

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.19	3
5-yr UST	0.96	8
10-yr UST	1.72	5
30-yr UST	2.36	2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	-2	2.13	-1
5-yr	2.59	1	2.57	-12
7-yr	2.96	0	2.83	-11
10-yr	3.15	-8	3.19	-14
15-yr	3.75	-6	3.91	0
20-yr	4.06	2	4.19	-8
30-yr	4.15	-16	4.45	-14

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.42	-3
5-yr	2.68	-5
7-yr	2.85	-2
10-yr	3.10	-2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries ended weaker last Friday following NFP data release for March which indicated that US employment had accelerated whilst prior months i.e. January and February saw upward revisions as well. Overall benchmark yields closed between 2-8bps higher with the intermediates pressured the most as liquidity remained thin due to the observance of Good Friday/Easter holidays. The UST 2Y yield ended 3bps higher at 0.19% whilst the much-watched UST 10Y rose 5bps at 1.72%; just shy of the 14-month high of 1.77% seen earlier last week. Expectations may now be brought forward for the market to price in an earlier commencement to the Fed's rate increases Fed to bring forward its accommodative stance. The global reflation trade that ignited some of the biggest losses in UST's was boosted again by the stronger-than expected jobs data. Expect some attention tonight to shift to the non-manufacturing ISM, factory orders durable goods which are expected to also be strong.

MGS/GII

- Last Friday, local govies saw bidders continue to outnumber sellers with overall benchmark govies closing mostly lower between 0-16bps save for the 5y and 20Y MGS. GII benefited from the largest yield movements whilst overall secondary market volume pulled back to RM3.09b. The 5Y MGS 9/25 yield edged 1bps up at 2.59% whilst the 10Y MGS 4/31 rallied 8bps at 3.15%. Interest was mainly seen in the shorter off-the-run 21's, 29's and also benchmark 5Y MGS. GII bond trades maintained to form ~36% of overall trades. Separately, in a recent BNM Governor's address and panel discussion, it was noted that the potential downside of having a higher foreign ownership in domestic bonds was its impact on external debt to GDP ratio. Expect continued support for bonds following decent valuations on a regional comparative basis.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw lesser investor appetite with interest mainly noted across the GG-AA part of the curve last Friday. Secondary market volume however sustained at RM392m as overall yields continued to end mostly mixed on ~15 various bonds. Govt-guaranteed PRASA 27's spiked 50-53bps compared to previous-done levels between 2.69-74%. AAA-rated TNB 8/33 declined 3bps at 4.32% whilst SEB 11/33 ended 84bps higher instead at 4.41%. The AA-space saw ANIH 26-28's edged 0-1bps lower between 3.75-4.07%. Seldom-traded NORTHPORT bonds saw the 2022 and 2024 tranches exchange hands with the former rallying 64bps at 3.44% whilst the later spiked 77bps at 3.78%. The banking space saw nil trades.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.802	181	1.779	01/04/2021	2
MGS 09/21	1.757	295	1.730	01/04/2021	3
MGS 11/21	1.806	232	1.761	01/04/2021	5
MGS 03/22	1.828	57	1.882	01/04/2021	-5
MGS 08/22	1.998	50	1.970	01/04/2021	3
MGS 03/23	2.115	97	2.143	01/04/2021	-3
MGS 04/23	2.131	3	2.154	01/04/2021	-2
MGS 07/24	2.377	33	2.397	01/04/2021	-2
MGS 09/24	2.424	10	2.438	01/04/2021	-1
MGS 03/25	2.566	31	2.566	01/04/2021	0
MGS 09/25	2.585	312	2.578	01/04/2021	1
MGS 07/26	2.682	1	2.657	01/04/2021	2
MGS 11/26	2.608	20	2.673	01/04/2021	-6
MGS 05/27	2.807	40	2.947	01/04/2021	-14
MGS 11/27	2.930	2	2.861	01/04/2021	7
MGS 06/28	2.961	96	2.956	01/04/2021	0
MGS 09/28	3.153	1	3.274	19/03/2021	-12
MGS 08/29	3.132	61	3.093	01/04/2021	4
MGS 04/30	3.298	12	3.358	01/04/2021	-6
MGS 04/31	3.153	78	3.235	01/04/2021	-8
MGS 06/31	3.326	60	3.536	01/04/2021	-21
MGS 04/33	3.720	2	3.850	01/04/2021	-13
MGS 11/33	3.815	40	3.902	01/04/2021	-9
MGS 07/34	3.750	41	3.807	01/04/2021	-6
MGS 05/35	3.848	10	4.044	01/04/2021	-20
MGS 05/40	4.060	101	4.043	01/04/2021	2
MGS 09/43	4.306	3	4.535	01/04/2021	-23
MGS 07/48	4.452	4	4.452	01/04/2021	0
MGS 06/50	4.148	93	4.245	01/04/2021	-10
GII 08/21	1.780	200	1.753	30/03/2021	3
GII 04/22	1.864	3	1.840	01/04/2021	2
GII 07/22	2.019	1	2.009	31/03/2021	1
GII 05/23	2.131	41	2.136	01/04/2021	-1
GII 07/23	2.150	20	2.172	01/04/2021	-2
GII 11/23	2.183	6	2.192	01/04/2021	-1
GII 10/24	2.498	53	2.406	01/04/2021	9
GII 03/26	2.565	50	2.682	01/04/2021	-12
GII 09/27	2.830	30	2.936	01/04/2021	-11
GII 10/28	3.100	10	3.273	01/04/2021	-17
GII 12/28	3.155	20	3.266	01/04/2021	-11
GII 07/29	3.147	158	3.334	01/04/2021	-19
GII 09/30	3.258	39	3.350	01/04/2021	-9
GII 10/30	3.192	70	3.329	01/04/2021	-14
GII 08/33	3.840	60	3.950	01/04/2021	-11
GII 11/34	3.835	40	4.105	29/03/2021	-27
GII 09/39	4.192	63	4.270	01/04/2021	-8
GII 11/49	4.448	264	4.587	01/04/2021	-14
		<u>3094</u>			

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	02/27	GG	3.219	20	2.688	21/01/2021	53	46
Prasarana Malaysia Berhad	09/27	GG	3.238	20	2.738	15/01/2021	50	48
DanaInfra Nasional Berhad	05/28	GG	3.358	50	2.870	08/02/2021	49	46
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.421	25	4.475	29/03/2021	-5	64
Tenaga Nasional Berhad	08/33	AAA	4.319	50	4.349	29/03/2021	-3	120
Sarawak Energy Berhad	11/33	AAA	4.414	10	3.572	17/12/2020	84	63
Tenaga Nasional Berhad	08/38	AAA	4.549	135	4.150	23/02/2021	40	76
Genting RMTN Berhad	11/29	AA1	4.900	2	4.898	24/03/2021	0	179
UMW Holdings Berhad	09/23	AA2	3.048	20	3.087	24/03/2021	-4	104
Anih Berhad	11/26	AA	3.745	5	3.753	01/04/2021	-1	98
Anih Berhad	11/27	AA	3.936	10	3.936	01/04/2021	0	103
Anih Berhad	11/28	AA	4.066	5	4.072	01/04/2021	-1	102
Northport (Malaysia) Berhad	12/24	AA-	3.781	10	3.404	25/01/2021	38	138
Jimah East Power Sdn Berhad	06/32	AA-	4.563	10	3.790	26/01/2021	77	145
Northport (Malaysia) Berhad	12/22	AA-	3.444	20	4.088	02/01/2020	-64	143
				392				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Projek Smart Holdings Sdn Bhd's (Smart Holdings or the Company)	RM330 mil Islamic MTN Facility (2015/2032) (the Sukuk)	A1/Stable	Reaffirmed

Source: RAM, MARC

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