

Global Markets Research

Fixed Income

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.16 | 0 |
| 5-yr UST | 0.81 | 1 |
| 10-yr UST | 1.57 | 0 |
| 30-yr UST | 2.24 | 0 |

| MGS | | GII* | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.33 | 1 | 2.13 | 0 |
| 5-yr | 2.53 | 1 | 2.60 | 0 |
| 7-yr | 2.91 | 0 | 3.01 | 0 |
| 10-yr | 3.08 | 4 | 3.22 | 1 |
| 15-yr | 3.82 | -1 | 3.90 | -1 |
| 20-yr | 4.15 | 0 | 4.20 | -1 |
| 30-yr | 4.32 | 5 | 4.51 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.00 | 0 |
| 3-yr | 2.39 | 0 |
| 5-yr | 2.65 | -1 |
| 7-yr | 2.82 | -1 |
| 10-yr | 3.10 | 1 |

Source : Bloomberg

Upcoming Government Bond Tender

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

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were little changed on Thursday; mostly pivoted around the 5Y tenure whilst underlining their appeal as safe haven ahead of the closely-watched monthly jobs report. Overall benchmark yields ended between 0-1bps higher with both the UST 2Y and 10Y yields settling within 1bps higher at 0.16% and 1.57% each. Meanwhile the Treasury said that it will maintain UST issuances steady in the upcoming quarter consisting mainly of \$58b 3Y, \$41b 10Y and also \$27b 30Y bonds. Separately, the expiration of US debt ceiling will come into effect on 31st July whilst cash balances are expected at \$450b then (previous debt-ceiling expirations have required cash balance to be brought down to \$130b). Meanwhile it was reported that jobless claims have declined by almost 33% since beginning April; adding to signs that a recovery is underway in the labor market. Expect attention to shift to tonight's release of nonfarm jobs data for April.

MGS/GII

- On Thursday, local govies closed mostly mixed and undeterred by BNM decision to maintain the OPR as per our house projection amid a sharply lower secondary market volume of only RM1.68b. Overall benchmark yields settled between -1 to +5bps with the 5Y MGS 9/25 yield edged 1bps up at 2.53% whilst the 10Y MGS 4/31 gave up half its prior day's gains as yields rose 4bps at 3.08%. Some interest was seen in the shorter off-the-run 21's and 28's. GII bond trades fell to form 33% of overall trades. BNM in its MPC statement reaffirmed its neutral tone reaffirming improving growth outlook despite lingering downside risks. This reinforces our house view of a stable OPR of 1.75% for the remaining of the year. Elsewhere industrial production growth in March turned in a sterling performance. Expect attention to shift to the 30Y GII auction today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space continued to see decent secondary market activity with interest across the curve on Wednesday despite a drop in secondary market volume @ RM588m. Trades were seen printed across the GG to single-A part of the curve as overall yields closed mixed on about 38 various names. DANA 5/28 and PRASA 3/34 declined 1 and 8bps each compared to previous-done levels at 3.20% and 3.94% respectively. Port-operator WESTPORT dominated the AAA-sector with the 2022-2025 tranches spiking 11-32bps between 2.39-3.03%. AA-rated EDRA 35-36's closed unchanged between 4.78-84% whilst the 2025 and 2028 tranches rose 32-56bps at 3.68% and 4.09% each. Meanwhile, the banking space saw Bank ISLAM 28NC23 notch RM100m in nominal values, closing 4bps lower at 3.36%.

Daily Trades : Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|-------------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 07/21 | 1.732 | 93 | 1.722 | 05/05/2021 | 1 |
| MGS | 11/21 | 1.768 | 171 | 1.757 | 05/05/2021 | 1 |
| MGS | 08/22 | 1.901 | 77 | 1.910 | 05/05/2021 | -1 |
| MGS | 09/22 | 1.941 | 25 | 1.941 | 04/05/2021 | 0 |
| MGS | 03/23 | 2.016 | 22 | 2.071 | 05/05/2021 | -6 |
| MGS | 04/23 | 2.096 | 82 | 2.101 | 05/05/2021 | 0 |
| MGS | 06/24 | 2.326 | 60 | 2.313 | 05/05/2021 | 1 |
| MGS | 03/25 | 2.496 | 3 | 2.497 | 04/05/2021 | 0 |
| MGS | 09/25 | 2.532 | 83 | 2.519 | 05/05/2021 | 1 |
| MGS | 04/26 | 2.636 | 22 | 2.632 | 05/05/2021 | 0 |
| MGS | 05/27 | 2.842 | 48 | 2.834 | 05/05/2021 | 1 |
| MGS | 11/27 | 2.863 | 3 | 2.835 | 05/05/2021 | 3 |
| MGS | 06/28 | 2.912 | 117 | 2.916 | 05/05/2021 | 0 |
| MGS | 08/29 | 3.141 | 6 | 3.123 | 04/05/2021 | 2 |
| MGS | 04/30 | 3.242 | 6 | 3.270 | 05/05/2021 | -3 |
| MGS | 04/31 | 3.077 | 54 | 3.031 | 05/05/2021 | 5 |
| MGS | 06/31 | 3.389 | 2 | 3.422 | 05/05/2021 | -3 |
| MGS | 04/33 | 3.781 | 31 | 3.760 | 04/05/2021 | 2 |
| MGS | 11/33 | 3.806 | 2 | 3.811 | 05/05/2021 | 0 |
| MGS | 07/34 | 3.818 | 79 | 3.833 | 05/05/2021 | -2 |
| MGS | 05/35 | 3.868 | 40 | 3.873 | 05/05/2021 | -1 |
| MGS | 04/37 | 4.074 | 13 | 4.090 | 30/04/2021 | -2 |
| MGS | 06/38 | 4.208 | 32 | 4.219 | 05/05/2021 | -1 |
| MGS | 05/40 | 4.147 | 33 | 4.151 | 05/05/2021 | 0 |
| MGS | 07/48 | 4.396 | 12 | 4.394 | 05/05/2021 | 0 |
| MGS | 06/50 | 4.345 | 5 | 4.276 | 05/05/2021 | 7 |
| GII | 07/23 | 2.141 | 3 | 2.136 | 05/05/2021 | 0 |
| GII | 03/26 | 2.602 | 3 | 2.606 | 05/05/2021 | 0 |
| GII | 09/27 | 3.009 | 55 | 3.005 | 05/05/2021 | 0 |
| GII | 10/28 | 3.085 | 20 | 3.074 | 04/05/2021 | 1 |
| GII | 07/29 | 3.205 | 10 | 3.193 | 05/05/2021 | 1 |
| GII | 10/30 | 3.217 | 90 | 3.210 | 05/05/2021 | 1 |
| GII | 06/33 | 3.835 | 50 | 3.840 | 30/04/2021 | 0 |
| GII | 08/33 | 3.837 | 230 | 3.847 | 30/04/2021 | -1 |
| GII | 11/34 | 3.928 | 40 | 3.930 | 05/05/2021 | 0 |
| GII | 07/36 | 3.895 | 2 | 3.906 | 05/05/2021 | -1 |
| GII | 09/39 | 4.257 | 30 | 4.261 | 05/05/2021 | 0 |
| GII | 09/41 | 4.196 | 30 | 4.205 | 04/05/2021 | -1 |
| | | | <u>1684</u> | | | |

Daily Trades : Corp Bonds/ Sukuk

| Securities | | Rating | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yy yy) | Chg (bp) | Spread Against MGS* |
|---|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Danainfra Nasional Berhad | 05/28 | GG | 3.197 | 30 | 3.209 | 05/05/2021 | -1 | 28 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 04/33 | GG | 3.809 | 40 | 3.399 | 30/12/2020 | 41 | 76 |
| Prasarana Malaysia Berhad | 03/34 | GG | 3.935 | 20 | 4.020 | 27/04/2021 | -8 | 9 |
| Cagamas Berhad | 08/21 | AAA | 1.946 | 35 | 2.050 | 05/01/2021 | -10 | 13 |
| Westports Malaysia Sdn Berhad | 05/22 | AAA | 2.392 | 10 | 2.283 | 08/02/2021 | 11 | 58 |
| Westports Malaysia Sdn Berhad | 05/23 | AAA | 2.677 | 10 | 2.555 | 13/10/2020 | 12 | 59 |
| Westports Malaysia Sdn Berhad | 04/25 | AAA | 3.028 | 20 | 2.709 | 27/01/2021 | 32 | 61 |
| Infracap Resources Sdn Berhad | 04/26 | AAA | 3.518 | 5 | 3.608 | 15/04/2021 | -9 | 100 |
| Zamarad Assets Berhad | 07/26 | AAA | 3.803 | 14 | 4.429 | 27/09/2019 | -63 | 129 |
| Putrajaya Bina Sdn Berhad | 05/29 | AAA | 3.679 | 30 | 3.997 | 19/03/2021 | -32 | 66 |
| West Coast Expressway Sdn Berhad | 08/32 | AAA | 4.280 | 5 | 4.280 | 05/05/2021 | 0 | 123 |
| Infracap Resources Sdn Berhad | 04/36 | AAA | 4.589 | 12 | 4.666 | 05/05/2021 | -8 | 75 |
| Samalaju Industrial Port Sdn Berhad | 12/26 | AA1 | 3.497 | 10 | 3.487 | 22/04/2021 | 1 | 73 |
| Samalaju Industrial Port Sdn Berhad | 12/27 | AA1 | 3.698 | 60 | 3.759 | 26/04/2021 | -6 | 78 |
| Malayan Banking Berhad | 10/30 | AA1 | 3.178 | 10 | 2.900 | 09/10/2020 | 28 | 10 |
| Malayan Banking Berhad | 10/32 | AA1 | 3.578 | 1 | 4.251 | 18/03/2021 | -67 | 53 |
| First Resources Limited | 10/21 | AA2 | 2.536 | 10 | 2.641 | 15/04/2021 | -11 | 72 |
| CIMB Group Holdings Berhad | 03/28 | AA | 3.000 | 20 | 2.962 | 19/03/2021 | 4 | 8 |
| Country Garden Real Estate Sdn Berhad | 03/22 | AA3 | 3.981 | 20 | 3.993 | 05/05/2021 | -1 | 217 |
| Edra Energy Sdn Berhad | 07/25 | AA3 | 3.679 | 10 | 3.358 | 03/03/2021 | 32 | 126 |
| Lebuhraya DUKE Fasa 3 Sdn Berhad | 08/27 | AA- | 4.407 | 20 | 4.464 | 18/06/2019 | -6 | 164 |
| Edra Energy Sdn Berhad | 01/28 | AA3 | 4.089 | 10 | 3.528 | 13/11/2020 | 56 | 117 |
| CIMB Thai Bank Public Company Limited | 07/29 | AA3 | 3.643 | 10 | 3.644 | 05/05/2021 | 0 | 63 |
| Gamuda Berhad | 11/29 | AA3 | 4.099 | 10 | 4.214 | 03/05/2021 | -12 | 102 |
| Edra Energy Sdn Berhad | 01/35 | AA3 | 4.779 | 10 | 4.779 | 05/05/2021 | 0 | 94 |
| Edra Energy Sdn Berhad | 07/36 | AA3 | 4.839 | 10 | 4.839 | 05/05/2021 | 0 | 100 |
| WCT Holdings Berhad | 10/21 | AA- | 3.681 | 10 | 3.703 | 05/05/2021 | -2 | 187 |
| Quantum Solar Park (Semenanjung) Sdn Berhad | 10/28 | AA- | 4.399 | 10 | 4.529 | 16/03/2021 | -13 | 148 |
| Quantum Solar Park (Semenanjung) Sdn Berhad | 04/30 | AA- | 4.668 | 10 | 5.859 | 17/07/2019 | -119 | 159 |
| Quantum Solar Park (Semenanjung) Sdn Berhad | 10/30 | AA- | 4.759 | 5 | 5.011 | 26/06/2020 | -25 | 168 |
| Jati Cakerawala Sdn Berhad | 07/23 | A1 | 3.960 | 1 | 3.978 | 05/05/2021 | -2 | 187 |
| Bank Islam Malaysia Berhad | 11/28 | A1 | 3.360 | 100 | 3.405 | 21/04/2021 | -4 | 34 |
| Bank Islam Malaysia Berhad | 10/30 | A1 | 3.590 | 4 | 3.590 | 04/05/2021 | 0 | 51 |
| DRB-Hicom Berhad | 12/29 | A+ | 4.810 | 5 | 4.810 | 30/04/2021 | 0 | 173 |
| IJM Land Berhad | 03/19 | A2 | 4.500 | 1 | 4.615 | 05/05/2021 | -12 | 33 |
| Eco World International Berhad | 05/23 | - | 5.089 | 1 | 5.350 | 05/05/2021 | -26 | 300 |
| Eco World Capital Services Berhad | 03/26 | - | 5.200 | 1 | 5.296 | 05/05/2021 | -10 | 268 |
| LBS Bina Group Berhad | 03/20 | - | 6.204 | 1 | 5.225 | 27/04/2021 | 98 | 203 |
| | | | | <u>588</u> | | | | |

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

| Rating Action | | | |
|---------------|-----------------|----------------|--------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Nil | Nil | Nil | Nil |

Source: RAM, MARC

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