

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

| C         |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 0.12        | -1        |
| 5-yr UST  | 0.70        | -4        |
| 10-yr UST | 1.42        | 1         |
| 30-yr UST | 2.19        | 4         |

| MGS    |             |           | GII         |           |  |
|--------|-------------|-----------|-------------|-----------|--|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |  |
| 3-yr   | 1.94        | -5        | 1.98        | -4        |  |
| 5-yr   | 2.34        | 2         | 2.62        | 0         |  |
| 7-yr   | 2.84        | -1        | 2.89        | -4        |  |
| 10-yr  | 3.05        | -3        | 3.22        | -1        |  |
| 15-yr  | 2.92        | -90       | 3.78        | -1        |  |
| 20-yr  | 3.94        | -4        | 4.10        | 0         |  |
| 30-yr  | 4.21        | -8        | 4.28        | 0         |  |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 1.94        | -3        |
| 3-yr           | 2.25        | -2        |
| 5-yr           | 2.52        | -2        |
| 7-yr           | 2.71        | -3        |
| 10-yr          | 3.03        | 0         |

Source : Bloomberg

### Upcoming Government Bond Tender.

Nil

- US Treasuries ended mixed on Monday, leaving the longer-ends pressured as a packed roster of ~\$50b of IG bond issuances takes prominence this week with 13 deals amounting to \$24b having been issued yesterday due to the present attractive low rates. The better-than-expected ISM manufacturing offered little reaction to UST movements with overall benchmark yields closing mixed between -4 to +4bps versus prior day. The UST 2Y yield edged 1bps lower at 0.12% whilst the much-watched 10Y yield edged 1bps higher instead at 1.42%. The slightly reduced volatility and pull-back in yields came as some central banks like the RBA embarked on purchases of longer-dated debt amid heightened inflationary pressures. Expect continuing concerns over the rise in inflation-adjusted, or real rates which threatens higher borrowing costs. Meanwhile attention is expected to shift to the Fed's release of the Beige book, along with important release of February jobs data this Friday.

### MGS/GII

- On Monday, local govies recovered from prior day's losses, led by lower IRS. Secondary market volume decreased slightly to RM3.01b as overall benchmark yields declined mostly between 0-8bps across the curve save for the possible skewed trade on the 15Y MGS. The 5Y MGS 9/25 yield edged 2bps up at 2.34% whilst the 10Y MGS 4/31 ended 3bps lower at 3.05%. Interest was mainly seen in the off-the-run 21's, 23's, 27's and also the benchmark 3Y MGS. We note that GII bond trades dropped to form a mere ~15% of overall trades. Recent swings in yields have been due to the continuing global reflation trade seen whilst some investors are mulling over the potential halt in further rate cuts. Expect attention to shift to BNM decision on the OPR this Thursday.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw slightly better interest on Monday with overall yields ending mostly mixed-to-higher with transactions seen across the curve. Secondary market volume notched RM262m with trades covering ~23 names. Both government-guaranteed DANA and LPPSA 23's declined 7bps compared to previous-done levels between 2.01-06%. AAA-rated TNB Western 32 and 33 however rose 42bps and 6bps respectively to settle at 3.83% and 3.98%. Both AA-rated CELCOM and KLK 22's closed 0-5bps higher at 2.42-42% area. Meanwhile, the banking space saw Bank Islam 30NC25 notch RM25m in nominal amounts; closing 5bps lower at 3.54% whilst MBSB 29NC24 and 31NC26 ended 0-6bps up at 3.60% and 3.99% each.

## Daily Trades : Government Bond

| Securities | Closing | Vol         | Previous | Previous                   | Chg  |
|------------|---------|-------------|----------|----------------------------|------|
|            | YTM     | (RM mil)    | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) |
| MGS 07/21  | 1.696   | 303         | 1.696    | 26/02/2021                 | 0    |
| MGS 09/21  | 1.709   | 220         | 1.758    | 26/02/2021                 | -5   |
| MGS 11/21  | 1.754   | 47          | 1.714    | 26/02/2021                 | 4    |
| MGS 03/22  | 1.808   | 221         | 1.833    | 26/02/2021                 | -2   |
| MGS 08/22  | 1.792   | 1           | 1.771    | 26/02/2021                 | 2    |
| MGS 09/22  | 1.880   | 78          | 1.796    | 26/02/2021                 | 8    |
| MGS 03/23  | 1.937   | 484         | 1.984    | 26/02/2021                 | -5   |
| MGS 04/23  | 1.973   | 3           | 1.930    | 26/02/2021                 | 4    |
| MGS 08/23  | 2.023   | 26          | 2.051    | 26/02/2021                 | -3   |
| MGS 06/24  | 2.130   | 5           | 2.149    | 26/02/2021                 | -2   |
| MGS 07/24  | 2.192   | 1           | 2.167    | 26/02/2021                 | 3    |
| MGS 09/24  | 2.220   | 6           | 2.153    | 26/02/2021                 | 7    |
| MGS 03/25  | 2.284   | 32          | 2.264    | 26/02/2021                 | 2    |
| MGS 09/25  | 2.341   | 112         | 2.320    | 26/02/2021                 | 2    |
| MGS 07/26  | 2.524   | 47          | 2.534    | 26/02/2021                 | -1   |
| MGS 11/26  | 2.520   | 28          | 2.528    | 26/02/2021                 | -1   |
| MGS 05/27  | 2.749   | 292         | 2.793    | 26/02/2021                 | -4   |
| MGS 11/27  | 2.852   | 1           | 2.796    | 26/02/2021                 | 6    |
| MGS 06/28  | 2.840   | 78          | 2.846    | 26/02/2021                 | -1   |
| MGS 08/29  | 3.132   | 104         | 3.120    | 26/02/2021                 | 1    |
| MGS 04/30  | 3.074   | 22          | 3.076    | 26/02/2021                 | 0    |
| MGS 04/31  | 3.054   | 91          | 3.081    | 26/02/2021                 | -3   |
| MGS 06/31  | 3.263   | 5           | 3.283    | 26/02/2021                 | -2   |
| MGS 04/33  | 3.735   | 49          | 3.802    | 26/02/2021                 | -7   |
| MGS 11/33  | 3.834   | 102         | 3.840    | 26/02/2021                 | -1   |
| MGS 07/34  | 2.918   | 78          | 3.817    | 26/02/2021                 | -90  |
| MGS 05/35  | 3.896   | 2           | 3.876    | 26/02/2021                 | 2    |
| MGS 04/37  | 3.954   | 19          | 3.922    | 26/02/2021                 | 3    |
| MGS 06/38  | 4.078   | 7           | 4.118    | 26/02/2021                 | -4   |
| MGS 05/40  | 3.937   | 53          | 3.974    | 26/02/2021                 | -4   |
| MGS 09/43  | 4.204   | 33          | 4.223    | 26/02/2021                 | -2   |
| MGS 03/46  | 4.124   | 2           | 4.216    | 26/02/2021                 | -9   |
| MGS 07/48  | 4.297   | 3           | 4.239    | 26/02/2021                 | 6    |
| MGS 06/50  | 4.214   | 20          | 4.295    | 26/02/2021                 | -8   |
| GII 05/23  | 1.984   | 76          | 2.027    | 26/02/2021                 | -4   |
| GII 11/23  | 2.060   | 171         | 2.072    | 26/02/2021                 | -1   |
| GII 03/26  | 2.618   | 89          | 2.615    | 26/02/2021                 | 0    |
| GII 09/27  | 2.889   | 35          | 2.928    | 26/02/2021                 | -4   |
| GII 10/28  | 3.028   | 1           | 2.999    | 26/02/2021                 | 3    |
| GII 07/29  | 3.123   | 10          | 3.119    | 26/02/2021                 | 0    |
| GII 10/30  | 3.215   | 12          | 3.221    | 26/02/2021                 | -1   |
| GII 11/34  | 3.897   | 3           | 3.836    | 25/02/2021                 | 6    |
| GII 07/36  | 3.784   | 20          | 3.797    | 26/02/2021                 | -1   |
| GII 11/49  | 4.275   | 20          | 4.273    | 26/02/2021                 | 0    |
|            |         | <u>3011</u> |          |                            |      |

## Daily Trades : Corp Bonds/ Sukuk

| Securities                                       |       | Rating | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) | Spread<br>Against<br>MGS* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Danainfra Nasional Berhad                        | 02/23 | GG     | 2.011          | 30              | 2.084           | 09/12/2020                             | -7          | 17                        |
| Lembaga Pembiayaan Perumahan Sektor Awam         | 10/23 | GG     | 2.051          | 20              | 2.120           | 24/02/2021                             | -7          | 7                         |
| Cagamas Berhad                                   | 04/22 | AAA    | 2.079          | 10              | 2.138           | 23/02/2021                             | -6          | 32                        |
| Aquasar Capital Sdn Berhad                       | 07/25 | AAA    | 2.749          | 10              | 4.526           | 13/08/2018                             | -178        | 56                        |
| Danga Capital Berhad                             | 02/26 | AAA    | 2.850          | 40              | 2.749           | 25/02/2021                             | 10          | 49                        |
| Aman Sukuk Berhad                                | 05/26 | AAA    | 2.893          | 10              | 2.658           | 15/02/2021                             | 24          | 53                        |
| TNB Western Energy Berhad                        | 01/32 | AAA    | 3.828          | 10              | 3.408           | 21/01/2021                             | 42          | 76                        |
| TNB Western Energy Berhad                        | 01/33 | AAA    | 3.978          | 20              | 3.919           | 15/01/2020                             | 6           | 91                        |
| Celcom Networks Sdn Berhad                       | 08/22 | AA+    | 2.413          | 10              | 2.417           | 16/02/2021                             | 0           | 66                        |
| Kuala Lumpur Kepong Berhad                       | 09/22 | AA1    | 2.416          | 10              | 2.363           | 21/10/2020                             | 5           | 57                        |
| Westports Malaysia Sdn Berhad                    | 10/25 | AA+    | 2.840          | 1               | 2.769           | 27/01/2021                             | 7           | 48                        |
| Sime Darby Property Berhad                       | 12/25 | AA+    | 3.011          | 5               | 3.007           | 04/02/2021                             | 0           | 65                        |
| Edra Energy Sdn Berhad                           | 01/22 | AA3    | 2.845          | 2               | 4.336           | 08/08/2019                             | -149        | 109                       |
| Country Garden Real Estate Sdn Berhad            | 03/27 | AA3    | 3.868          | 10              | 3.907           | 17/07/2020                             | -4          | 123                       |
| TG Excellence Berhad                             | 02/20 | AA-    | 3.031          | 2               | 3.013           | 25/02/2021                             | 2           | -93                       |
| Bank Islam Malaysia Berhad                       | 10/30 | A1     | 3.543          | 25              | 3.591           | 26/10/2020                             | -5          | 47                        |
| IJM Land Berhad                                  | 03/19 | A2     | 4.694          | 1               | 4.698           | 17/02/2021                             | 0           | 73                        |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/29 | A3     | 3.595          | 10              | 3.539           | 11/01/2021                             | 6           | 55                        |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3     | 3.991          | 5               | 3.889           | 10/02/2021                             | 10          | 92                        |
| WCT Holdings Berhad                              | 09/19 | A      | 5.288          | 10              | 5.334           | 22/12/2020                             | -5          | 133                       |
| WCT Holdings Berhad                              | 09/19 | A      | 5.671          | 6               | 5.687           | 06/11/2020                             | -2          | 171                       |
| AEON Credit Service (M) Berhad                   | 11/13 | -      | 4.657          | 6               | 4.846           | 03/07/2020                             | -19         | 70                        |
| Mah Sing Group Berhad                            | 04/17 | -      | 5.105          | 10              | 4.146           | 24/02/2021                             | 96          | 115                       |
|  |       |        |                | <u>262</u>      |                 |  |             |                           |

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

| Rating Action                     |  |                |          |
|-----------------------------------|--|----------------|----------|
| Issuer                            | PDS Description  | Rating/Outlook | Action   |
| Pelabuhan Tanjung Pelepas Sdn Bhd | Islamic Medium-Term Notes (Sukuk Murabahah Programme increase from RM1.9b to RM2.15b | AA-IS/Stable   | Affirmed |

Source: RAM, MARC

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