

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	-1
5-yr UST	0.31	-1
10-yr UST	0.61	-3
30-yr UST	1.28	-7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.30	-2	2.28	0
5-yr	2.54	-4	2.51	0
7-yr	2.74	-3	2.66	0
10-yr	2.89	2	2.95	0
15-yr	3.18	0	3.25	20
20-yr	3.44	4	3.38	0
30-yr	3.81	4	3.69	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.21	0
3-yr	2.22	0
5-yr	2.30	0
7-yr	2.41	2
10-yr	2.63	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasury curve bull-flattened again with the long-end ending richer; benefitting from the safe-haven appeal amid ongoing concerns over the economy as commented by Fed chair Powell. Overall benchmark yields declined between 1-7bps with the UST 2Y edging 1bps lower at 0.15% whilst the much-watched UST 10Y closed 3bps lower at 0.61%. Meanwhile, the lower-than-expected initial jobless claims of 2.981m for the week ended 9th May was still worrying with the total such claims reaching ~36m since the COVID-19 virus pandemic that caused lock-downs in the US. Expect some attention to shift to data on industrial production, retail sales, and also consumer sentiment.

MGS/GII

- Local govvnies closed mixed on cautious note amid lower secondary market volume of RM3.67b. The MGS curve shifted steepened as overall benchmark yields closed mixed between -4bps to +4bps save for the 15Y GII which spiked 20bps. Interest was mainly centred in the benchmark 3Y, 7Y and 10Y bonds. The benchmark 5Y MGS 6/24 ended 4bps lower at 2.54% whilst the 10Y MGS 8/29 rose 2bps instead at 2.89%. GII bonds jumped to form ~42% of overall trades; reversing 4 straight days of declines. The auction reopening of 15Y GII 11/34 saw muted demand @ BTC ratio of 2.17x; awarded at 3.235% due to the large private placement exercise of RM1.5b to institutional investors. Expect continued support for bonds on weaker economic conditions going forward and muted inflation.

Corp Bonds/Sukuk

- Corporate bonds/Sukuk space maintained strong activity with secondary market volume rising to RM633m. Interest was seen across the GG-AA part of the curve as overall yields again ended mostly mixed-to-lower. Govt-guaranteed JKSB 5/25 and DANA 26's closing 13-56bps lower compared to previous-done levels at 2.73% and 2.84% respectively. AAA-rated SEB saw different fortunes with the 2031-2032 tranches closing sharply lower on yields between 3.35-45% whilst the 2033 tranche edged 2bps higher at 3.50%. AA-rated energy-related bonds YTL Power 23-24's also saw RM80m in nominal trades closing at between 323-36% area whilst TBEI 3/32 ended 53bps lower at 3.84%. The banking space saw MBSB 10/20 yields decline to between 2.92-94% levels.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/20	2.067	180	2.062	13/05/2020	1
MGS 10/20	2.099	5	2.08	13/05/2020	2
MGS 02/21	2.079	2	2.119	13/05/2020	-4
MGS 07/21	2.098	11	2.135	13/05/2020	-4
MGS 11/21	2.174	12	2.18	13/05/2020	-1
MGS 09/22	2.268	2	2.29	13/05/2020	-2
MGS 03/23	2.303	134	2.324	13/05/2020	-2
MGS 04/23	2.361	51	2.361	13/05/2020	0
MGS 08/23	2.353	42	2.372	13/05/2020	-2
MGS 06/24	2.466	44	2.467	13/05/2020	0
MGS 07/24	2.452	6	2.478	13/05/2020	-3
MGS 03/25	2.551	40	2.554	13/05/2020	0
MGS 09/25	2.541	25	2.582	13/05/2020	-4
MGS 07/26	2.721	202	2.735	13/05/2020	-1
MGS 11/26	2.762	62	2.805	13/05/2020	-4
MGS 05/27	2.739	233	2.765	13/05/2020	-3
MGS 11/27	2.843	178	2.827	13/05/2020	2
MGS 06/28	2.901	10	2.915	13/05/2020	-1
MGS 08/29	2.887	250	2.869	13/05/2020	2
MGS 04/30	3.067	20	3.041	12/05/2020	3
MGS 04/33	3.27	50	3.28	13/05/2020	-1
MGS 11/33	3.3	70	3.268	13/05/2020	3
MGS 07/34	3.178	13	3.178	13/05/2020	0
MGS 06/38	3.495	21	3.462	13/05/2020	3
MGS 05/40	3.437	40	3.394	13/05/2020	4
MGS 03/46	3.713	1	3.688	13/05/2020	2
MGS 07/48	3.814	40	3.778	13/05/2020	4
GII 08/20	2.071	168	2.04	13/05/2020	3
GII 04/21	2.09	20	2.091	13/05/2020	0
GII 11/23	2.384	70	2.422	13/05/2020	-4
GII 10/24	2.51	103	2.512	13/05/2020	0
GII 08/25	2.628	20	2.611	13/05/2020	2
GII 10/25	2.652	60	2.616	13/05/2020	4
GII 07/27	2.841	160	2.821	12/05/2020	2
GII 10/28	2.956	60	2.944	13/05/2020	1
GII 12/28	2.946	40	2.918	08/05/2020	3
GII 07/29	2.952	160	2.95	13/05/2020	0
GII 09/30	3.002	20	2.931	05/05/2020	7
GII 11/34	3.251	1040	3.202	12/05/2020	5
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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	02/23	GG	2.474	50	2.473	13/05/2020	0	16
Jambatan Kedua Sdn Berhad	05/25	GG	2.726	20	2.988	18/02/2020	-26	19
Danalinfra Nasional Berhad	02/26	GG	2.839	20	3.399	27/03/2020	-56	13
Danalinfra Nasional Berhad	04/26	GG	2.840	25	2.969	20/02/2020	-13	13
Lembaga Pembiayaan Perumahan Sektor Awam	04/27	GG	2.978	60	2.949	06/05/2020	3	19
Danalinfra Nasional Berhad	02/29	GG	3.119	10	3.071	13/05/2020	5	25
Danalinfra Nasional Berhad	09/29	GG	3.168	30	3.161	30/04/2020	1	30
Perbadanan Tabung Pendidikan Tinggi Nasional	07/31	GG	3.281	30	3.299	28/04/2020	-2	40
Danum Capital Berhad	05/23	AAA	2.834	10	3.265	14/04/2020	-43	52
Mercedes-Benz Services Malaysia Sdn Berhad	11/23	AAA	2.924	15	2.908	13/05/2020	2	47
Danga Capital Berhad	09/27	AAA	3.150	5	3.698	07/04/2020	-55	36
Sarawak Energy Berhad	04/31	AAA	3.350	20	3.950	20/03/2020	-60	47
Sarawak Energy Berhad	12/32	AAA	3.450	30	3.529	28/04/2020	-8	31
Sarawak Energy Berhad	11/33	AAA	3.500	10	3.479	12/05/2020	2	36
TNB Northern Energy Berhad	05/36	AAA	3.759	10	3.849	23/01/2020	-9	62
Tenaga Nasional Berhad	08/37	AAA	3.680	10	4.379	26/03/2020	-70	54
Tenaga Nasional Berhad	08/38	AAA	3.729	10	3.749	23/04/2020	-2	33
Sepangar Bay Power Corporation Sdn Berhad	07/20	AA1	2.490	10	3.248	13/12/2019	-76	38
MBSB Bank Berhad (fka Asian Finance Bank Berh	10/20	AA1	2.916	10	3.501	13/12/2019	-59	80
MBSB Bank Berhad (fka Asian Finance Bank Berh	12/20	AA1	2.941	5	3.252	26/02/2020	-31	83
YTL Power International Berhad	03/23	AA1	3.228	40	3.237	11/03/2020	-1	91
YTL Power International Berhad	10/24	AA1	3.361	40	3.507	29/04/2020	-15	91
Konsortium ProHAWK Sdn Berhad	12/21	AA2	2.983	5	3.242	18/03/2020	-26	76
Benih Restu Berhad	06/25	AA2	3.598	70	3.581	06/05/2020	2	106
UEM Sunrise Berhad	12/24	AA-	3.437	10	3.827	22/10/2019	-39	90
BGSM Management Sdn Berhad	08/21	AA3	3.027	20	3.375	11/02/2020	-35	91
Tanjung Bin Energy Issuer Berhad	03/32	AA3	3.839	10	4.373	02/04/2020	-53	96
Grand Sepadu (NK) Sdn Berhad	06/20	AA-	2.633	5	3.598	17/09/2019	-97	52
Malakoff Power Berhad	12/20	AA-	2.804	5	3.035	14/04/2020	-23	69
CIMB Group Holdings Berhad	05/16	A1	4.381	1	3.307	13/05/2020	107	98
DRB-Hicom Berhad	12/22	A+	3.737	30	4.460	13/05/2020	-72	142
MBSB Bank Berhad (fka Asian Finance Bank Berh	12/31	A3	4.580	1	4.579	13/05/2020	0	170
AEON Credit Service (M) Berhad	12/14	-	5.191	1	4.802	08/05/2020	39	179
Eco World International Berhad	10/21	-	5.284	2	5.261	08/05/2020	2	317
Tropicana Corporation Berhad	09/19	-	6.243	3	6.244	13/05/2020	0	284
				<u>633</u>				

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

Market/Corporate News: What's Brewing

The country is projected to record an unemployment rate of between 3.5 percent and 5.5% this year due to the impact from COVID-19, the Department of Statistics Malaysia (DOSM) said. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the Government's move to partially reopen the economy during the Movement Control Order period and the Prihatin Rakyat economic stimulus package would, however, assist workers and households in facing the critical situation caused by the coronavirus outbreak. "Based on the government's (economic reopening) announcement, we wish for a quick resumption of the economy. This is because when the economy starts moving again, there would be financial transactions that enable the economy to improve rapidly. "This will create jobs and curb the unemployment rate. Hence we are forecasting a maximum unemployment rate ranging from 3.5 percent to 5.5 percent for this year," he told an online media conference here today. Last week, DOSM revealed that unemployment in March rose by 17.1 percent year-on-year to 610,000 people, for a jobless rate of 3.9 percent. Mohd Uzir said the job demand and vacancy status for the first quarter gave an early signal of an imbalance in the labour market. "However, it must be noted that the government has implemented measures to balance the job needs, including for new graduates who number between 300,000 and 350,000 annually," he added. The media conference was held in conjunction with the Employment Statistics, First Quarter 2020 publication based on a quarterly labour demand survey conducted on formal private sector establishments. (Source: *The EdgeMarkets*)

YTL Corporation (YTL Corp) and its subsidiaries, YTL Power International and YTL Hospitality REIT, as well as Malayan Cement Bhd have all requested for an extension of time to issue quarterly reports. In separate filings to Bursa Malaysia today, the companies said that the extension was for the issuance of the consolidated results for financial period ended March 31. "The COVID-19 pandemic crisis has created substantial disruptions in the group's businesses in Malaysia as well as the multiple jurisdictions in which the group operates in, some of which are still under partial lockdown to stem the spread of the virus," it said. Meanwhile, Malayan Cement said that the COVID-19 pandemic crisis had created substantial disruptions in the group's businesses in Malaysia as well as Singapore, which is still under partial lockdown to stem the spread of the virus. YTL Cement Bhd, a subsidiary of YTL Corp, holds a substantial stake in Malayan Cement. All the companies said that as part of the relief measures accorded to listed issuers to alleviate regulatory compliance and financial burdens, Bursa Malaysia Securities Bhd has granted a one-month extension till June 30 for the issuance of quarterly reports, which are due by May 31. "In view that the progress of preparation of the consolidated financial statements of the group for the financial period ended March 31 has been affected, the board has decided to utilise the extension period provided by Bursa Securities and will ensure that the report is issued no later than June 30, 2020," the companies said. (Source: *The EdgeMarkets*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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