

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries benefitted from flight to safety on Tuesday, following strong JOLTS data by Labor department and also widespread internet outages that affected government, news websites and social media. The curve bull-flattened as overall benchmark yields closed between 2-3bps lower with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched 10Y bond rallied 3bps at 1.54%. Bond movements were also impacted by short-covering activities and also futures block trades. The Treasury's \$58b 3Y garnered solid results with BTC ratio of 2.47x (previous six average: 2.44x); and awarded at 0.325%. Elsewhere, the glut of cash continues to drive usage of the Fed's Repo facility despite the mere offering of 0% rate. Meanwhile, expect attention to shift to the \$38b 10Y and \$24b 30Y reopenings on Wednesday and Thursday followed by US inflation data and ECB meeting outcome.

MGS/GIII

- On Tuesday local govies were slightly pressured with overall benchmark yields closing mostly between 0-8bps higher save for the 10Y GII and 15Y MGS. Nevertheless, overall secondary market volume jumped to RM4.18b. The 5Y MGS 9/25 yield edged 1bps up at 2.53% whilst the 10Y MGS 4/31 yield spiked 8bps instead at 3.32%. Interest was mainly seen in the off-the-run 21-22's, 28's and also 10Y, 15Y MGS. GII bond trades dropped to form 16% of overall trades. The auction exercise comprising the reopening of 10Y MGS 4/31 saw decent bidding metrics with a BTC ratio of 1.966x and awarded at an attractive yield of 3.313%. Some optimism is seen emerging now as a slowdown in local virus cases is thought to allow for easing of lockdown restrictions soon. Expect some attention to shift to the industrial production data this Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space disappointed with investor interest dwindling on Tuesday amid a secondary market volume of a mere RM277m. Trades were seen across the GG-AAA part of the curve as overall yields closed mixed on 19 various names. Govt-guaranteed DANA dominated with the 2/33 and 5/46 tranches spiking 24-44bps compared to previous-done levels at 3.83% and 4.59% respectively, whilst the 5/41 and 2/49 tranches were better-bid; resulting in yield declines of 12-22bps @ 4.49% and 4.65% each. AAA-rated PLUS 24-25's rallied 4-12bps between 2.73-85% whereas SEB 7/29 and 8/35 settled unchanged at 3.68% and 5bps lower at 4.43%. Meanwhile the banking space saw BPMB make its debut trade at 3.94%, a huge jump from its coupon issuance of 3.18% in October last year.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.77	-2
10-yr UST	1.54	-3
30-yr UST	2.22	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.25	1	2.01	0
5-yr	2.53	1	2.69	4
7-yr	3.01	3	2.94	0
10-yr	3.32	8	3.28	-2
15-yr	3.94	-1	4.02	0
20-yr	4.15	0	4.29	2
30-yr	4.29	1	4.54	6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.95	0
3-yr	2.30	0
5-yr	2.61	-2
7-yr	2.88	0
10-yr	3.08	0

Source: Bloomberg

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	1.667	326	1.740	04/06/2021	-7
MGS 09/21	1.687	178	1.743	04/06/2021	-6
MGS 11/21	1.689	441	1.638	04/06/2021	5
MGS 03/22	1.789	49	1.745	03/06/2021	4
MGS 08/22	1.801	211	1.814	04/06/2021	-1
MGS 09/22	1.816	118	1.809	03/06/2021	1
MGS 06/24	2.245	146	2.239	04/06/2021	1
MGS 07/24	2.316	6	2.298	04/06/2021	2
MGS 09/24	2.313	5	2.323	03/06/2021	-1
MGS 09/25	2.527	133	2.519	04/06/2021	1
MGS 04/26	2.640	75	2.582	03/06/2021	6
MGS 07/26	2.711	33	2.740	04/06/2021	-3
MGS 09/26	2.718	3	2.705	27/05/2021	1
MGS 11/26	2.579	23	2.636	04/06/2021	-6
MGS 05/27	2.849	110	2.863	04/06/2021	-1
MGS 11/27	2.904	122	2.898	04/06/2021	1
MGS 06/28	3.009	181	2.978	04/06/2021	3
MGS 09/28	3.089	96	3.093	01/06/2021	0
MGS 04/30	3.303	42	3.303	04/06/2021	0
MGS 04/31	3.320	838	3.241	04/06/2021	8
MGS 06/31	3.409	49	3.399	04/06/2021	1
MGS 04/32	3.591	10	3.614	01/06/2021	-2
MGS 11/33	3.821	2	3.809	28/05/2021	1
MGS 07/34	3.875	64	3.828	04/06/2021	5
MGS 05/35	3.935	233	3.945	04/06/2021	-1
MGS 06/38	4.228	1	4.181	03/06/2021	5
MGS 05/40	4.148	1	4.148	04/06/2021	0
MGS 06/50	4.290	3	4.280	04/06/2021	1
GII 03/22	1.725	5	1.759	02/06/2021	-3
GII 07/22	1.788	40	1.805	02/06/2021	-2
GII 05/23	2.009	50	2.012	03/06/2021	0
GII 10/24	2.312	20	2.290	04/06/2021	2
GII 03/26	2.688	114	2.650	03/06/2021	4
GII 09/27	2.940	61	2.941	04/06/2021	0
GII 10/28	3.050	59	3.095	04/06/2021	-5
GII 12/28	3.129	3	3.077	04/06/2021	5
GII 07/29	3.230	13	3.224	03/06/2021	1
GII 10/30	3.280	88	3.296	03/06/2021	-2
GII 06/33	3.814	36	3.815	04/06/2021	0
GII 11/34	3.994	130	3.975	04/06/2021	2
GII 09/41	4.290	1	4.268	04/06/2021	2
GII 11/49	4.543	58	4.488	04/06/2021	5
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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*	
Lembaga Pembiayaan Perumahan Sektor Awam	04/22	GG	2.030	70	2.105	21/05/2021	-8	24
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	3.801	10	4.122	29/03/2021	-32	50
DanaInfra Nasional Berhad	02/33	GG	3.831	10	3.589	17/01/2020	24	53
DanaInfra Nasional Berhad	05/41	GG	4.485	20	4.700	26/03/2021	-22	33
DanaInfra Nasional Berhad	05/46	GG	4.590	10	4.147	15/02/2021	44	44
DanaInfra Nasional Berhad	02/49	GG	4.649	10	4.770	21/05/2021	-12	50
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.725	20	2.840	27/05/2021	-12	48
Projek Lebuhraya Usahasama Berhad	01/25	AAA	2.847	40	2.886	02/06/2021	-4	40
Pengurusan Air SPV Berhad	02/29	AAA	3.609	10	3.089	15/12/2020	52	46
Sarawak Energy Berhad	07/29	AAA	3.678	10	3.680	03/06/2021	0	53
Pengurusan Air SPV Berhad	10/29	AAA	3.679	20	3.759	22/04/2021	-8	53
Bank Pembangunan Malaysia Berhad	10/30	AAA	3.938	20	-	-	-	71
Sarawak Energy Berhad	08/35	AAA	4.429	20	4.479	23/04/2021	-5	49
Tenaga Nasional Berhad	08/40	AAA	4.490	2	4.490	04/06/2021	0	34
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.340	1	5.358	28/05/2021	-2	334
TG Excellence Berhad	02/20	AA-	4.251	1	3.435	27/05/2021	82	10
Tropicana Corporation Berhad	10/25	A+	5.401	1	5.172	07/05/2021	23	296
YNH Property Berhad	08/19	-	6.842	1	6.249	04/06/2021	59	269
Tropicana Corporation Berhad	09/19	-	5.096	1	4.981	01/06/2021	12	94
			<u>277</u>					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
TRIpIc Ventures Sdn Bhd	MTN Programme of up to RM240 mil in nominal value (2011/2026)	AAA(FG)/Stable	Reaffirmed
Pujian Bayu Sdn Bhd	RM200 mil MTN Programme	AA3/Stable	Reaffirmed

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