

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	-2
5-yr UST	0.90	-6
10-yr UST	1.70	-2
30-yr UST	2.35	-1

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.10	-1	2.13	0
5-yr	2.59	0	2.57	0
7-yr	2.96	0	2.94	11
10-yr	3.17	1	3.22	3
15-yr	3.81	6	3.95	4
20-yr	3.92	-14	4.19	0
30-yr	4.29	14	4.42	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.42	0
5-yr	2.72	4
7-yr	2.86	1
10-yr	3.10	0

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.5b 7Y MGS 6/28 on Wednesday, 7<sup>th</sup> April, 2021

- US Treasuries were well-supported and ended stronger on Monday; brushing aside the latest record surge in the ISM services March index surge coupled with last week's blowout NFP data. Overall benchmark yields closed between 1-6bps lower with the curve shifting lower as the belly rallied the most. Both the UST 2Y and UST 10Y yields edged 2bps lower at 0.16% and 1.70% respectively, with the later lurking near th 14-month high of 1.77% last week. The recent burst of strong economic data is fueling bets that economic growth coupled with inflationary pressures may be a dominating theme going forward. UST 10Y real yields (as measured by the rate of inflation-linked Treasuries) are -0.65%; near the highest since mid-2020 and above the record low of -1.12% last September. Expect some attention this Wednesday to shift to the FOMC meeting minutes along with further updates on the upcoming jobless claims for period ending 3<sup>rd</sup> April.

MGS/GIII

- On Monday, local govies ended weaker following several prior sessions of gains as traders assessed the potential impact of lower oil prices with OPEC expected to embark on the gradual lowering of supply curbs. Overall benchmark govies closed mostly mixed between -14 to +14bps. MGS saw larger deviation in yields in the longer-ends whereas GII saw the intermediates pressured higher as overall secondary market volume slid d/d to RM2.49b. The 5Y MGS 9/25 yield remained unchanged at 2.59% whilst the 10Y MGS 4/31 edged 1bps up at 3.17%. Interest was again mainly seen in the shorter off-the-run 21's and also benchmark 5Y MGS. GII bond trades eased slightly to form ~30% of overall trades. Expect decent institutional support to emerge despite ongoing intermittent profit-taking.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw investor appetite dip sharply on Monday with trades printed across the AAA-AA part of the curve. Secondary market volume halved to a mere RM392m as overall yields ended mixed on ~15 various bonds. The sole gov-guaranteed trade consisted of DANA 3/29 which rallied 29bps at 3.44% compared to previous-done levels. AAA-rated DANUM 2/26 spiked 50bps at 3.22% whereas the 2/34 tranche moved 3bps lower instead at 4.39%. The AA-space saw ANIH bonds trade again with the 2022 and 2029 tranches rising sharply between 38-66bps to close at 2.97% and 4.12% each. The banking space saw Gulf Investment Corp (GIC) 6/22 end 7bps higher at 2.84%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.792	610	1.802	02/04/2021	-1
MGS 09/21	1.757	20	1.757	02/04/2021	0
MGS 11/21	1.815	330	1.806	02/04/2021	1
MGS 03/22	1.810	100	1.828	02/04/2021	-2
MGS 08/22	2.015	20	1.998	02/04/2021	2
MGS 03/23	2.103	30	2.115	02/04/2021	-1
MGS 04/23	2.162	12	2.131	02/04/2021	3
MGS 08/23	2.205	2	2.204	02/04/2021	0
MGS 07/24	2.438	42	2.377	02/04/2021	6
MGS 09/25	2.588	435	2.585	02/04/2021	0
MGS 04/26	2.620	10	2.733	02/04/2021	-11
MGS 08/29	3.132	14	3.132	02/04/2021	0
MGS 04/31	3.165	30	3.153	02/04/2021	1
MGS 04/32	3.661	1	3.797	26/03/2021	-14
MGS 07/34	3.813	50	3.750	02/04/2021	6
MGS 05/40	3.921	3	4.060	02/04/2021	-14
MGS 06/50	4.288	10	4.148	02/04/2021	14
GII 04/21	1.761	200	1.744	31/03/2021	2
GII 03/23	2.304	60	2.501	30/04/2020	-20
GII 05/24	2.460	50	2.449	26/03/2021	1
GII 10/24	2.377	2	2.498	02/04/2021	-12
GII 09/27	2.944	20	2.830	02/04/2021	11
GII 10/28	3.171	50	3.100	02/04/2021	7
GII 12/28	3.167	1	3.155	02/04/2021	1
GII 07/29	3.190	24	3.147	02/04/2021	4
GII 10/30	3.219	182	3.192	02/04/2021	3
GII 08/33	3.866	120	3.840	02/04/2021	3
GII 11/34	3.807	20	3.835	02/04/2021	-3
GII 07/36	3.952	40	3.911	01/04/2021	4
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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*	
DanaInfra Nasional Berhad	03/29	GG	3.443	10	3.729	11/03/2021	-29	36
Gulf Investment Corporation G.S.C	06/22	AAA	2.842	50	2.776	11/03/2021	7	99
Toyota Capital Malaysia Sdn Berhad	01/23	AAA	2.975	10	2.987	29/03/2021	-1	96
Danum Capital Berhad	02/26	AAA	3.217	10	2.719	24/02/2021	50	62
Sarawak Energy Berhad	11/28	AAA	3.799	10	3.779	19/03/2021	2	71
Danum Capital Berhad	02/34	AAA	4.389	20	4.419	31/03/2021	-3	59
Tenaga Nasional Berhad	08/38	AAA	4.597	20	4.549	02/04/2021	5	80
Anih Berhad	11/22	AA	2.967	20	2.592	15/02/2021	38	95
Anih Berhad	11/29	AA	4.117	10	3.460	22/12/2020	66	99
Sports Toto Malaysia Sdn Berhad	06/28	AA-	4.898	20	-	-	-	191
Penang Port Sdn Berhad	12/31	AA-	4.378	10	3.600	29/01/2021	78	123
IJM Land Berhad	03/19	A2	4.671	1	4.668	16/03/2021	0	57
Eco World International Berhad	10/21	-	5.033	1	5.118	01/04/2021	-9	318
Eco World International Berhad	04/23	-	5.739	1	5.690	26/03/2021	5	373
YNH Property Berhad	08/19	-	6.398	1	6.444	16/03/2021	-5	229
			<u>193</u>					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Senai-Desaru Expressway Berhad's (SDEB)	RM1.89 billion Islamic Medium-Term Notes Programme (Restructured Sukuk)	From BBB-IS/Stable to BBB-IS/Negative	Reaffirmed

Source: RAM, MARC

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