

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	1
5-yr UST	0.60	2
10-yr UST	1.37	3
30-yr UST	2.17	4

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.88	-2	1.97	-2
5-yr	2.28	4	2.50	4
7-yr	2.74	3	2.75	9
10-yr	2.92	-7	3.10	5
15-yr	3.76	6	3.75	0
20-yr	3.97	7	4.08	3
30-yr	4.18	3	4.14	-5

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.94	0
3-yr	2.19	6
5-yr	2.52	6
7-yr	2.70	5
10-yr	3.04	7

Source : Bloomberg

### Upcoming Government Bond Tender.

Reopening of RM3.5b GII 9/27 on Wednesday,  
24<sup>th</sup> February 2021

- US Treasuries ended weaker on Monday on continued optimism over further fiscal stimulus and accelerated COVID-19 vaccine rollouts. The curve bear-steepened with overall benchmark yields closing between 1-4bps higher versus prior day. The UST 2Y yield edged 1bps up at 0.11% whilst the much-watched 10Y yield rose 3bps to its highest level in a year at 1.37%. Across the front-end, traders were believed to be focused on expectation of a Fed-hiking cycle whilst the long-end of the curve showed less reaction to Treasury Secretary Yellen's suggestion on the likelihood of ultra-long issuances. Meanwhile mortgage rates for US homebuyers saw the biggest jump in a year as higher UST yields and inflation expectations were expected to seep into the economy. Expect attention to shift to the upcoming \$60b 2Y notes auction tonight, 5Y and 7Y note auctions as well as the Congressional testimony by Fed Chair Powell later this week.

### MGS/GIII

- On Monday, local govies reversed prior day's gains with overall benchmark yields closing mostly mixed-to-higher between -7 to +9bps across the curve amid a lower secondary market volume of RM2.98b. The 5Y MGS 9/25 yield rose 4bps at 2.28% whilst the 10Y MGS 4/31 rallied pushing yields down 7bps instead at 2.92%. Interest was mainly seen in the off-the-run 21's and also the benchmark 10Y, 15Y MGS/GII. GII bond trades slid further again to form ~21% of overall trades. Meanwhile the Malaysian economy is projected to recover in 2021 on effective vaccine deployment. Expect some attention to shift to January's inflation data and 7Y GII auction tomorrow followed by the trade numbers this Friday.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw slight improvement in investor appetite on Monday as secondary market volume rose to RM368m with trades covering ~17 names. Overall yields ended mostly mixed-to-higher; mirroring govies with transactions seen mainly across the AAA to single-A part of the curve. The sole government-guaranteed trade involved DANA 2/25 which spiked 13bps compared to previous-done levels at 2.39%. AAA-rated PASB 2/22 edged 1bps lower at 2.14% whilst AA-rated MMC Corp 27-28's ended unchanged between 4.01-06%. Energy-related bond JEP 12/24 moved 2bps up at 3.08% whilst BESRAYA 7/21 declined 10bps at 2.44%. The banking space saw BPMB 11/26 edged 1bps at 2.89% whilst SABAH Dev 24-25's saw voracious appetite resulting in RM160m transacted amounts at sharply lower yields of between 2.92-3.13%.

## 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	150	1.719	19/02/2021	2
MGS 09/21	1.786	271	1.746	19/02/2021	4
MGS 11/21	1.753	159	1.741	19/02/2021	1
MGS 03/22	1.735	47	1.779	19/02/2021	-4
MGS 08/22	1.782	5	1.785	19/02/2021	0
MGS 03/23	1.883	114	1.904	19/02/2021	-2
MGS 04/23	1.895	25	1.885	19/02/2021	1
MGS 08/23	1.941	32	1.965	18/02/2021	-2
MGS 06/24	2.070	40	2.050	19/02/2021	2
MGS 07/24	2.122	14	2.107	19/02/2021	1
MGS 09/24	2.149	1	2.114	19/02/2021	4
MGS 03/25	2.232	16	3.302	19/02/2021	-107
MGS 09/25	2.283	52	2.242	19/02/2021	4
MGS 07/26	2.451	61	2.441	19/02/2021	1
MGS 11/26	2.464	82	2.442	19/02/2021	2
MGS 05/27	2.651	29	2.636	19/02/2021	1
MGS 11/27	2.718	10	2.689	19/02/2021	3
MGS 06/28	2.739	100	2.705	19/02/2021	3
MGS 08/29	3.010	61	2.985	19/02/2021	2
MGS 04/30	3.040	6	2.999	19/02/2021	4
MGS 04/31	2.924	299	2.942	19/02/2021	-2
MGS 06/31	3.203	36	3.120	19/02/2021	8
MGS 04/33	3.710	50	3.672	19/02/2021	4
MGS 11/33	3.756	15	3.686	19/02/2021	7
MGS 07/34	3.761	499	3.706	19/02/2021	6
MGS 05/35	3.810	6	3.748	19/02/2021	6
MGS 04/37	3.820	2	3.811	19/02/2021	1
MGS 06/38	4.043	41	4.005	18/02/2021	4
MGS 05/40	3.972	64	3.906	19/02/2021	7
MGS 09/43	4.121	1	4.165	19/02/2021	-4
MGS 03/46	4.124	1	4.101	18/02/2021	2
MGS 07/48	4.221	41	4.179	19/02/2021	4
MGS 06/50	4.184	40	4.154	19/02/2021	3
GII 04/22	1.810	216	1.828	18/02/2021	-2
GII 05/23	1.972	113	1.988	18/02/2021	-2
GII 07/23	1.988	5	2.004	18/02/2021	-2
GII 11/23	2.039	40	2.014	19/02/2021	3
GII 10/25	2.429	6	2.374	19/02/2021	5
GII 03/26	2.498	52	2.456	19/02/2021	4
GII 07/27	2.695	6	2.705	19/02/2021	-1
GII 09/27	2.755	1	2.667	19/02/2021	9
GII 09/30	3.036	18	3.036	18/02/2021	0
GII 10/30	3.096	60	3.043	19/02/2021	5
GII 11/34	3.777	3	3.769	19/02/2021	1
GII 08/37	3.900	2	3.734	16/02/2021	17
GII 09/39	4.084	81	4.050	19/02/2021	3
GII 11/49	4.135	16	4.187	19/02/2021	-5
		<u>2984</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*
Danainfra Nasional Berhad	02/25	GG	2.394	45	2.268	14/10/2020	13	27
Pengurusan Air SPV Berhad	02/22	AAA	2.144	20	2.156	08/02/2021	-1	39
Bank Pembangunan Malaysia Berhad	11/26	AAA	2.888	10	2.899	17/02/2021	-1	37
Sabah Development Bank Berhad	03/24	AA1	2.919	80	3.027	11/08/2020	-11	102
Sabah Development Bank Berhad	08/25	AA1	3.133	80	4.127	30/03/2020	-99	101
Anih Berhad	11/25	AA	3.019	20	3.007	16/02/2021	1	75
Besraya (M) Sdn Berhad	07/21	AA3	2.440	5	2.537	28/12/2020	-10	68
Trinity Asia Ventures Berhad	09/22	AA3	3.874	20	3.877	04/02/2021	0	205
Jimah East Power Sdn Berhad	12/24	AA-	3.076	10	3.061	02/02/2021	2	95
WCT Holdings Berhad	01/25	AA-	4.103	20	3.679	28/09/2020	42	198
MMC Corporation Berhad	11/27	AA-	4.011	20	4.008	19/02/2021	0	129
MMC Corporation Berhad	03/28	AA-	4.059	20	4.058	19/02/2021	0	134
Penang Port Sdn Berhad	12/29	AA-	3.479	5	3.420	16/02/2021	6	55
Tan Chong Motor Holdings Berhad	11/21	A1	3.803	1	3.805	17/02/2021	0	205
DRB-Hicom Berhad	12/29	A+	4.915	1	4.880	09/12/2020	4	198
UMW Holdings Berhad	04/18	A1	4.121	10	4.632	02/02/2021	-51	17
Affin Bank Berhad	07/18	A3	3.845	2	3.844	18/02/2021	0	-11
				<u>368</u>				

\*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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