

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.13	0
5-yr UST	0.44	0
10-yr UST	1.09	1
30-yr UST	1.84	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.75	-2	1.81	0
5-yr	1.97	-5	2.18	1
7-yr	2.42	-2	2.47	-1
10-yr	2.65	0	2.72	-1
15-yr	3.31	0	3.45	0
20-yr	3.63	1	3.59	2
30-yr	3.96	3	3.94	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.83	0
3-yr	1.90	-2
5-yr	2.12	-3
7-yr	2.32	0
10-yr	2.55	0

Source : Bloomberg

### Upcoming Government Bond Tender

Reopening of RM4.0b of 10Y MGS 4/31 on Thursday, 21<sup>st</sup> January 2021

- US Treasuries recovered from early weakness on Tuesday with attention largely focused on the confirmation hearing of ex-Fed Chair Yellen as Treasury Secretary following the resumption of the holiday-shortened week. The curve saw mild-steepening as overall benchmark yields remained range-bound and ended within 1bps of prior day's move. The UST 2Y yield closed almost unchanged at 0.13% whilst the much-watched UST 10Y edged 1bps higher at 1.09%. In her testimony, Yellen called for more fiscal spending to prevent economic malaise; particularly as interest rates remain at low levels. There were strong indications that she will examine the market for 50Y UST's as well. Elsewhere China's holdings of UST's rose by \$9.0b in November to \$1.06 trillion, following 5 prior months of successive declines whilst Japan's holdings fell \$8.7b to \$1.26 trillion. Meanwhile, expect market participants to focus on the upcoming 20Y bond auction tonight and inauguration of the 46<sup>th</sup> President of the United States.

### MGS/GII

- On Tuesday, local govies recovered some of prior day's falls; as overall benchmark yields closed mostly mixed between -5 to +3bps across the curve amid a rise in secondary market volume @ RM4.08b. The 5Y MGS 9/25 yield fell 5bps to a historical low of 1.97% whilst the 10Y MGS 4/31 yield was flat at 2.65%. Interest was mainly seen in the off-the-run 21's, 24's, 27's, 29's and benchmark 7Y MGS/GII. GII bond trades increased its share of trades to form ~35% of overall trades. Investors were seen in two minds with some betting on an OPR cut in today's MPC meeting as the short-end and belly notched substantial interest. Meanwhile, expect attention to focus on the MPC meeting and upcoming inauguration of the US President.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw strong a spike in investor interest along the GG-AA part of the curve amid a higher secondary market volume of RM575m as overall yields closed mixed on trades involving ~30 bonds in total. Both govt-guaranteed PASB and DANA 29's moved between +1 and -3bps; closing at 2.94% each. AAA-rated TNB Western which has been untraded for more than 4 months saw a flurry of activity. The 2028, 2029 and 2034 tranches notched RM70m in nominal amounts; closing missed on yields at 3.03%, 3.06% and 3.66% each. In the AA-space, energy-related bonds YTL Power 6/22 moved 4bps higher at 2.82% wth the 2023-2024 tranches ended unchanged at 2.96% and 3.13% respectively. The short-end MALAKOFF 12/21 declined 3bps at 2.40% whilst toll operator ANIH 11/22 rose 3bps at 2.64%. Meanwhile, the banking space continued to see odd-lot transactions for both CIMB and ALLIANCE-related names.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.708	170	1.671	18/01/2021	4
MGS 09/21	1.724	140	1.755	18/01/2021	-3
MGS 11/21	1.692	250	1.701	18/01/2021	-1
MGS 03/22	1.680	10	1.710	18/01/2021	-3
MGS 08/22	1.686	10	1.684	15/01/2021	0
MGS 09/22	1.730	32	1.723	18/01/2021	1
MGS 03/23	1.749	11	1.770	18/01/2021	-2
MGS 04/23	1.760	80	1.743	18/01/2021	2
MGS 06/24	1.860	102	1.891	18/01/2021	-3
MGS 07/24	1.915	58	1.917	18/01/2021	0
MGS 03/25	2.040	142	2.049	18/01/2021	-1
MGS 09/25	1.974	345	2.018	18/01/2021	-4
MGS 04/26	2.166	60	2.196	18/01/2021	-3
MGS 07/26	2.224	198	2.244	18/01/2021	-2
MGS 11/26	3.082	64	2.182	18/01/2021	90
MGS 05/27	2.385	60	2.389	18/01/2021	0
MGS 11/27	2.449	240	2.465	18/01/2021	-2
MGS 06/28	2.419	298	2.438	18/01/2021	-2
MGS 08/29	2.651	54	2.689	18/01/2021	-4
MGS 04/30	2.734	50	2.709	15/01/2021	2
MGS 06/31	2.860	7	2.880	14/01/2021	-2
MGS 04/33	3.313	60	3.311	15/01/2021	0
MGS 11/33	3.390	5	3.382	18/01/2021	1
MGS 07/34	3.309	145	3.313	18/01/2021	0
MGS 04/37	3.502	4	3.400	15/01/2021	10
MGS 06/38	3.628	1	3.624	18/01/2021	0
MGS 05/40	3.626	40	3.612	18/01/2021	1
MGS 09/43	3.863	2	3.852	12/01/2021	1
MGS 03/46	3.947	3	3.960	15/01/2021	-1
MGS 07/48	3.919	2	3.980	15/01/2021	-6
MGS 06/50	3.956	5	3.921	15/01/2021	4
GII 04/21	1.643	13	1.635	15/01/2021	1
GII 05/23	1.808	10	1.809	18/01/2021	0
GII 07/23	1.831	100	1.612	13/01/2021	22
GII 11/23	1.845	110	1.804	18/01/2021	4
GII 05/24	1.909	40	1.965	13/01/2021	-6
GII 10/24	1.908	270	1.945	15/01/2021	-4
GII 03/26	2.179	150	2.172	18/01/2021	1
GII 09/26	2.244	159	2.247	18/01/2021	0
GII 09/27	2.468	266	2.480	18/01/2021	-1
GII 08/28	2.553	40	2.581	18/01/2021	-3
GII 10/28	2.670	50	2.688	18/01/2021	-2
GII 09/30	2.738	80	2.777	15/01/2021	-4
GII 10/30	2.723	122	2.729	18/01/2021	-1
GII 06/33	3.428	20	3.350	15/01/2021	8
GII 09/39	3.594	1	3.579	13/01/2021	1
		<u>4078</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*
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/28	GG	2.820	15	2.779	17/07/2020	4	29
Pengurusan Air SPV Berhad	02/29	GG	2.940	10	2.930	18/01/2021	1	41
Danahra Nasional Berhad	04/29	GG	2.940	25	2.968	30/12/2020	-3	41
Danum Capital Berhad	02/26	AAA	2.678	40	2.677	15/01/2021	0	68
Manjung Island Energy Berhad	11/27	AAA	2.900	20	2.879	08/01/2021	2	48
TNB Western Energy Berhad	07/28	AAA	3.031	10	4.688	31/07/2018	-166	50
TNB Western Energy Berhad	01/29	AAA	3.058	20	2.899	02/09/2020	16	52
TNB Western Energy Berhad	01/34	AAA	3.659	40	3.557	14/07/2020	10	34
Sarawak Energy Berhad	06/35	AAA	3.701	15	3.759	11/12/2020	-6	39
YTL Power International Berhad	06/22	AA1	2.817	60	2.776	25/11/2020	4	113
YTL Power International Berhad	08/23	AA1	2.956	30	2.959	15/01/2021	0	121
YTL Power International Berhad	10/24	AA1	3.125	50	3.127	15/01/2021	0	123
YTL Corporation Berhad	11/26	AA1	3.438	20	3.443	08/01/2021	0	121
Westports Malaysia Sdn Berhad	04/26	AA+	2.817	10	2.847	13/01/2021	-3	82
UMW Holdings Berhad	06/22	AA2	2.474	10	2.627	29/09/2020	-15	79
Tanjung Bin Power Sdn Berhad	08/22	AA2	2.649	10	2.766	22/10/2020	-12	94
Imtiaz Sukuk II Berhad	10/22	AA2	2.482	40	3.136	06/03/2020	-65	77
UMW Holdings Berhad	09/23	AA2	2.664	10	2.680	18/01/2021	-2	92
Anih Berhad	11/22	AA	2.644	20	2.614	05/01/2021	3	93
Malakoff Power Berhad	12/21	AA-	2.396	30	2.427	12/01/2021	-3	71
Perbadanan Kemajuan Negeri Selangor	01/23	AA3	3.181	10	-	-	-	147
Hong Leong Assurance Berhad	12/28	AA3	3.660	10	-	-	-	113
Edra Energy Sdn Berhad	01/35	AA3	4.154	10	4.179	11/01/2021	-3	84
UEM Sunrise Berhad	12/22	AA-	3.546	20	3.614	14/01/2021	-7	183
MMC Corporation Berhad	11/25	AA-	3.747	20	3.709	09/12/2020	4	175
CIMB Group Holdings Berhad	05/16	A1	3.560	3	3.519	08/01/2021	4	-5
Alliance Bank Malaysia Berhad	10/35	A2	3.561	1	3.901	14/01/2021	-34	25
Abu Dhabi National Energy Company PJSC	03/22	-	3.136	10	3.136	23/12/2020	0	145
LBS Bina Group Berhad	03/20	-	5.474	5	5.890	21/10/2020	-42	186
Mah Sing Group Berhad	04/17	-	4.242	1	5.101	12/01/2021	-86	63
				<u>575</u>				

\*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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