

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

US Treasuries whipsawed in small ranges last Friday recovering from declines seen in prior session due to the positive US economic readings. Overall benchmark yields moved lower between 0-2bps from prior day's close with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched 10Y yield edged 1bps lower at 1.63%. USTs also benefitted somewhat from expected month-end flows tied to index-rebalancing. Meanwhile Fed Bank of Dallas President Kaplan reiterated his stance of favouring a rise in interest rates next year and hinted about tapering asset purchases as well (nevertheless he remains a non-voter this year on the rate-setting FOMC). Elsewhere the effective Fed Funds rate fell to 0.06% in the first such decline since 31<sup>st</sup> March; 4bps lower than the interest on excess reserves rate, which is 0.10%. Expect some attention tonight to shift to the upcoming release of both the ISM and Markit manufacturing data for April.

##### MGS/GII

- Last Friday, local govies closed mixed following the Nuzul Quran holiday break prior day, influenced somewhat by higher IRS levels amid the doubling in secondary market volume of RM4.22b. Overall benchmark yields closed between -8 to +13bps with the short and belly well-bid in MGS whilst the longer-ends were pressured. The 5Y MGS 9/25 yield declined 4bps at 2.53% whilst the 10Y MGS 4/31 rallied pushing yields down 8bps at 3.11%. Interest was seen in the shorter off-the-run 21's, 28's and also the 5Y MGS. GII bond trades formed 26% of overall trades. Meantime the recent surge in COVID-19 infections may cause investors to seek safety in bonds. Expect attention to eventually shift to the OPR decision in the upcoming MPC meeting this Thursday; for which we are projecting a hold on rates at 1.75%.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw interest dwindle to a mere RM158m in transacted amounts last Friday with some trades seen printed along the GG-AA part of the curve. Overall yields closed mixed on a mere 14 various names. Govt-guaranteed PTPTN 24's edged 1-2bps compared to previous-done levels at 2.70% levels. The AAA-space saw energy-related bonds SEB 12/32 edge 1bps lower at 4.17% whereas BAKUN 8/23 notched a sole trade, spiking 24bps at 2.67%. Tanjun Bin Energy dominated the AA-sector with the 2029-2031 tranches making their debut trades between 3.79-4.17%. Meanwhile, the banking space was relatively quiet with some odd-lot trades seen in ALLIANCE and AFFIN-related names.

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Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.83	-2
10-yr UST	1.63	-1
30-yr UST	2.30	0

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	-4	2.16	1
5-yr	2.53	-4	2.65	2
7-yr	2.98	-6	3.05	-3
10-yr	3.11	-8	3.26	0
15-yr	3.81	2	3.85	-2
20-yr	4.12	1	4.23	0
30-yr	4.35	13	4.48	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	0
3-yr	2.46	4
5-yr	2.72	0
7-yr	2.87	2
10-yr	3.12	3

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.653	70	1.632	28/04/2021	2
MGS 09/21	1.628	82	1.636	28/04/2021	-1
MGS 11/21	1.727	263	1.738	28/04/2021	-1
MGS 03/22	1.797	21	1.816	28/04/2021	-2
MGS 08/22	2.011	84	2.014	27/04/2021	0
MGS 09/22	1.973	31	1.987	28/04/2021	-1
MGS 03/23	2.082	5	2.112	28/04/2021	-3
MGS 04/23	2.104	54	2.116	28/04/2021	-1
MGS 08/23	2.181	4	2.186	28/04/2021	0
MGS 06/24	2.337	152	2.392	28/04/2021	-5
MGS 07/24	2.393	12	2.417	28/04/2021	-2
MGS 09/24	2.375	16	2.445	27/04/2021	-7
MGS 03/25	2.549	9	2.531	27/04/2021	2
MGS 09/25	2.531	229	2.578	28/04/2021	-5
MGS 07/26	2.663	55	2.664	27/04/2021	0
MGS 11/26	2.620	183	2.613	28/04/2021	1
MGS 11/27	2.903	69	2.901	28/04/2021	0
MGS 06/28	2.981	879	3.041	28/04/2021	-6
MGS 08/29	3.159	156	3.140	28/04/2021	2
MGS 04/30	3.291	211	3.278	28/04/2021	1
MGS 04/31	3.108	99	3.187	28/04/2021	-8
MGS 06/31	3.456	146	3.433	28/04/2021	2
MGS 04/33	3.801	33	3.828	28/04/2021	-3
MGS 11/33	3.875	12	3.865	28/04/2021	1
MGS 07/34	3.812	130	3.794	28/04/2021	2
MGS 05/35	3.891	13	3.882	28/04/2021	1
MGS 04/37	4.090	40	4.115	28/04/2021	-3
MGS 05/40	4.119	23	4.112	28/04/2021	1
MGS 03/46	4.369	4	4.352	27/04/2021	2
MGS 07/48	4.384	1	4.353	27/04/2021	3
MGS 06/50	4.345	32	4.214	27/04/2021	13
GII 08/21	1.777	200	1.781	27/04/2021	0
GII 03/22	1.821	50	1.840	28/04/2021	-2
GII 04/22	1.878	51	1.849	28/04/2021	3
GII 05/23	2.164	20	2.154	27/04/2021	1
GII 07/23	2.180	179	2.202	28/04/2021	-2
GII 11/23	2.233	114	2.258	28/04/2021	-2
GII 10/24	2.459	22	2.416	22/04/2021	4
GII 08/25	2.545	3	2.540	27/04/2021	0
GII 03/26	2.654	58	2.637	23/04/2021	2
GII 09/27	3.044	86	3.075	28/04/2021	-3
GII 10/28	3.096	2	3.069	27/04/2021	3
GII 07/29	3.213	4	3.160	22/04/2021	5
GII 10/30	3.255	102	3.255	27/04/2021	0
GII 06/33	3.840	30	3.856	28/04/2021	-2
GII 08/33	3.847	40	3.838	26/04/2021	1
GII 11/34	3.913	2	3.900	23/04/2021	1
GII 07/36	3.850	92	3.867	28/04/2021	-2
GII 09/39	4.246	4	4.238	27/04/2021	1
GII 09/41	4.233	42	4.236	27/04/2021	0
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## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.700	10	2.720	31/03/2021	-2	33
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.698	20	2.709	14/04/2021	-1	33
Lembaga Pembiayaan Perumahan Sektor Awam	09/24	GG	2.700	20	2.679	28/04/2021	2	33
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Berhad)	08/23	AAA	2.666	5	2.429	21/01/2021	24	57
Fortune Premiere Sdn Berhad	12/32	AAA	4.169	10	4.179	27/04/2021	-1	102
Bumitama Agri Ltd	09/26	AA	3.669	1	3.679	23/04/2021	-1	109
Tanjung Bin Energy Sdn Berhad	07/26	AA3	3.577	10	3.599	21/04/2021	-2	100
Tanjung Bin Energy Sdn Berhad	03/29	AA3	3.790	20	-	-	-	71
Tanjung Bin Energy Sdn Berhad	09/29	AA3	3.871	10	-	-	-	79
Tanjung Bin Energy Sdn Berhad	03/31	AA3	4.070	20	-	-	-	92
Tanjung Bin Energy Sdn Berhad	03/32	AA3	4.170	30	-	-	-	102
DRB-Hicom Berhad	12/29	A+	4.810	1	4.789	21/04/2021	2	167
Alliance Bank Malaysia Berhad	10/35	A2	3.924	1	4.151	23/04/2021	-23	8
Affin Islamic Bank Berhad	10/17	A3	3.301	1	3.834	01/04/2021	-53	-83
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\*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Bank Muamalat Malaysia Berhad	Financial institution ratings (FIRs)	A2/Stable/P1	Reaffirmed
	RM1 billion Subordinated Sukuk Murabahah Programme (2016/2036)	A3/Stable	Reaffirmed

Source: RAM, MARC

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