

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries performed stronger on Thursday, as US unemployment benefits rose unexpectedly for a 2nd week undermining the choppy nature of jobs recovery coupled with Fed Chair Powell's comments that the US recovery "remains uneven and incomplete"; reiterating views of easier monetary policy going forward. The curve bull-flattened as overall benchmark yields closed 0-5bps lower with the longer-ends rallying the most. The UST 2Y yield closed almost unchanged at 0.15% whilst the UST 10Y yield declined 5bps at 1.62%. Powell's message has helped dampen sentiment accompanying the vaccine rollouts and signs of solid economic growth that was expected to accelerate inflation. Interestingly, IRS are currently pricing in ~17bps hikes by December 2022 and ~80bps by end-2023.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.15 | 0 |
| 5-yr UST | 0.84 | -3 |
| 10-yr UST | 1.62 | -5 |
| 30-yr UST | 2.31 | -5 |

| MGS | | GII | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.12 | -1 | 2.18 | 2 |
| 5-yr | 2.58 | -1 | 2.60 | -1 |
| 7-yr | 2.96 | -2 | 2.95 | 0 |
| 10-yr | 3.06 | -1 | 3.14 | -1 |
| 15-yr | 3.59 | -19 | 3.95 | 0 |
| 20-yr | 4.07 | -1 | 4.19 | 4 |
| 30-yr | 4.08 | -8 | 4.39 | -5 |

* Market indicative levels

MGS/GII

- On Thursday, local govies closed mostly lower with overall benchmark govies closing between 0-19bps (save for the 3Y, 5Y and 20Y GII) as the longer-ends rallied the most amid lower secondary market volume of RM3.86b. Both the 5Y MGS 9/25 and 10Y MGS 4/31 yield edged 1bps lower at 2.58% and 3.06% respectively. Interest was again mainly seen in the shorter off-the-run 21-22's and also benchmark 5Y GII and 20Y MGS. GII bond trades eased slightly to form ~41% of overall trades. 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. Meanwhile Malaysia is considering a possible offering of dollar-denominated sustainable sukuk; in line with a growing list of countries willing to adopt a similar strategy.

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.01 | 0 |
| 3-yr | 2.41 | -1 |
| 5-yr | 2.70 | 0 |
| 7-yr | 2.84 | 0 |
| 10-yr | 3.05 | -2 |

Source : Bloomberg

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 inched higher at RM490m as overall yields ended mostly mixed on yields on ~29 various bonds. Govt-guaranteed PRIMA Corp spiked 72bps compared to previous done levels at 3.25%. The longer-end DANA 38-39's too rose 77-81bs between 4.40-47% levels. AAA-rated SEB 11/28 and 11/33 were better-bid resulting in 3-6bps decline at 3.74% and 4.39% each. The AA-space saw ANIH 26-27's also end 7-8bps lower between 3.67-86% whilst DUKE 2026 and 2029 tranches move opposite sides to close at 4.25% and 4.84% respectively.

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 | 1.759 | 937 | 1.751 | 07/04/2021 | 1 |
| MGS 09/21 | 1.748 | 378 | 1.748 | 06/04/2021 | 0 |
| MGS 03/22 | 1.789 | 43 | 1.818 | 07/04/2021 | -3 |
| MGS 08/22 | 2.023 | 407 | 2.024 | 07/04/2021 | 0 |
| MGS 09/22 | 2.022 | 141 | 1.967 | 06/04/2021 | 5 |
| MGS 03/23 | 2.121 | 55 | 2.131 | 07/04/2021 | -1 |
| MGS 04/23 | 2.120 | 21 | 2.118 | 07/04/2021 | 0 |
| MGS 06/24 | 2.330 | 21 | 2.346 | 07/04/2021 | -2 |
| MGS 07/24 | 2.422 | 2 | 2.426 | 07/04/2021 | 0 |
| MGS 09/24 | 2.422 | 2 | 2.466 | 07/04/2021 | -4 |
| MGS 03/25 | 2.533 | 1 | 2.537 | 07/04/2021 | 0 |
| MGS 09/25 | 2.583 | 89 | 2.590 | 07/04/2021 | -1 |
| MGS 05/27 | 2.815 | 2 | 2.832 | 07/04/2021 | -2 |
| MGS 11/27 | 2.832 | 23 | 2.829 | 07/04/2021 | 0 |
| MGS 06/28 | 2.956 | 264 | 2.974 | 07/04/2021 | -2 |
| MGS 08/29 | 3.067 | 19 | 3.077 | 07/04/2021 | -1 |
| MGS 04/30 | 3.171 | 2 | 3.187 | 07/04/2021 | -2 |
| MGS 04/31 | 3.064 | 140 | 3.076 | 07/04/2021 | -1 |
| MGS 06/31 | 3.279 | 10 | 3.303 | 07/04/2021 | -2 |
| MGS 11/33 | 3.853 | 25 | 3.834 | 07/04/2021 | 2 |
| MGS 07/34 | 3.589 | 21 | 3.779 | 07/04/2021 | -19 |
| MGS 05/40 | 4.071 | 270 | 4.083 | 07/04/2021 | -1 |
| MGS 07/48 | 4.300 | 2 | 4.423 | 07/04/2021 | -12 |
| MGS 06/50 | 4.084 | 82 | 4.166 | 07/04/2021 | -8 |
| GII 04/21 | 1.749 | 220 | 1.761 | 05/04/2021 | -1 |
| GII 05/23 | 2.182 | 202 | 2.159 | 07/04/2021 | 2 |
| GII 10/24 | 2.388 | 20 | 2.385 | 07/04/2021 | 0 |
| GII 10/25 | 2.574 | 1 | 2.646 | 01/04/2021 | -7 |
| GII 03/26 | 2.597 | 60 | 2.605 | 07/04/2021 | -1 |
| GII 09/26 | 2.702 | 20 | 2.895 | 01/04/2021 | -19 |
| GII 09/27 | 2.949 | 88 | 2.944 | 07/04/2021 | 0 |
| GII 10/30 | 3.140 | 150 | 3.152 | 07/04/2021 | -1 |
| GII 06/33 | 3.844 | 60 | 3.835 | 07/04/2021 | 1 |
| GII 09/39 | 4.204 | 4 | 4.217 | 06/04/2021 | -1 |
| GII 11/49 | 4.385 | 7 | 4.436 | 07/04/2021 | -5 |
| GII #N/A | 4.193 | 71 | 4.154 | 07/04/2021 | 3.9 |
| | | <u>3860</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* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Perbadanan Tabung Pendidikan Tinggi Nasional | 02/23 | GG | 2.514 | 20 | 2.560 | 26/03/2021 | -5 | 50 |
| PR1MA Corporation Malaysia | 07/27 | GG | 3.251 | 5 | 2.530 | 14/09/2020 | 72 | 46 |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 07/31 | GG | 3.720 | 65 | 3.339 | 24/02/2021 | 38 | 62 |
| Danalnra Nasional Berhad | 05/32 | GG | 3.811 | 40 | 4.099 | 19/03/2021 | -29 | 71 |
| Prasarana Malaysia Berhad | 12/32 | GG | 3.781 | 20 | 4.079 | 15/03/2021 | -30 | 68 |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 02/34 | GG | 4.089 | 90 | 3.470 | 06/01/2021 | 62 | 30 |
| Danalnra Nasional Berhad | 04/38 | GG | 4.400 | 10 | 3.630 | 28/10/2020 | 77 | 61 |
| Danalnra Nasional Berhad | 02/39 | GG | 4.472 | 20 | 3.660 | 06/01/2021 | 81 | 40 |
| Danalnra Nasional Berhad | 02/49 | GG | 4.711 | 5 | 4.721 | 06/04/2021 | -1 | 64 |
| Danum Capital Berhad | 02/25 | AAA | 2.959 | 10 | 3.141 | 29/03/2021 | -18 | 56 |
| Sarawak Energy Berhad | 11/28 | AAA | 3.737 | 10 | 3.799 | 05/04/2021 | -6 | 70 |
| Projek Lebuhraya Usahasama Berhad | 01/30 | AAA | 3.908 | 10 | 4.099 | 24/03/2021 | -19 | 82 |
| TNB Western Energy Berhad | 07/30 | AAA | 3.969 | 20 | 3.757 | 21/08/2019 | 21 | 88 |
| Manjung Island Energy Berhad | 11/30 | AAA | 3.929 | 10 | 3.255 | 11/12/2020 | 67 | 83 |
| Sarawak Energy Berhad | 11/33 | AAA | 4.391 | 10 | 4.418 | 07/04/2021 | -3 | 60 |
| Danum Capital Berhad | 02/34 | AAA | 4.351 | 40 | 4.389 | 05/04/2021 | -4 | 56 |
| Anih Berhad | 11/26 | AA | 3.669 | 10 | 3.735 | 06/04/2021 | -7 | 88 |
| Anih Berhad | 11/27 | AA | 3.859 | 20 | 3.936 | 02/04/2021 | -8 | 89 |
| Gamuda Berhad | 03/23 | AA3 | 3.108 | 20 | 3.139 | 01/04/2021 | -3 | 109 |
| Jimah Energy Ventures Sdn Berhad | 11/23 | AA3 | 3.136 | 1 | 3.052 | 01/09/2020 | 8 | 101 |
| Lebuhraya DUKE Fasa 3 Sdn Berhad | 08/26 | AA- | 4.251 | 10 | 4.428 | 14/06/2019 | -18 | 166 |
| Gamuda Land (T12) Sdn Berhad | 08/27 | AA3 | 4.217 | 10 | 4.217 | 07/04/2021 | 0 | 143 |
| BGSM Management Sdn Berhad | 12/27 | AA3 | 3.718 | 10 | 3.108 | 06/01/2021 | 61 | 75 |
| Edra Energy Sdn Berhad | 07/28 | AA3 | 4.229 | 10 | 4.352 | 25/03/2021 | -12 | 126 |
| Lebuhraya DUKE Fasa 3 Sdn Berhad | 08/29 | AA- | 4.840 | 10 | 4.241 | 08/09/2020 | 60 | 180 |
| Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad | 12/31 | AA- | 4.669 | 1 | 3.964 | 28/10/2020 | 71 | 157 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3 | 4.520 | 1 | 4.181 | 24/03/2021 | 34 | 142 |
| Eco World International Berhad | 05/23 | - | 5.695 | 2 | 6.451 | 05/04/2021 | -76 | 368 |
| YNH Property Berhad | 08/19 | - | 6.349 | 1 | 6.870 | 06/04/2021 | -52 | 228 |
| | | | | <u>490</u> | | | | |

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

| Rating Action | | | |
|----------------------|---|----------------|------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Midciti Sukuk Berhad | RM3.0 bil Sukuk Murabahah Programme (2014/2044) | AAA/Stable | Reaffirmed |
| Eternal Icon Sdn Bhd | RM87.00 mil Senior Medium-Term Notes (MTN) | AAA/Stable | Reaffirmed |

Source: RAM, MARC

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