

**Global Markets Research**

**Fixed Income**

**Fixed Income Daily Market Snapshot**

**US Treasuries**

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.87	0
10-yr UST	1.67	2
30-yr UST	2.36	4

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	1	2.16	-4
5-yr	2.59	2	2.61	1
7-yr	2.98	5	2.94	4
10-yr	3.08	-4	3.15	-2
15-yr	3.78	0	3.95	0
20-yr	4.08	-1	4.22	0
30-yr	4.17	-9	4.44	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.43	0
5-yr	2.70	-3
7-yr	2.84	-4
10-yr	3.07	-6

Source : Bloomberg

**Upcoming Government Bond Tender**

Nil

- US Treasuries lacked direction on Wednesday, pivoted along the 7Y tenures following the release of the minutes of the Fed's March meeting minutes which indicated it was prepared to stay accommodative for a longer period of time. Overall benchmark yields closed flat to 4bps higher with the longer-ends pressured. The UST 2Y yield closed within 1bps lower at 0.15% whilst the UST 10Y yield edged 2bps higher at 1.67%. The tapering of the Fed's asset purchases is unlikely anytime soon; dependent on its progress towards its inflation and employment goals. It is believed that the current fiscal agenda surrounding the proposed tax code pitch unveiled by Treasury Secretary Janet Yellen may drum resistance by both opposition Republicans and even some Democrats. Yields may be expected to be driven higher by the sheer size in short-positions for longer-dated UST's. Expect some attention to shift to the upcoming jobless claims for period ending 3<sup>rd</sup> April.

**MGS/GII**

- On Wednesday, local govies closed mostly mixed with overall benchmark govies closed between -9 to +5bps with the belly pressured the most. Overall secondary market volume jumped to RM5.03b. The 5Y MGS 9/25 yield edged 2bps up at 2.59% whilst the 10Y MGS 4/31 rallied 4bps instead at 3.08%. Interest was again mainly seen in the shorter off-the-run 21's and also benchmark 5Y, 7Y MGS and 10Y MGS/GII. GII bond trades eased slightly to form ~41% of overall trades. Meanwhile, the 7Y MGS auction saw the lowest YTD BTC ratio of 1.59x but notched total bids amounting to a respectable RM8.05b. Meanwhile foreign holdings of MYR government bonds have continued to rise again in March by RM4.5b to RM215.4b whilst overall holdings of MYR bonds inched higher by RM5.8b to RM239.7b. Volatility has been on the rise for local govies as the nation's bonds is also exposed to the global reflation trade and vaccine rollout initiatives.

**Corp Bonds/Sukuk**

- The Corporate Bond/Sukuk space saw a reversal in investor interest on lesser appetite instead on Wednesday with trades printed mainly across the GG-AA part of the curve. Secondary market volume halved to RM412m as overall yields ended mostly mixed on yields on ~27 various bonds. Govt-guaranteed GOVCO lead the volume leader list with the 6/31 tranche spiking 48bps compared to previous done levels at 3.65%. The longer-end DANA 34's however rallied 13-27bps between 4.09-14% levels. AAA-rated telco operators TELEKOM 10/24 and 10/28 rose 49-75 bps at 2.94% and 3.70% whilst DIGI 9/26 closed 58bps up at 3.26%. The AA-space saw both UEM sunrise and Edgenta 22's move opposite direction, closing at 3.69% and 2.92% each.

## 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	190	1.760	06/04/2021	-1
MGS 11/21	1.795	219	1.815	05/04/2021	-2
MGS 03/22	1.818	7	1.852	06/04/2021	-3
MGS 08/22	2.024	65	1.995	06/04/2021	3
MGS 03/23	2.131	218	2.124	06/04/2021	1
MGS 04/23	2.118	35	2.128	06/04/2021	-1
MGS 06/24	2.346	135	2.335	06/04/2021	1
MGS 07/24	2.426	10	2.421	06/04/2021	1
MGS 09/24	2.466	2	2.445	06/04/2021	2
MGS 03/25	2.537	60	2.564	06/04/2021	-3
MGS 09/25	2.590	461	2.565	06/04/2021	2
MGS 07/26	2.677	20	2.682	02/04/2021	0
MGS 11/26	2.651	57	2.633	06/04/2021	2
MGS 05/27	2.832	21	2.823	06/04/2021	1
MGS 11/27	2.829	33	2.858	06/04/2021	-3
MGS 06/28	2.974	642	2.928	06/04/2021	5
MGS 08/29	3.077	199	3.072	06/04/2021	0
MGS 04/30	3.187	11	3.200	06/04/2021	-1
MGS 04/31	3.076	230	3.115	06/04/2021	-4
MGS 06/31	3.303	73	3.303	06/04/2021	0
MGS 04/33	3.781	2	3.781	06/04/2021	0
MGS 11/33	3.834	1	3.834	06/04/2021	0
MGS 07/34	3.779	78	3.779	06/04/2021	0
MGS 05/35	3.929	1	3.929	06/04/2021	0
MGS 04/37	4.036	2	4.068	06/04/2021	-3
MGS 06/38	4.145	1	4.284	01/04/2021	-14
MGS 05/40	4.083	33	4.097	06/04/2021	-1
MGS 03/46	4.413	1	4.292	06/04/2021	12
MGS 07/48	4.423	1	4.384	06/04/2021	4
MGS 06/50	4.166	154	4.256	06/04/2021	-9
GII 08/21	1.769	100	1.780	02/04/2021	-1
GII 03/22	1.863	11	1.838	01/04/2021	2
GII 04/22	1.915	10	1.912	06/04/2021	0
GII 07/22	2.001	310	2.037	06/04/2021	-4
GII 05/23	2.159	51	2.196	06/04/2021	-4
GII 10/24	2.385	216	2.418	06/04/2021	-3
GII 03/26	2.605	393	2.595	06/04/2021	1
GII 09/26	2.702	20	2.895	01/04/2021	-19
GII 09/27	2.944	50	2.907	06/04/2021	4
GII 10/28	3.092	131	3.122	06/04/2021	-3
GII 12/28	3.055	10	3.167	05/04/2021	-11
GII 07/29	3.099	170	3.159	06/04/2021	-6
GII 09/30	3.163	60	3.241	06/04/2021	-8
GII 10/30	3.152	390	3.171	06/04/2021	-2
GII 06/33	3.835	40	4.096	10/03/2021	-26
GII 11/49	4.436	20	4.470	06/04/2021	-3
GII 09/41	4.154	80	4.176	06/04/2021	-2
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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*
Lembaga Pembiayaan Perumahan Sektor Awam	11/25	GG	2.930	5	2.341	04/01/2021	59	34
Prasarana Malaysia Berhad	08/26	GG	3.052	25	3.222	26/03/2021	-17	47
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.051	15	3.011	12/03/2021	4	47
GovCo Holdings Berhad	06/31	GG	3.650	45	3.169	25/01/2021	48	56
Perbadanan Tabung Pendidikan Tinggi Nasional	03/32	GG	3.790	10	4.069	25/03/2021	-28	70
Perbadanan Tabung Pendidikan Tinggi Nasional	01/33	GG	3.939	30	3.421	22/12/2020	52	85
Danainfra Nasional Berhad	04/34	GG	4.090	20	4.360	22/03/2021	-27	30
Danainfra Nasional Berhad	11/34	GG	4.140	10	4.270	11/03/2021	-13	35
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.361	20	4.421	02/04/2021	-6	58
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.423	50	2.491	25/03/2021	-7	58
Aman Sukuk Berhad	04/22	AAA	2.550	10	2.652	29/03/2021	-10	70
Telekom Malaysia Berhad	10/24	AAA	2.937	10	2.448	30/11/2020	49	54
Danga Capital Berhad	02/26	AAA	3.087	20	3.180	06/04/2021	-9	50
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.261	5	2.677	15/02/2021	58	68
Danga Capital Berhad	09/27	AAA	3.432	15	2.869	02/02/2021	56	65
Telekom Malaysia Berhad	10/28	AAA	3.700	20	2.952	21/01/2021	75	66
Sarawak Energy Berhad	11/33	AAA	4.418	30	4.414	02/04/2021	0	63
Projek Lebuhraya Usahasama Berhad	01/34	AAA	4.409	10	4.158	15/04/2020	25	62
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.271	10	4.217	17/03/2021	5	188
MMC Corporation Berhad	11/25	AA-	3.998	10	4.059	25/03/2021	-6	141
Gamuda Land (T12) Sdn Berhad	08/27	AA3	4.217	10	3.649	02/11/2020	57	143
UEM Sunrise Berhad	04/22	AA-	3.687	5	3.508	08/01/2021	18	184
UEM Edgenta Berhad	04/22	AA-	2.916	10	3.020	30/03/2021	-10	107
Southern Power Generation Sdn Berhad	10/35	AA-	4.561	10	4.580	06/04/2021	-2	78
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	A1	4.336	4	-	-	-	221
Eco World International Berhad	04/23	-	5.736	1	5.739	05/04/2021	0	372
Eco World Capital Assets Berhad	08/24	-	5.518	2	5.521	31/03/2021	0	339
				412				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Kedah Cement Sdn Bhd	RM500 mil Sukuk Wakalah Programme (2017/2024)	From A1/Positive to AA3/Stable	Upgraded
YTL Power International Berhad	RM5 bil Medium-Term Notes (MTN) Programme (2011/2036) RM2.5 bil Sukuk Murabahah facility (2017/2027)	From AA1/Stable to AA1/Negative	Outlook revised
YTL Corporation Berhad	RM2 bil Medium-Term Notes (MTN) Programme (2013/2038) RM5 bil Commercial Papers Programme and MTN Programme (2019/2044)	From AA1/P1/Stable to AA1/P1/Negative	Outlook revised

Source: RAM, MARC

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