

**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	0.39	-3
10-yr UST	1.03	-6
30-yr UST	1.79	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.87	-2	1.88	-2
5-yr	2.10	1	2.21	-2
7-yr	2.46	-1	2.47	-2
10-yr	2.71	-2	2.76	-2
15-yr	3.31	2	3.45	0
20-yr	3.54	0	3.70	0
30-yr	3.95	5	4.03	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	-1
3-yr	1.96	-4
5-yr	2.15	-4
7-yr	2.34	-2
10-yr	2.58	-2

Source : Bloomberg

**Upcoming Government Bond Tender/**

- US Treasuries were very much sought after on Monday as the curve bull-flattened; led by the long-ends potentially due to portfolio extension ahead of Friday's month-end and concerns over the delays of vaccine rollouts and more stringent restrictions. Overall benchmark yields closed between 1-6bps lower with the UST 2Y yield edging 1bps lower at 0.11% whilst the much-watched 10Y rallied 6bps at 1.03%. The 2s10s spread tightened to ~92bps; its narrowest range since 7<sup>th</sup> of January. Treasury's record \$60b 2Y auction was well-received on a solid BTC ratio of 2.67x (highest in 5 months); and awarded at a historic low rate of 0.125%. Expect IG dollar issuances to affect the slope of the curve with 7-Eleven's \$11.0b multi-tranche leading the pack. Meanwhile, expect attention to focus on the upcoming 5Y and 7Y record-sized auctions on Tuesday and Thursday.

**MGS/GII**

- On Monday, local govvnies saw some recovery led by GII whilst MGS closed mixed. Traders were seen bearish on rates as Interest Rate Swaps drifted lower whilst investors were seen nibbling on beaten-down values post MPC meeting. Overall benchmark yields closed mixed-to-lower i.e. between -2 to +5bps across the curve amid a slight decrease in secondary market volume @ RM4.06b. The 5Y MGS 9/25 yield edged 1bps up at 2.10% whilst the 10Y MGS 4/31 moved 2bps lower at 2.71%. Interest continued to be anchored in the shorter-end 21's and also the benchmark 3Y, 10Y MGS/GII. GII bond trades rose to form ~32% of overall trades. While the barriers for a rate cut remain elevated; the govvnies curve may reflect some investors view of potential rate cut given downside risks due to MCO 2.0.

**Corp Bonds/Sukuk**

- The Corporate Bond/Sukuk space saw elevated activity and interest on Monday with interest seen across the GG-AA part of the curve amid a further rise in secondary market volume @ RM1.05b. Overall yields closed mostly mixed-to-lower with trades totaling ~44 in total. The short-end PRASA and DANA 21's notched RM185m in nominal amounts with yields ending 1-9bps lower between 1.89-91%. DANA 2/29 and PTPTN 2/30 saw yields move opposite direction of each other; settling at 2.97% and 3.03% each. Whilst AAA-rated PLUS 24 edged 1bps higher at 2.53%, the 2025 and 2026 tranches closed 10-34bps sharply lower at 2.66% and 2.78% respectively. The toll-operator alone garnered RM220m in total transactions. Energy-related bonds Teknologi Tenaga Perlis 7/22 saw yields decline sharply lower at 2.36% whereas PKNS 22-23's closed between -2 to +1bps; within a range of 3.05-3.34%.

## 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	354	1.755	22/01/2021	-2
MGS 09/21	1.694	503	1.805	22/01/2021	-11
MGS 11/21	1.802	200	1.772	22/01/2021	3
MGS 03/22	1.742	4	1.691	22/01/2021	5
MGS 08/22	1.728	3	1.686	19/01/2021	4
MGS 09/22	1.749	15	1.834	22/01/2021	-9
MGS 03/23	1.868	173	1.884	22/01/2021	-2
MGS 04/23	1.866	20	1.907	22/01/2021	-4
MGS 06/24	1.966	21	2.006	22/01/2021	-4
MGS 09/24	2.001	6	1.980	21/01/2021	2
MGS 03/25	2.048	2	2.140	22/01/2021	-9
MGS 09/25	2.096	328	2.089	22/01/2021	1
MGS 04/26	2.165	24	2.214	21/01/2021	-5
MGS 07/26	2.253	2	2.283	22/01/2021	-3
MGS 11/26	2.187	2	2.230	22/01/2021	-4
MGS 03/27	2.359	2	2.390	21/01/2021	-3
MGS 05/27	2.378	14	2.385	22/01/2021	-1
MGS 11/27	2.484	3	2.462	22/01/2021	2
MGS 06/28	2.459	65	2.468	22/01/2021	-1
MGS 08/29	2.718	60	2.687	22/01/2021	3
MGS 04/30	2.765	152	2.752	21/01/2021	1
MGS 04/31	2.707	271	2.725	22/01/2021	-2
MGS 06/31	2.858	4	2.833	22/01/2021	2
MGS 04/32	3.136	1	2.969	13/01/2021	17
MGS 04/33	3.354	5	3.386	22/01/2021	-3
MGS 11/33	3.380	35	3.417	21/01/2021	-4
MGS 07/34	3.308	26	3.291	22/01/2021	2
MGS 05/35	3.402	1	3.390	22/01/2021	1
MGS 04/37	3.552	7	3.516	22/01/2021	4
MGS 06/38	3.695	4	3.698	22/01/2021	0
MGS 05/40	3.536	193	3.541	22/01/2021	0
MGS 09/43	3.876	1	3.899	22/01/2021	-2
MGS 03/46	3.932	3	4.006	22/01/2021	-7
MGS 07/48	3.981	2	4.014	21/01/2021	-3
MGS 06/50	3.950	2	3.898	22/01/2021	5
GII 03/21	1.740	50	1.739	21/01/2021	0
GII 04/21	1.746	10	1.737	22/01/2021	1
GII 08/21	1.750	200	1.761	22/01/2021	-1
GII 04/22	1.759	12	1.789	21/01/2021	-3
GII 11/22	1.852	20	1.800	15/01/2021	5
GII 05/23	1.877	382	1.901	22/01/2021	-2
GII 10/24	2.011	130	2.001	21/01/2021	1
GII 08/25	2.168	20	2.186	21/01/2021	-2
GII 10/25	2.178	13	2.187	21/01/2021	-1
GII 03/26	2.206	174	2.229	22/01/2021	-2
GII 09/26	2.334	1	2.244	19/01/2021	9
GII 09/27	2.466	130	2.482	22/01/2021	-2
GII 10/28	2.673	133	2.695	22/01/2021	-2
GII 12/28	2.672	80	2.724	04/12/2020	-5
GII 07/29	2.705	1	2.669	20/01/2021	4
GII 10/30	2.756	160	2.779	22/01/2021	-2
GII 11/34	3.440	20	3.434	20/01/2021	1
GII 08/37	3.674	20	3.634	15/01/2021	4
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## 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*
Prasarana Malaysia Berhad	08/21	GG	1.885	70	1.898	08/10/2020	-1	13
DanaInfra Nasional Berhad	11/21	GG	1.913	115	2.004	30/09/2020	-9	16
Malaysia Debt Ventures Berhad	03/23	GG	2.037	10	2.037	20/01/2021	0	24
DanaInfra Nasional Berhad	08/23	GG	2.058	20	1.959	20/01/2021	10	21
Jambatan Kedua Sdn Berhad	05/25	GG	2.325	20	2.389	08/12/2020	-6	35
Prasarana Malaysia Berhad	09/25	GG	2.386	10	2.755	18/05/2020	-37	31
Prasarana Malaysia Berhad	09/25	GG	2.387	20	2.298	15/10/2020	9	31
Prasarana Malaysia Berhad	02/26	GG	2.528	10	2.480	18/01/2021	5	46
DanaInfra Nasional Berhad	02/29	GG	2.927	40	2.739	21/09/2020	19	35
Perbadanan Tabung Pendidikan Tinggi Nasional	02/30	GG	3.025	20	3.198	04/06/2020	-17	36
DanaInfra Nasional Berhad	04/30	GG	3.029	30	3.049	07/01/2021	-2	36
GovCo Holdings Berhad	06/31	GG	3.169	80	2.841	25/08/2020	33	47
DanaInfra Nasional Berhad	10/31	GG	3.160	10	3.210	26/11/2020	-5	46
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	3.720	20	3.734	21/01/2021	-1	40
Tenaga Nasional Berhad	12/21	AAA	2.142	15	2.106	11/01/2021	4	39
Sarawak Energy Berhad	01/22	AAA	2.190	30	2.200	11/01/2021	-1	44
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.529	50	2.522	07/01/2021	1	68
Suria KLCC Sdn Berhad	12/24	AAA	2.450	15	2.470	22/01/2021	-2	47
Projek Lebuhraya Usahasama Berhad	01/25	AAA	2.658	100	2.997	14/12/2020	-34	68
Projek Lebuhraya Usahasama Berhad	01/26	AAA	2.784	70	2.887	22/12/2020	-10	71
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/27	AAA	2.898	20	2.921	22/01/2021	-2	44
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.028	10	3.047	22/01/2021	-2	57
TNB Northern Energy Berhad	05/33	AAA	3.539	10	3.289	11/11/2020	25	84
Bank Pembangunan Malaysia Berhad	11/35	AAA	3.901	4	3.860	21/12/2020	4	59
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	2.358	20	2.985	24/06/2020	-63	56
Celcom Networks Sdn Berhad	08/24	AA+	2.649	10	2.731	04/12/2020	-8	67
Celcom Networks Sdn Berhad	08/27	AA+	2.989	10	2.988	22/01/2021	0	53
Kuala Lumpur Kepong Berhad	04/26	AA1	2.850	20	2.879	21/12/2020	-3	78
Kuala Lumpur Kepong Berhad	09/34	AA1	3.801	4	3.817	12/01/2021	-2	49
Perbadanan Kemajuan Negeri Selangor	01/22	AA3	3.058	40	3.073	13/01/2021	-2	131
Perbadanan Kemajuan Negeri Selangor	04/22	AA3	3.076	4	3.066	01/09/2020	1	132
Kimanis Power Sdn Berhad	08/22	AA-	2.626	20	3.177	18/06/2020	-55	82
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.340	40	3.337	08/01/2021	0	149
Tadau Energy Sdn Berhad	07/26	AA3	3.601	6	4.914	28/03/2019	-131	133
Malayan Banking Berhad	02/17	AA3	3.232	4	3.318	15/12/2020	-9	-31
UEM Sunrise Berhad	05/23	AA-	3.700	10	3.702	21/01/2021	0	190
Kimanis Power Sdn Berhad	08/24	AA-	2.898	20	4.754	17/03/2017	-186	92
Northport (Malaysia) Berhad	12/24	AA-	3.404	6	3.494	21/08/2020	-9	143
Southern Power Generation Sdn Berhad	10/31	AA-	3.510	20	3.360	21/09/2020	15	81
Penang Port Sdn Berhad	12/31	AA-	3.595	4	3.611	22/12/2020	-2	90
UiTM Solar Power Sdn Berhad	04/32	AA-	4.609	6	5.587	28/03/2019	-98	191
Jati Cakerawala Sdn Berhad	07/22	A1	3.863	1	5.299	06/11/2013	-144	206
Alliance Bank Malaysia Berhad	10/35	A2	3.548	1	3.598	20/01/2021	-5	23
Tropicana Corporation Berhad	09/19	-	5.178	1	5.861	19/01/2021	-68	164
				<u>1045</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Pendidikan Industri YS Sdn Bhd	RM150 mil Bai' Bithaman Ajil Islamic Debt Securities (2008/2022) (BaIDS). RM10 billion Islamic Commercial Paper/Medium-Term Note Programme (2017/2024)	AA1(s)/Stable	Reaffirmed
BGSM Management Sdn Bhd	IMTN Programme of up to RM10 bil in nominal value (2013/2043).	AA3/Stable	Reaffirmed

Source: RAM, MARC

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