

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were slightly weaker throughout Tuesday's session as the curve shifted slightly higher despite the decent 5Y auction and ahead of the Fed's FOMC meeting tonight. Overall benchmark yields closed mostly between 0-1bps higher with the UST 2Y yield at 0.12% whilst the much-watched 10Y settled almost unchanged at 1.04%. Treasury's record \$61b 5Y auction metrics was deemed average on a BTC ratio of 2.67x; and awarded at a 5-year high of 0.424%. With FOMC expected not to make policy changes, the focus is expected to be on guidance about the future of its asset purchase program. Meanwhile, expect attention to also focus on the 7Y record-sized auction on Thursday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.12	1
5-yr UST	0.40	1
10-yr UST	1.04	0
30-yr UST	1.79	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.86	-1	1.88	0
5-yr	2.11	1	2.21	0
7-yr	2.46	0	2.47	0
10-yr	2.71	0	2.77	1
15-yr	3.33	2	3.43	-2
20-yr	3.54	1	3.70	0
30-yr	3.96	1	3.99	-4

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	0
3-yr	1.96	0
5-yr	2.17	2
7-yr	2.34	0
10-yr	2.58	0

Source : Bloomberg

Upcoming Government Bond Tender/

MGS/GII

- On Tuesday, local govvnies saw slower momentum due to lack of catalysts. Nevertheless, the longer-ends saw larger yield movements. Overall benchmark yields closed mostly mixed-to-higher i.e. between -4 to +2bps across the curve amid a drop in secondary market volume @ RM2.84b. The 5Y MGS 9/25 yield edged 1bps up at 2.11% whilst the 10Y MGS 4/31 yield closed within 1bps higher at 2.71%. Interest continued to be anchored in the shorter-end GII 21's and also the benchmark 7Y GII, 10Y MGS/GII. GII bond trades spiked to form ~60% of overall trades. While investors remain divided over the possibility of a rate cut; govvnies are expected gyrate on further news updates of MCO 2.0 and vaccination rollout.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to see upbeat activity on Tuesday. Interest seen across the GG-AA part of the curve amid a sustained secondary market volume @ RM1.08b as overall yields closed mostly mixed with trades totaling ~42. The 2024 tranches of PTPTN, DANA and BPMB saw total RM105m traded with yields closing 0-11bps lower compared to previous-done levels between 2.12-2.1%. The long-end MRL 7/40 however spiked 33bps at 2.78%. AAA-rated PLUS 26 exchanged hands again; edging 1bps lower at 2.53%, whilst DANGA 2/26 ended 1bps higher. Energy-related bonds JEP 32's moved 0-2bps higher between 3.79-3.82% whilst EDRA 7/31 declined 3bps at 3.91%. The banking space saw Hong Leong Financial Group Bhd and CIMB Group Holdings Bhd notch RM240m in nominal amounts; with both names ending between 1-18bps lower on solid demand.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.700	1	1.731	25/01/2021	-3
MGS 09/21	1.720	51	1.694	25/01/2021	3
MGS 03/22	1.816	4	1.742	25/01/2021	7
MGS 08/22	1.812	9	1.728	25/01/2021	8
MGS 09/22	1.810	44	1.749	25/01/2021	6
MGS 03/23	1.859	48	1.868	25/01/2021	-1
MGS 04/23	1.836	5	1.866	25/01/2021	-3
MGS 08/23	1.904	8	1.872	21/01/2021	3
MGS 06/24	1.959	2	1.966	25/01/2021	-1
MGS 07/24	1.982	7	2.020	25/01/2021	-4
MGS 09/24	1.977	18	2.001	25/01/2021	-2
MGS 03/25	2.059	5	2.048	25/01/2021	1
MGS 09/25	2.107	6	2.096	25/01/2021	1
MGS 04/26	2.177	5	2.165	25/01/2021	1
MGS 07/26	2.234	21	2.253	25/01/2021	-2
MGS 11/26	2.193	9	2.187	25/01/2021	1
MGS 05/27	2.384	13	2.378	25/01/2021	1
MGS 11/27	2.448	97	2.484	25/01/2021	-4
MGS 06/28	2.461	12	2.459	25/01/2021	0
MGS 09/28	2.563	5	2.568	15/01/2021	0
MGS 08/29	2.710	55	2.718	25/01/2021	-1
MGS 04/30	2.789	116	2.765	25/01/2021	2
MGS 04/31	2.709	141	2.707	25/01/2021	0
MGS 06/31	2.888	24	2.858	25/01/2021	3
MGS 04/32	3.101	60	3.136	25/01/2021	-4
MGS 04/33	3.390	29	3.354	25/01/2021	4
MGS 07/34	3.326	16	3.308	25/01/2021	2
MGS 05/35	3.370	4	3.402	25/01/2021	-3
MGS 04/37	3.480	7	3.552	25/01/2021	-7
MGS 06/38	3.658	1	3.695	25/01/2021	-4
MGS 05/40	3.542	217	3.536	25/01/2021	1
MGS 06/50	3.956	72	3.950	25/01/2021	1
GII 04/21	1.738	60	1.746	25/01/2021	-1
GII 08/21	1.751	401	1.750	25/01/2021	0
GII 04/22	1.780	36	1.759	25/01/2021	2
GII 05/23	1.879	142	1.877	25/01/2021	0
GII 10/24	2.021	92	2.011	25/01/2021	1
GII 08/25	2.093	5	2.168	25/01/2021	-8
GII 03/26	2.209	80	2.206	25/01/2021	0
GII 09/26	2.268	35	2.334	25/01/2021	-7
GII 07/27	2.502	61	2.453	20/01/2021	5
GII 09/27	2.466	340	2.466	25/01/2021	0
GII 10/28	2.676	120	2.673	25/01/2021	0
GII 10/30	2.768	188	2.756	25/01/2021	1
GII 08/33	3.429	15	3.365	10/12/2020	6
GII 11/34	3.450	10	3.440	25/01/2021	1
GII 07/36	3.430	70	3.447	22/01/2021	-2
GII 11/49	3.986	74	4.030	20/01/2021	-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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.117	5	2.231	07/12/2020	-11	27
Danalnfra Nasional Berhad	07/24	GG	2.169	50	2.165	23/10/2020	0	32
Bank Pembangunan Malaysia Berhad	09/24	GG	2.249	20	2.297	17/12/2020	-5	27
Danalnfra Nasional Berhad	11/24	GG	2.206	30	2.216	20/11/2020	-1	22
Prasarana Malaysia Berhad	08/28	GG	2.877	40	2.672	03/08/2020	21	30
Prasarana Malaysia Berhad	10/28	GG	2.876	10	2.899	18/12/2020	-2	30
Prasarana Malaysia Berhad	03/30	GG	2.999	20	3.050	07/01/2021	-5	33
Danalnfra Nasional Berhad	04/30	GG	2.998	20	3.029	25/01/2021	-3	33
Prasarana Malaysia Berhad	03/31	GG	3.131	60	3.140	21/01/2021	-1	43
Danalnfra Nasional Berhad	05/31	GG	3.100	20	3.150	21/01/2021	-5	40
Danalnfra Nasional Berhad	10/31	GG	3.140	30	3.160	25/01/2021	-2	44
Danalnfra Nasional Berhad	09/35	GG	3.611	10	-	-	-	29
Malaysia Rail Link Sdn Berhad	07/40	GG	3.919	30	3.589	15/09/2020	33	37
Cagamas Berhad	05/23	AAA	2.198	40	2.043	17/11/2020	16	40
Putrajaya Holdings Sdn Berhad	04/25	AAA	2.497	10	2.559	04/09/2020	-6	52
Projek Lebuhraya Usahasama Berhad	01/26	AAA	2.778	20	2.784	25/01/2021	-1	69
Danga Capital Berhad	02/26	AAA	2.689	80	2.678	13/01/2021	1	60
Putrajaya Holdings Sdn Berhad	05/26	AAA	2.658	10	2.657	22/01/2021	0	57
Bakun Hydro Power Generation Sdn Berhad (fka Sarav	08/29	AAA	3.098	20	3.191	21/12/2020	-9	43
Kuala Lumpur Kepong Berhad	09/34	AA1	3.803	10	3.801	25/01/2021	0	48
Celcom Networks Sdn Berhad	08/22	AA+	2.434	10	2.481	11/11/2020	-5	64
Celcom Networks Sdn Berhad	08/24	AA+	2.648	40	2.649	25/01/2021	0	67
Celcom Networks Sdn Berhad	10/26	AA+	2.903	10	3.157	11/11/2020	-25	61
UMW Holdings Berhad	06/22	AA2	2.467	46	2.474	19/01/2021	-1	72
Imtiaz Sukuk II Berhad	10/22	AA2	2.459	40	2.482	19/01/2021	-2	66
Hong Leong Financial Group Berhad	06/28	AA2	2.885	60	2.890	15/01/2021	-1	43
Hong Leong Financial Group Berhad	06/29	AA2	3.033	60	3.101	22/12/2020	-7	45
Anih Berhad	11/27	AA	3.249	10	4.018	09/04/2020	-77	79
CIMB Group Holdings Berhad	03/28	AA	2.690	50	2.806	09/12/2020	-12	23
CIMB Group Holdings Berhad	09/29	AA	2.826	60	2.887	05/01/2021	-6	15
CIMB Group Holdings Berhad	11/30	AA	2.973	10	3.150	11/11/2020	-18	27
Sime Darby Plantation Berhad (fka Sime Darby Planta	03/16	AA	3.096	10	3.098	15/01/2021	0	-45
Edra Energy Sdn Berhad	07/31	AA3	3.909	10	3.939	08/12/2020	-3	121
Southern Power Generation Sdn Berhad	10/31	AA-	3.511	20	3.510	25/01/2021	0	81
Jimah East Power Sdn Berhad	12/32	AA-	3.828	30	3.807	05/01/2021	2	113
CIMB Group Holdings Berhad	05/16	A1	2.763	1	3.528	22/01/2021	-77	-78
CIMB Group Holdings Berhad	05/16	A1	3.367	1	3.438	12/01/2021	-7	-18
Eco World Capital Assets Berhad	08/24	-	5.855	1	5.855	22/01/2021	0	387
LBS Bina Group Berhad	03/20	-	5.047	1	5.474	19/01/2021	-43	150
DRB-Hicom Berhad	12/24	A+	3.980	1	4.196	14/12/2020	-22	200
Jimah East Power Sdn Berhad	06/32	AA-	3.790	30	3.791	22/01/2021	0	109
Celcom Networks Sdn Berhad	10/21	AA+	2.354	40	3.472	02/01/2020	-112	60
				<u>1075</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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