

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	0.58	2
10-yr UST	1.34	4
30-yr UST	2.14	5

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.91	0	1.99	0
5-yr	2.24	-9	2.46	-1
7-yr	2.71	-1	2.67	1
10-yr	2.99	0	3.04	2
15-yr	3.71	-4	3.75	0
20-yr	3.91	-5	4.05	1
30-yr	4.15	-5	4.19	5

* Market indicative levels

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

Source : Bloomberg

Upcoming Government Bond Tender.

Nil

- US Treasuries ended weaker last Friday on optimism over more fiscal stimulus as Treasury Secretary Yellen urged Congress to approve President Biden's \$1.9 trillion relief package. The stronger-than-expected existing home sales for January along with investors belief that the US economy will gain strength also had some impact especially on the longer-ends. The curve was steeper with overall benchmark yields closing between 2-5bps higher versus prior day. The UST 2Y yield closed unchanged at 0.11% whilst the much-watched 10Y yield spiked 4bps to its highest level in a year at 1.34%. The revival in risk assets and trades is seen amid a reduction in the virus and rise in vaccine deployment. Expect some attention on the upcoming auctions of 2Y, 5Y and 7Y notes this week as well as the Congressional testimony by Fed Chair Powell.

MGS/GII

- Last Friday, local govvnies saw a similar outcome versus prior day; whereby MGS were mostly better-bid whilst GII continued to lag and drift lower. Overall benchmark yields closed mixed between ~ -9 to +5bps across the curve amid a lower secondary market volume at RM4.03b. The 5Y MGS 9/25 yield recovered recent losses; rallying 9bps at 2.24% whilst the 10Y MGS 4/31 ended unchanged again for 2 consecutive sessions at 2.99%. Interest was mainly seen in off-the-run 21's, 23-24's and also the benchmark 10Y MGS/GII. GII bond trades slid to form ~37% of overall trades. Meanwhile the nation has sold \$7.43b worth of bonds as of 17th February; a 96% increase y/y in line with our earlier projection of quarterly issuances being front-loaded for the year. Expect some intermittent profit-taking by traders as longer term investors continue to search for values today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to see tepid interest on Friday as secondary market volume remained subdued @ ~RM213m with trades covering ~13 names. Overall yields ended mostly higher however with transactions seen mainly across the GG and AA-part of the curve. Govt-guaranteed PTPTN 7/21 spiked 32bps compared to previous-done levels at 3.28% whilst DANA 32's rose 13bps at 3.34% levels. AA-rated conglomerate MMC Corp 27-28's moved 4-5 bps higher; closing between 4.01-06% whilst YTL Corp 4/23 closed 6bps up at 3.07%. The banking space saw nil trades whereas several odd-lot transactions were seen in property-related names i.e. Eco World and YNH Property.

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.719	244	1.731	18/02/2021	-1
MGS 09/21	1.746	40	1.776	18/02/2021	-3
MGS 11/21	1.741	9	1.733	18/02/2021	1
MGS 03/22	1.779	1	1.765	18/02/2021	1
MGS 08/22	1.785	8	1.811	18/02/2021	-3
MGS 09/22	1.767	51	1.899	17/02/2021	-13
MGS 03/23	1.904	32	1.902	18/02/2021	0
MGS 04/23	1.885	163	1.920	16/02/2021	-3
MGS 06/24	2.050	200	2.057	18/02/2021	-1
MGS 07/24	2.107	11	2.129	18/02/2021	-2
MGS 09/24	2.114	6	2.138	18/02/2021	-2
MGS 03/25	3.302	1	2.238	18/02/2021	106
MGS 09/25	2.242	238	2.338	18/02/2021	-10
MGS 07/26	2.441	194	2.449	18/02/2021	-1
MGS 11/26	2.442	40	2.451	18/02/2021	-1
MGS 03/27	2.590	30	2.580	18/02/2021	1
MGS 05/27	2.636	11	2.631	18/02/2021	1
MGS 11/27	2.689	12	2.656	18/02/2021	3
MGS 06/28	2.705	198	2.713	18/02/2021	-1
MGS 09/28	2.862	30	2.730	17/02/2021	13
MGS 08/29	2.985	180	2.998	18/02/2021	-1
MGS 04/30	2.999	6	3.031	18/02/2021	-3
MGS 04/31	2.990	339	2.991	18/02/2021	0
MGS 06/31	3.120	13	3.128	18/02/2021	-1
MGS 04/32	3.266	33	3.131	03/02/2021	14
MGS 04/33	3.672	6	3.608	18/02/2021	6
MGS 11/33	3.686	14	3.698	18/02/2021	-1
MGS 07/34	3.706	145	3.751	18/02/2021	-4
MGS 05/35	3.748	5	3.637	17/02/2021	11
MGS 04/37	3.811	1	3.739	17/02/2021	7
MGS 05/40	3.906	243	3.955	18/02/2021	-5
MGS 09/43	4.165	1	4.049	17/02/2021	12
MGS 07/48	4.179	7	4.255	18/02/2021	-8
MGS 06/50	4.154	12	4.208	18/02/2021	-5
GII 04/21	1.729	160	1.735	16/02/2021	-1
GII 08/21	1.740	380	1.750	18/02/2021	-1
GII 11/23	2.014	278	2.026	18/02/2021	-1
GII 05/24	2.103	10	2.024	11/02/2021	8
GII 10/24	2.175	10	2.179	18/02/2021	0
GII 08/25	2.319	8	2.257	16/02/2021	6
GII 10/25	2.374	20	2.354	18/02/2021	2
GII 03/26	2.456	221	2.467	18/02/2021	-1
GII 07/27	2.705	140	2.616	18/02/2021	9
GII 09/27	2.667	25	2.654	18/02/2021	1
GII 07/29	2.976	100	3.002	18/02/2021	-3
GII 10/30	3.043	132	3.020	18/02/2021	2
GII 11/34	3.769	3	3.772	18/02/2021	0
GII 07/36	3.748	6	3.753	18/02/2021	0
GII 09/39	4.050	5	4.040	18/02/2021	1
GII 11/49	4.187	8	4.141	18/02/2021	5
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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*	
Perbadanan Tabung Pendidikan Tinggi Nasional	07/31	GG	3.279	40	2.963	07/09/2020	32	34
DanaInfra Nasional Berhad	03/32	GG	3.340	20	3.209	08/02/2021	13	40
DanaInfra Nasional Berhad	05/32	GG	3.339	60	3.210	08/02/2021	13	40
YTL Corporation Berhad	04/23	AA1	3.072	30	3.016	09/02/2021	6	126
Benih Restu Berhad	06/25	AA2	2.927	10	2.932	16/02/2021	0	82
Fortune Premiere Sdn Berhad	03/23	AA	2.838	1	2.819	27/01/2021	2	103
MMC Corporation Berhad	11/27	AA-	4.008	20	3.965	10/02/2021	4	130
MMC Corporation Berhad	03/28	AA-	4.058	20	4.011	27/01/2021	5	135
TG Excellence Berhad	02/20	AA-	3.674	1	3.604	18/02/2021	7	-24
Eco World International Berhad	05/23	-	5.789	4	5.777	14/01/2021	1	398
Eco World Capital Assets Berhad	08/24	-	5.794	4	5.902	04/02/2021	-11	390
YNH Property Berhad	08/19	-	6.952	1	6.543	17/02/2021	41	304
Cypark Renewable Energy Sdn Berhad	09/20	-	6.820	3	-	-	-	291
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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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