

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries mirrored previous session and ended stronger; benefitting earlier from the slump in tech stocks on Wall Street but somehow saw some pull-back on Yellen's comments suggesting that interest rates may have to rise modestly to prevent overheating of the economy due to the recent spike in government spending. She later clarified that there is not going to be an inflationary problem and even there is, the Fed can address it. Overall benchmark yields ended between 0-2bps lower from prior day's close with the UST 2Y yield almost unchanged at 0.16% whilst the much-watched 10Y yield settling 1bps lower at 1.59%. Elsewhere the trade deficit jumped to \$74.4b in March from a revised \$70.5b in February. Although the weakness in US equities spurred interest in safe-haven bonds, investors were also aware of murmurs over geopolitical tensions between China and its Asian neighbours around the South China Sea. Meanwhile expect some attention to shift to the private sector employment data and service sector activity tonight.

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Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	0
5-yr UST	0.82	-1
10-yr UST	1.59	-1
30-yr UST	2.26	-2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.35	3	2.13	-3
5-yr	2.52	0	2.60	-4
7-yr	2.93	-5	3.00	-2
10-yr	3.11	0	3.25	0
15-yr	3.82	0	3.77	-8
20-yr	4.07	-9	4.21	-1
30-yr	4.21	-13	4.48	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	-1
3-yr	2.38	0
5-yr	2.65	-1
7-yr	2.80	-1
10-yr	3.08	2

Source : Bloomberg

MGS/GII

- On Tuesday, local govies ended stronger save for the short 3Y. Secondary market volume remained solid; sustaining at RM3.63b as overall benchmark yields settled 0-13bps lower with GII continuing to see strong bids across the curve. Both the 5Y MGS 9/25 and 10Y MGS 4/31 yields closed unchanged at 2.52% and 3.11% respectively. Interest was seen in the shorter off-the-run 21's, 28's, and also the 5Y, 7Y MGS. GII bond trades jumped to form 44% of overall trades. Elsewhere, MOF's investment arm, KHAZANAH has successfully priced its \$1.0b Sukuk offering in two(2) parts i.e \$400m 5Y at 1.658% and \$600m 10Y at 2.78%. Expect attention to eventually shift to the upcoming MPC meeting tomorrow; for which we are projecting rates to stay flat at 1.75%.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see solid investor interest across the curve on Tuesday amid higher secondary market volume of RM678m. Trades were seen printed along the GG-AA part of the curve as overall yields closed mixed on about 30 transacted names. The longer duration govt-guaranteed bonds were seen preferred instead. PRASA 31's moved 2-10bps lower between 3.52-53% whilst DANA 4/40 and 9/50 7notched 55m in transacted amounts closing higher on yields at 4.44% and 4.66% each. AAA-rated DANGA 1/30 spiked 55bps at 3.73% whilst SEB 4/31 rallied 24bps instead at 3.94%. Seldom traded AA-rated highway operator KESTURI saw both the 12/21 and 12/24 yields move opposite sides; settling at 2.87% and 3.50% each. Meanwhile, the banking space saw AFFIN 27NC22 transacted heavily, declining 88bps at 3.06%.

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	1.751	170	1.648	03/05/2021	10
MGS 09/21	1.656	152	1.646	03/05/2021	1
MGS 11/21	1.738	41	1.674	03/05/2021	6
MGS 03/22	1.790	90	1.785	03/05/2021	1
MGS 08/22	1.879	242	1.923	03/05/2021	-4
MGS 09/22	1.941	10	1.927	03/05/2021	1
MGS 03/23	2.073	153	2.094	03/05/2021	-2
MGS 08/23	2.161	7	2.199	03/05/2021	-4
MGS 06/24	2.347	78	2.321	03/05/2021	3
MGS 09/24	2.381	118	2.409	03/05/2021	-3
MGS 03/25	2.497	6	2.549	30/04/2021	-5
MGS 09/25	2.517	170	2.516	03/05/2021	0
MGS 04/26	2.608	2	2.655	03/05/2021	-5
MGS 07/26	2.711	71	2.691	03/05/2021	2
MGS 11/26	2.601	2	2.600	03/05/2021	0
MGS 05/27	2.901	3	2.901	03/05/2021	0
MGS 06/28	2.925	382	2.971	03/05/2021	-5
MGS 08/29	3.123	36	3.175	03/05/2021	-5
MGS 04/30	3.261	52	3.277	03/05/2021	-2
MGS 04/31	3.109	6	3.111	03/05/2021	0
MGS 11/33	3.811	17	3.828	03/05/2021	-2
MGS 07/34	3.823	92	3.828	03/05/2021	0
MGS 05/40	4.065	48	4.151	03/05/2021	-9
MGS 03/46	4.358	1	4.364	03/05/2021	-1
MGS 06/50	4.207	72	4.339	03/05/2021	-13
GII 08/21	1.780	210	1.693	03/05/2021	9
GII 03/22	1.810	280	1.780	03/05/2021	3
GII 04/22	1.802	62	1.840	03/05/2021	-4
GII 07/22	1.960	40	1.939	03/05/2021	2
GII 05/23	2.126	159	2.153	03/05/2021	-3
GII 11/23	2.227	80	2.217	03/05/2021	1
GII 10/24	2.407	20	2.459	30/04/2021	-5
GII 08/25	2.532	20	2.551	03/05/2021	-2
GII 10/25	2.525	11	2.586	03/05/2021	-6
GII 03/26	2.604	81	2.643	03/05/2021	-4
GII 09/27	3.002	160	3.024	03/05/2021	-2
GII 10/28	3.074	170	3.096	30/04/2021	-2
GII 07/29	3.239	20	3.213	30/04/2021	3
GII 09/30	3.323	60	3.242	21/04/2021	8
GII 10/30	3.249	152	3.248	03/05/2021	0
GII 07/36	3.772	22	3.850	03/05/2021	-8
GII 09/41	4.205	60	4.218	03/05/2021	-1
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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*
GovCo Holdings Berhad	02/24	GG	2.648	20	2.775	24/03/2021	-13	33
Prasarana Malaysia Berhad	03/31	GG	3.520	50	3.619	22/04/2021	-10	40
Lembaga Pembiayaan Perumahan Sektor Awam	03/31	GG	3.530	20	3.549	26/04/2021	-2	41
DanaInfra Nasional Berhad	04/38	GG	4.310	10	4.400	08/04/2021	-9	47
DanaInfra Nasional Berhad	04/40	GG	4.440	30	3.493	11/02/2020	95	28
DanaInfra Nasional Berhad	09/50	GG	4.660	25	4.649	28/04/2021	1	50
Cagamas Berhad	12/21	AAA	2.080	10	2.098	22/04/2021	-2	26
Aman Sukuk Berhad	03/23	AAA	2.659	10	2.415	10/11/2020	24	56
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.679	10	3.767	09/04/2021	-9	75
Danga Capital Berhad	01/30	AAA	3.730	20	3.179	15/12/2020	55	61
Sarawak Energy Berhad	04/31	AAA	3.940	10	4.179	01/04/2021	-24	82
Kuala Lumpur Kepong Berhad	09/34	AA1	4.451	10	4.500	03/05/2021	-5	61
Genting RMTN Berhad	11/34	AA1	4.907	35	5.270	03/05/2021	-36	107
Imtiaz Sukuk II Berhad	11/21	AA2	2.300	20	2.380	19/04/2021	-8	48
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/21	AA-	2.870	10	4.053	11/07/2019	-118	105
Southern Power Generation Sdn Berhad	04/23	AA-	2.946	20	4.217	08/04/2019	-127	85
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/24	AA-	3.498	20	3.305	20/10/2020	19	107
MMC Corporation Berhad	11/25	AA-	3.938	10	3.994	19/04/2021	-6	141
Leader Energy Sdn Berhad	07/26	AA-	4.168	10	4.050	14/07/2020	12	164
Kimanis Power Sdn Berhad	08/27	AA-	3.639	10	3.679	21/04/2021	-4	86
Penang Port Sdn Berhad	12/29	AA-	3.998	10	4.199	26/03/2021	-20	88
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/31	AA-	4.979	30	5.049	21/04/2021	-7	186
Affin Bank Berhad	02/27	A1	3.061	60	3.939	03/05/2021	-88	28
Bank Islam Malaysia Berhad	10/30	A1	3.590	5	3.629	03/05/2021	-4	47
Hong Leong Financial Group Berhad	11/17	A1	3.059	1	3.298	30/04/2021	-24	-110
UMW Holdings Berhad	04/18	A1	4.270	20	4.504	27/04/2021	-23	11
IJM Land Berhad	03/19	A2	4.641	22	5.097	21/04/2021	-46	48
IJM Land Berhad	03/19	A2	4.857	10	4.789	05/01/2021	7	70
WCT Holdings Berhad	09/19	A	5.734	100	5.671	01/03/2021	6	158
IJM Land Berhad	03/19	A2	4.762	60	4.601	09/04/2021	16	60
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
S P Setia Berhad	Proposed RM3.0 billion Islamic Medium-Term Notes Programme	AA-IS/Stable	Assigned

Source: RAM, MARC

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