

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	0
5-yr UST	0.42	-1
10-yr UST	1.09	-2
30-yr UST	1.85	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.88	2	1.90	-4
5-yr	2.09	2	2.23	1
7-yr	2.47	3	2.48	2
10-yr	2.73	0	2.78	5
15-yr	3.29	-4	3.45	0
20-yr	3.54	0	3.70	10
30-yr	3.90	-6	4.03	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.89	0
3-yr	2.00	3
5-yr	2.19	2
7-yr	2.36	1
10-yr	2.60	0

Source : Bloomberg

Upcoming Government Bond Tender/

- US Treasuries were very much range-bound last Friday with yields closing slightly lower; ahead of this week's auction exercises beginning with the 2Y today. Overall benchmark yields closed between 0-2bps with the UST 2Y ending unchanged at 0.12% whilst the much-watched 10Y eased 2bps at 1.09%. The 2s10s spread which eased slightly remains elevated at ~97bps; its highest since mid-2017. Global risk assets were under slight pressure at the end of last week whilst the rosier US economic data that included Markit's PMI indices and US housing data did not impact UST yields in a large manner. Meanwhile, Yellen is determined to review current Treasury practices, including debt issuances, weighted-average maturities whilst also studying tax rates with a view of raising them in certain areas.

MGS/GII

- On Friday, local govies closed mixed on lack of catalysts ahead of the weekend with the short-ends still mostly pressured. Overall benchmark yields closed mixed between -6 to +10bps across the curve with largest deviation on both ends due to odd-lot trades amid a lower secondary market volume of RM4.4b. The 5Y MGS 9/25 yield rose another 2bps at 2.09% whilst the 10Y MGS 4/31 closed within 1bps higher at 2.73%. The yield curve remains elevated at ~85bps; partly due to the possible reflation trade factor. Interest continued to be anchored in the shorter-end 21-22's and also the benchmark 3Y MGS/GII. GII bond trades maintained its share of trades to form ~32% of overall trades. Meanwhile, the economic calendar is light for most part of the week with trade data for December being released on Friday.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to be robust last Friday with interest seen across the GG-AA part of the curve amid a further rise in secondary market volume @ RM781m. Overall yields closed mostly mixed with trades totaling ~35 in total. The short-end govt-guaranteed PASB 4/21 notched substantial RM160m in nominal amounts; closing sharply lower on yields at 2.24% whilst DANA 7/21 rose 10bps instead at 1.97%. AAA-rated PUTRAJAYA ended 2-10bps lower between 2.50-66% whilst PLUS 28 declined 10bps at 3.05%. Utility provider TNB Northern closed unchanged at 3.60% whereas TNB 8/35 moved 6bps higher at 3.71%. Energy-related bonds i.e. BGSM and JEP dominated the AA-sector. BGSM 22-23's saw yields ease between 3-7bps at 2.56-69% levels. Meanwhile, the banking space saw CIMB Thai fall 38bps to 2.88% on transacted amounts of RM100m.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.755	641	1.809	21/01/2021	-5
MGS 09/21	1.805	718	1.755	21/01/2021	5
MGS 11/21	1.772	406	1.752	21/01/2021	2
MGS 03/22	1.691	39	1.652	21/01/2021	4
MGS 09/22	1.834	57	1.772	21/01/2021	6
MGS 03/23	1.884	151	1.868	21/01/2021	2
MGS 04/23	1.907	64	1.760	19/01/2021	15
MGS 06/24	2.006	1	2.004	21/01/2021	0
MGS 07/24	1.984	44	2.009	21/01/2021	-2
MGS 03/25	2.140	8	2.093	21/01/2021	5
MGS 09/25	2.089	120	2.067	21/01/2021	2
MGS 07/26	2.283	18	2.243	21/01/2021	4
MGS 11/26	2.230	130	2.205	21/01/2021	2
MGS 05/27	2.385	17	2.408	21/01/2021	-2
MGS 11/27	2.462	1	2.447	21/01/2021	2
MGS 06/28	2.468	68	2.441	21/01/2021	3
MGS 08/29	2.687	9	2.731	21/01/2021	-4
MGS 04/31	2.725	168	2.722	21/01/2021	0
MGS 06/31	2.833	3	2.877	21/01/2021	-4
MGS 04/33	3.386	24	3.372	21/01/2021	1
MGS 07/34	3.291	103	3.327	21/01/2021	-4
MGS 05/35	3.390	8	3.377	21/01/2021	1
MGS 04/37	3.516	1	3.453	21/01/2021	6
MGS 05/40	3.541	132	3.541	21/01/2021	0
MGS 03/46	4.006	1	3.950	21/01/2021	6
MGS 06/50	3.898	59	3.956	21/01/2021	-6
GII 04/21	1.737	30	1.768	20/01/2021	-3
GII 08/21	1.761	770	1.780	21/01/2021	-2
GII 05/23	1.901	160	1.950	21/01/2021	-5
GII 11/23	1.951	70	1.935	21/01/2021	2
GII 03/26	2.229	80	2.223	21/01/2021	1
GII 09/27	2.482	80	2.467	21/01/2021	2
GII 08/28	2.585	10	2.499	20/01/2021	9
GII 10/28	2.695	130	2.680	21/01/2021	1
GII 10/30	2.779	43	2.733	21/01/2021	5
GII 06/33	3.417	3	3.385	21/01/2021	3
GII 07/36	3.447	30	3.447	20/01/2021	0
GII 09/39	3.697	5	3.594	19/01/2021	10
		4401			

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*
Pengurusan Air SPV Berhad	04/21	GG	1.683	160	2.241	01/07/2020	-56	-8
Danainfra Nasional Berhad	07/21	GG	1.971	40	1.870	18/09/2020	10	21
Small Medium Enterprise Development Bank Malaysia	04/25	GG	2.349	8	2.344	14/10/2020	1	37
Prasarana Malaysia Berhad	12/33	GG	3.504	10	3.441	15/06/2020	6	18
Prasarana Malaysia Berhad	03/34	GG	3.540	30	3.661	03/12/2020	-12	22
Prasarana Malaysia Berhad	08/34	GG	3.559	10	3.347	15/07/2020	21	24
Mercedes-Benz Services Malaysia Sdn Berhad	09/23	AAA	2.590	20	2.542	06/01/2021	5	73
Suria KLCC Sdn Berhad	12/24	AAA	2.470	40	2.546	14/10/2020	-8	49
Putrajaya Holdings Sdn Berhad	04/25	AAA	2.500	20	2.600	22/09/2020	-10	52
Danum Capital Berhad	05/25	AAA	2.579	4	2.657	16/12/2020	-8	60
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/25	AAA	2.671	20	2.768	14/12/2020	-10	60
Putrajaya Holdings Sdn Berhad	05/26	AAA	2.657	10	2.679	11/11/2020	-2	58
Sarawak Energy Berhad	06/26	AAA	2.694	20	2.764	15/12/2020	-7	62
Pengurusan Air SPV Berhad	10/26	AAA	2.742	10	2.820	11/12/2020	-8	48
Sarawak Energy Berhad	01/27	AAA	2.767	30	2.738	13/01/2021	3	50
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/27	AAA	2.921	30	3.018	14/12/2020	-10	44
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.047	10	3.149	11/12/2020	-10	57
TNB Northern Energy Berhad	11/33	AAA	3.599	5	3.599	21/01/2021	0	28
Tenaga Nasional Berhad	08/35	AAA	3.712	10	3.649	08/01/2021	6	39
YTL Power International Berhad	05/27	AA1	3.458	20	3.501	29/12/2020	-4	119
Celcom Networks Sdn Berhad	08/27	AA+	2.988	10	3.089	11/12/2020	-10	51
Imtiaj Sukuk II Berhad	10/27	AA2	3.138	27	3.259	23/12/2020	-12	66
BGSM Management Sdn Berhad	12/22	AA3	2.564	25	2.595	06/01/2021	-3	75
BGSM Management Sdn Berhad	09/23	AA3	2.653	5	2.706	30/10/2020	-5	79
BGSM Management Sdn Berhad	12/23	AA3	2.694	15	2.761	11/12/2020	-7	83
CIMB Thai Bank Public Company Limited	07/26	AA3	2.875	100	3.257	15/10/2020	-38	80
AmBank (M) Berhad	10/27	AA3	2.669	10	2.691	29/12/2020	-2	19
Tanjung Bin Energy Issuer Berhad	09/30	AA3	3.461	10	3.664	29/05/2020	-20	74
Jimah East Power Sdn Berhad	06/31	AA-	3.679	10	3.689	21/01/2021	-1	96
Jimah East Power Sdn Berhad	12/31	AA-	3.743	20	3.729	16/12/2020	1	102
Jimah East Power Sdn Berhad	06/30	AA-	3.643	20	3.619	21/01/2021	2	96
Jimah East Power Sdn Berhad	06/32	AA-	3.791	20	3.780	15/12/2020	1	107
TG Excellence Berhad	02/20	AA-	3.194	1	3.038	13/01/2021	16	-36
Eco World Capital Assets Berhad	08/24	-	5.855	1	5.855	21/01/2021	0	387
Cypark Renewable Energy Sdn Berhad	09/20	-	6.397	1	6.396	02/11/2020	0	284
				<u>781</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Malayan Banking Berhad	Financial Institution ratings (FIRs)	AAA/Stable/P1	Reaffirmed
	RM20 billion Subordinated Note Programme (2012/-)	AA1/Stable	Reaffirmed
	RM10 billion Additional Tier-1 Capital Securities Programme (2014/-)	AA3/Stable	Reaffirmed
	RM10 billion Senior Medium-Term Note Programme (2015/-)	AAA/Stable	Reaffirmed
	RM10 billion Commercial Paper/Medium-Term Note Programme (2016/2023)	AAA/Stable/P1	Reaffirmed
Maybank Islamic Berhad	Financial Institution Ratings	AAA/Stable/P1	Reaffirmed
	RM10 billion Subordinated Sukuk Murabahah Programme (2014/2034)	AA1/Stable	Reaffirmed
	RM10 billion Islamic Commercial Paper/Medium-Term Note Programme (2017/2024)	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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