

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

US Treasuries ended stronger on Wednesday as investors shrugged off recent data denoting strength in the economy whilst surprisingly underlining the bond market's resilience to reflation fears yet again. Overall benchmark yields ended between 1-3bps lower from prior day's close with the UST 2Y yield edging 1bps lower at 0.15% whilst the much-watched 10Y yield settling 3bps lower at 1.57%. Meanwhile the Treasury said that it will maintain UST issuances steady in the upcoming quarter in the face of uncertain and sizeable borrowing needs due to pandemic-related spending. This would include \$58b 3Y, \$41b 10Y and also \$27b 30Y bonds. Meanwhile investors are expected to monitor further Fed comments following Treasury Secretary Yellen's statement of potential interest rate hikes if the economy overheats, following President Biden's plans for further fiscal spending, which she later clarified. Expect all eyes on the release of upcoming jobs data for April tomorrow.

##### MGS/GII

- On Wednesday, local govies closed mixed with the longer-ends pressured amid higher secondary market volume of RM4.40b as overall benchmark yields settled between -8 to +13bps. The 5Y MGS 9/25 yield closed almost unchanged at 2.52% whilst the 10Y MGS 4/31 rallied pushing yields lower by 8bps at 3.03%; its lowest yield since February this year. Interest was seen in the shorter off-the-run 21-22's, 27's, 28's, and also the 10Y MGS/GII. GII bond trades fell to form 24% of overall trades. Meantime, the announcement of MCO or restrictions due to the resurgence in COVID-19 cases are expected to brighten prospects for bonds. Expect attention to shift to the upcoming MPC decision on the OPR at 3pm today; for which we are projecting rates to stay pat at 1.75%, followed by the 30Y GII auction tomorrow.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw a spike in activity with solid investor interest across the curve on Wednesday amid higher secondary market volume of RM1.08b. Trades were seen printed across the GG to single-A part of the curve as overall yields closed mixed on about 49 various names. DANA dominated the govt-guaranteed space with the 5/28 and 2032 tranches closing 12-15bps lower compared to previous-done levels at 3.21% and 3.69-71% levels. AAA-rated highway operator WCE 32-34's which last traded in 2015, declined 79-93bps between 4.28-50% area whilst ANIH 27-28's moved 3-4bps lower between 3-71-92%. EDRA saw a slew of tranches exchange hands to the tune of RM300m in nominal amounts with yields closing mostly higher between 15-63bps save for the 7/26, 7/30 and 1/33 tranches. Meanwhile, the banking space saw Hong Leong Financial group perps 2117NC24 spike 35bps at 3.40%.

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 0.15        | -1        |
| 5-yr UST  | 0.79        | -2        |
| 10-yr UST | 1.57        | -3        |
| 30-yr UST | 2.24        | -2        |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 2.31        | -3        | 2.13        | 0         |
| 5-yr   | 2.52        | 0         | 2.61        | 0         |
| 7-yr   | 2.92        | -1        | 3.01        | 0         |
| 10-yr  | 3.03        | -8        | 3.21        | -4        |
| 15-yr  | 3.83        | 1         | 3.91        | 13        |
| 20-yr  | 4.15        | 9         | 4.21        | 0         |
| 30-yr  | 4.28        | 7         | 4.51        | 3         |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 2.01        | 0         |
| 3-yr           | 2.39        | 0         |
| 5-yr           | 2.66        | 1         |
| 7-yr           | 2.83        | 3         |
| 10-yr          | 3.09        | 1         |

Source : Bloomberg

#### Upcoming Government Bond Tender

Reopening of RM2.0b + RM2.0b (Private Placement) of 30Y GII 11/49 on Friday, 7<sup>th</sup> May 2021

## Daily Trades : Government Bond

| Securities | Closing | Vol         | Previous | Previous                   | Chg  |
|------------|---------|-------------|----------|----------------------------|------|
|            | YTM     | (RM mil)    | YTM      | Trade Date<br>(dd/mm/yyyy) | (bp) |
| MGS 07/21  | 1.722   | 281         | 1.751    | 04/05/2021                 | -3   |
| MGS 09/21  | 1.686   | 40          | 1.656    | 04/05/2021                 | 3    |
| MGS 11/21  | 1.757   | 211         | 1.738    | 04/05/2021                 | 2    |
| MGS 03/22  | 1.789   | 60          | 1.790    | 04/05/2021                 | 0    |
| MGS 08/22  | 1.910   | 155         | 1.879    | 04/05/2021                 | 3    |
| MGS 03/23  | 2.071   | 46          | 2.073    | 04/05/2021                 | 0    |
| MGS 04/23  | 2.101   | 1           | 2.102    | 03/05/2021                 | 0    |
| MGS 08/23  | 2.147   | 12          | 2.161    | 04/05/2021                 | -1   |
| MGS 06/24  | 2.313   | 170         | 2.347    | 04/05/2021                 | -3   |
| MGS 09/24  | 2.371   | 24          | 2.381    | 04/05/2021                 | -1   |
| MGS 09/25  | 2.519   | 267         | 2.517    | 04/05/2021                 | 0    |
| MGS 04/26  | 2.632   | 3           | 2.608    | 04/05/2021                 | 2    |
| MGS 07/26  | 2.720   | 29          | 2.711    | 04/05/2021                 | 1    |
| MGS 11/26  | 2.600   | 32          | 2.601    | 04/05/2021                 | 0    |
| MGS 05/27  | 2.834   | 238         | 2.901    | 04/05/2021                 | -7   |
| MGS 11/27  | 2.835   | 30          | 2.876    | 04/05/2021                 | -4   |
| MGS 06/28  | 2.916   | 698         | 2.925    | 04/05/2021                 | -1   |
| MGS 04/30  | 3.270   | 45          | 3.261    | 04/05/2021                 | 1    |
| MGS 04/31  | 3.031   | 772         | 3.109    | 04/05/2021                 | -8   |
| MGS 06/31  | 3.422   | 12          | 3.438    | 03/05/2021                 | -2   |
| MGS 11/33  | 3.811   | 9           | 3.811    | 04/05/2021                 | 0    |
| MGS 07/34  | 3.833   | 90          | 3.823    | 04/05/2021                 | 1    |
| MGS 05/35  | 3.873   | 60          | 3.882    | 03/05/2021                 | -1   |
| MGS 06/38  | 4.219   | 30          | 4.215    | 03/05/2021                 | 0    |
| MGS 05/40  | 4.151   | 8           | 4.065    | 04/05/2021                 | 9    |
| MGS 07/48  | 4.394   | 1           | 4.386    | 03/05/2021                 | 1    |
| MGS 06/50  | 4.276   | 23          | 4.207    | 04/05/2021                 | 7    |
| GII 03/22  | 1.810   | 70          | 1.810    | 04/05/2021                 | 0    |
| GII 11/23  | 2.202   | 21          | 2.227    | 04/05/2021                 | -2   |
| GII 05/24  | 2.354   | 20          | 2.380    | 03/05/2021                 | -3   |
| GII 08/24  | 2.409   | 20          | 2.394    | 26/04/2021                 | 1    |
| GII 10/24  | 2.361   | 44          | 2.407    | 04/05/2021                 | -5   |
| GII 03/26  | 2.606   | 159         | 2.604    | 04/05/2021                 | 0    |
| GII 07/27  | 2.986   | 78          | 2.979    | 26/04/2021                 | 1    |
| GII 09/27  | 3.005   | 170         | 3.002    | 04/05/2021                 | 0    |
| GII 12/28  | 3.054   | 24          | 3.143    | 22/04/2021                 | -9   |
| GII 07/29  | 3.193   | 70          | 3.239    | 04/05/2021                 | -5   |
| GII 10/30  | 3.210   | 206         | 3.249    | 04/05/2021                 | -4   |
| GII 11/34  | 3.930   | 80          | 3.939    | 03/05/2021                 | -1   |
| GII 07/36  | 3.906   | 26          | 3.867    | 04/05/2021                 | 4    |
| GII 09/39  | 4.261   | 60          | 4.281    | 03/05/2021                 | -2   |
| GII 11/49  | 4.513   | 6           | 4.482    | 26/04/2021                 | 3    |
|            |         | <u>4399</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* |
|---|-------|--------|-------------|--------------|--------------|----------------------------------|----------|---------------------|
| Small Medium Enterprise Development Bank Malaysia B | 04/27 | GG     | 3.107       | 20           | 3.408        | 23/03/2021                       | -30      | 34                  |
| DanaInfra Nasional Berhad                           | 05/28 | GG     | 3.209       | 5            | 3.358        | 02/04/2021                       | -15      | 29                  |
| DanaInfra Nasional Berhad                           | 05/31 | GG     | 3.511       | 25           | 3.100        | 26/01/2021                       | 41       | 48                  |
| Perbadanan Tabung Pendidikan Tinggi Nasional        | 03/32 | GG     | 3.690       | 50           | 3.790        | 07/04/2021                       | -10      | 66                  |
| DanaInfra Nasional Berhad                           | 05/32 | GG     | 3.689       | 20           | 3.811        | 08/04/2021                       | -12      | 66                  |
| DanaInfra Nasional Berhad                           | 11/32 | GG     | 3.709       | 40           | 3.850        | 23/04/2021                       | -14      | 68                  |
| Prasarana Malaysia Berhad                           | 09/37 | GG     | 4.300       | 20           | 4.529        | 31/03/2021                       | -23      | 46                  |
| Toyota Capital Malaysia Sdn Berhad                  | 01/23 | AAA    | 2.911       | 10           | 2.975        | 05/04/2021                       | -6       | 83                  |
| TNB Western Energy Berhad                           | 07/24 | AAA    | 2.893       | 5            | 2.804        | 08/03/2021                       | 9        | 59                  |
| TNB Western Energy Berhad                           | 01/25 | AAA    | 2.992       | 5            | 3.033        | 18/05/2020                       | -4       | 57                  |
| Pengurusan Air SPV Berhad                           | 06/25 | AAA    | 3.088       | 15           | 2.668        | 08/12/2020                       | 42       | 66                  |
| Danga Capital Berhad                                | 02/26 | AAA    | 3.000       | 20           | 3.049        | 21/04/2021                       | -5       | 49                  |
| Pengurusan Air SPV Berhad                           | 09/30 | AAA    | 3.889       | 5            | -            | -                                | -        | 81                  |
| West Coast Expressway Sdn Berhad                    | 08/32 | AAA    | 4.280       | 55           | 5.209        | 18/12/2015                       | -93      | 125                 |
| West Coast Expressway Sdn Berhad                    | 08/33 | AAA    | 4.400       | 80           | 5.249        | 18/12/2015                       | -85      | 137                 |
| West Coast Expressway Sdn Berhad                    | 08/34 | AAA    | 4.500       | 100          | 5.289        | 18/12/2015                       | -79      | 66                  |
| Infracap Resources Sdn Berhad                       | 04/36 | AAA    | 4.666       | 1            | 4.603        | 04/05/2021                       | 6        | 82                  |
| Genting RMTN Berhad                                 | 11/34 | AA1    | 4.895       | 45           | 4.907        | 04/05/2021                       | -1       | 105                 |
| Imtiaz Sukuk II Berhad                              | 11/21 | AA2    | 2.295       | 40           | 2.300        | 03/05/2021                       | 0        | 48                  |
| Anih Berhad   | 11/27 | AA     | 3.709       | 10           | 3.739        | 23/04/2021                       | -3       | 79                  |
| Anih Berhad   | 11/28 | AA     | 3.918       | 10           | 3.961        | 20/04/2021                       | -4       | 89                  |
| Country Garden Real Estate Sdn Berhad               | 03/22 | AA3    | 3.993       | 20           | -            | -                                | -        | 218                 |
| Bandar Serai Development Sdn Berhad                 | 08/23 | AA3    | 3.177       | 40           | 2.997        | 21/01/2021                       | 18       | 109                 |
| BGSM Management Sdn Berhad                          | 12/23 | AA3    | 2.935       | 10           | 2.978        | 29/03/2021                       | -4       | 63                  |
| Edra Energy Sdn Berhad                              | 07/26 | AA3    | 3.838       | 20           | 3.860        | 23/04/2021                       | -2       | 132                 |
| CIMB Thai Bank Public Company Limited               | 07/29 | AA3    | 3.644       | 10           | 3.327        | 08/02/2021                       | 32       | 62                  |
| Edra Energy Sdn Berhad                              | 07/30 | AA3    | 4.429       | 30           | 4.500        | 16/04/2021                       | -7       | 135                 |
| Edra Energy Sdn Berhad                              | 07/31 | AA3    | 4.529       | 30           | 4.379        | 03/05/2021                       | 15       | 150                 |
| Edra Energy Sdn Berhad                              | 01/33 | AA3    | 4.668       | 50           | 4.834        | 06/04/2021                       | -17      | 164                 |
| Edra Energy Sdn Berhad                              | 01/35 | AA3    | 4.779       | 80           | 4.154        | 19/01/2021                       | 63       | 93                  |
| Edra Energy Sdn Berhad                              | 07/35 | AA3    | 4.799       | 10           | 4.228        | 28/12/2020                       | 57       | 95                  |
| Edra Energy Sdn Berhad                              | 01/36 | AA3    | 4.819       | 10           | 4.259        | 15/01/2021                       | 56       | 97                  |
| Edra Energy Sdn Berhad                              | 07/36 | AA3    | 4.839       | 10           | 4.319        | 08/12/2020                       | 52       | 99                  |
| Edra Energy Sdn Berhad                              | 01/37 | AA3    | 4.859       | 50           | 4.368        | 07/12/2020                       | 49       | 101                 |
| Edra Energy Sdn Berhad                              | 07/37 | AA3    | 4.869       | 10           | 4.420        | 07/12/2020                       | 45       | 102                 |
| WCT Holdings Berhad                                 | 10/21 | AA-    | 3.703       | 10           | 3.637        | 04/02/2021                       | 7        | 189                 |
| UEM Edgenta Berhad                                  | 04/22 | AA-    | 2.823       | 40           | 2.836        | 27/04/2021                       | -1       | 101                 |
| UEM Sunrise Berhad                                  | 05/23 | AA-    | 3.978       | 10           | 3.980        | 03/05/2021                       | 0        | 189                 |
| Pelabuhan Tanjung Pelepas Sdn Berhad                | 04/26 | AA-    | 3.468       | 20           | -            | -                                | -        | 95                  |
| MMC Corporation Berhad                              | 03/28 | AA-    | 4.350       | 10           | 4.391        | 21/04/2021                       | -4       | 143                 |
| Hong Leong Financial Group Berhad                   | 11/17 | A1     | 3.404       | 5            | 3.059        | 04/05/2021                       | 35       | -76                 |
| Alliance Bank Malaysia Berhad                       | 10/30 | A2     | 3.406       | 1            | 3.419        | 23/04/2021                       | -1       | 33                  |
| IJM Land Berhad                                     | 03/19 | A2     | 4.838       | 20           | 4.762        | 04/05/2021                       | 8        | 68                  |
| IJM Land Berhad                                     | 03/19 | A2     | 4.615       | 1            | 4.641        | 04/05/2021                       | -3       | 46                  |
| Bank Muamalat Malaysia Berhad                       | 11/21 | A      | 3.844       | 1            | 3.451        | 29/03/2021                       | 39       | 203                 |
| Eco World International Berhad                      | 04/23 | -      | 5.351       | 2            | 5.287        | 22/04/2021                       | 6        | 327                 |
| Eco World International Berhad                      | 05/23 | -      | 5.350       | 2            | 5.192        | 04/05/2021                       | 16       | 326                 |
| Eco World Capital Assets Berhad                     | 08/24 | -      | 5.202       | 1            | 5.349        | 03/05/2021                       | -15      | 290                 |
| Eco World Capital Services Berhad                   | 03/26 | -      | 5.296       | 1            | 5.396        | 26/04/2021                       | -10      | 278                 |
|   |       |        |             | <u>1082</u>  |              |                                  |          |                     |

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

| Rating Action                             |                                    |                   |          |
|---|------------------------------------|-------------------|----------|
| Issuer                                    | PDS Description                    | Rating/Outlook    | Action   |
| China Construction Bank (Malaysia) Berhad | Financial institution (FI) ratings | AA+/MARC-1/Stable | Affirmed |

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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