	17/02/2021	-2
MGS 09/24	2.138	10	2.121	16/02/2021	2
MGS 03/25	2.238	2	2.198	17/02/2021	4
MGS 09/25	2.338	211	2.330	17/02/2021	1
MGS 04/26	2.405	8	2.411	17/02/2021	-1
MGS 07/26	2.449	15	2.453	17/02/2021	0
MGS 11/26	2.451	41	2.286	15/02/2021	17
MGS 05/27	2.631	36	2.607	17/02/2021	2
MGS 11/27	2.656	49	2.682	17/02/2021	-3
MGS 06/28	2.713	416	2.717	17/02/2021	0
MGS 08/29	2.998	128	2.970	17/02/2021	3
MGS 04/30	3.031	38	3.048	17/02/2021	-2
MGS 04/31	2.991	567	2.993	17/02/2021	0
MGS 06/31	3.128	20	3.171	17/02/2021	-4
MGS 04/33	3.608	40	3.644	17/02/2021	-4
MGS 11/33	3.698	81	3.660	17/02/2021	4
MGS 07/34	3.751	766	3.770	17/02/2021	-2
MGS 06/38	4.005	10	3.754	16/02/2021	25
MGS 05/40	3.955	206	3.997	17/02/2021	-4
MGS 03/46	4.101	4	4.123	17/02/2021	-2
MGS 07/48	4.255	21	4.157	17/02/2021	10
MGS 06/50	4.208	156	4.202	17/02/2021	1
GII 03/21	1.747	10	1.648	17/02/2021	10
GII 08/21	1.750	308	1.751	16/02/2021	0
GII 04/22	1.828	210	1.868	17/02/2021	-4
GII 11/22	1.882	200	1.844	17/02/2021	4
GII 05/23	1.988	81	1.991	17/02/2021	0
GII 07/23	2.004	14	1.984	15/02/2021	2
GII 11/23	2.026	108	2.051	17/02/2021	-3
GII 10/24	2.179	1	2.165	17/02/2021	1
GII 08/25	2.319	8	2.257	16/02/2021	6
GII 10/25	2.354	16	2.388	17/02/2021	-3
GII 03/26	2.467	486	2.463	17/02/2021	0
GII 07/27	2.616	16	2.659	17/02/2021	-4
GII 09/27	2.654	1	2.587	17/02/2021	7
GII 10/28	2.870	35	2.896	17/02/2021	-3
GII 07/29	3.002	20	2.857	15/02/2021	15
GII 09/30	3.036	30	3.050	17/02/2021	-1
GII 10/30	3.020	220	3.032	17/02/2021	-1
GII 11/34	3.772	68	3.618	16/02/2021	15
GII 07/36	3.753	130	3.661	17/02/2021	9
GII 09/39	4.040	185	4.061	17/02/2021	-2
GII 11/49	4.141	4	4.085	16/02/2021	6
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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*	
Rantau Abang Capital Berhad	10/22	AAA	2.201	5	2.314	18/09/2020	-11	39
Public Islamic Bank Berhad	08/27	AA1	2.491	20	2.469	17/02/2021	2	-4
Malayan Banking Berhad	10/32	AA1	3.209	4	3.169	31/12/2020	4	23
UMW Holdings Berhad	10/26	AA2	3.108	20	3.115	02/02/2021	-1	58
Edra Energy Sdn Berhad	01/26	AA3	3.456	30	3.367	08/02/2021	9	118
Malayan Banking Berhad	02/17	AA3	3.109	15	3.640	15/01/2021	-53	-85
UEM Sunrise Berhad	12/22	AA-	3.523	30	3.548	29/01/2021	-2	171
Affin Bank Berhad	07/18	A3	3.844	1	4.384	17/02/2021	-54	-12
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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