

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended little changed on Monday; with the long-end underperforming due to the threat of inflation and also heavy corporate bond IG issuance of ~\$18.5b by Amazon Inc. The curve was steeper as overall benchmark yields ended between -1 to +3bps with the UST 2Y yield unchanged at 0.15% whilst the much-watched 10Y settled almost unchanged at 1.58%. Fed Evans suggested that the FOMC is a long way from changing its accommodative stance. Meanwhile the disappointing April jobs report against the expectation of the Fed's tapering of its bond purchases may see instill volatility in bonds going forward. Expect attention to shift to the April CPI numbers tomorrow along with upcoming auctions for 3Y, 10Y and 30Y bonds for the week.

MGS/GIII

- On Monday, local govvnies generally saw MGS slightly pressured save for the long-ends whilst GII saw largest deviation in the long tenures as the earlier positive news on the huge jump in April foreign holdings of MYR bonds teethered-off. Overall benchmark yields settled mostly mixed-to-higher between -2 to 13bps with the 5Y MGS 9/25 yield closing 2bps higher at 2.56% whilst the 10Y MGS 4/31 yield edged 1bps up at 3.09% amid the halving of secondary market volume @ RM1.16b. Interest was mainly seen in the shorter off-the-run 21's, and also the 5Y MGS. GII bond trades dropped to form 27% of overall trades. Expect attention to shift to the release of 1Q2021 GDP data later today followed by continuing updates on the nation-wide MCO restriction beginning 12-May announced yesterday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw secondary market activity ease on Monday amid a fall in secondary market volume @ RM597m. Trades were seen printed mainly across the AAA-AA part of the curve as overall yields closed mixed on about 33 various names. The sole govt-guaranteed trade consisted of DANA 11/33 which rallied 30bps at 3.89%. AAA-rated utility giant TNB 32-33's ended 0-1bps higher between 4.02-16%. New debutant, AA-rated reNikola Solar saw a slew of tranches i.e 2026-2037 register trades between 4.05-5.25%. AA-rated MMC Corp 27-28's however rose between 0-5bps between 4.31-35%. The short-end UEM sunrise 21's saw yields similarly rise 6-8bps between 3.44-45% area whilst the 10/23 tranche declined 9bps at 4.00%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.76	-1
10-yr UST	1.58	0
30-yr UST	2.30	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.34	1	2.12	-1
5-yr	2.56	2	2.60	0
7-yr	2.93	0	3.01	0
10-yr	3.09	1	3.24	2
15-yr	3.81	0	3.90	-4
20-yr	4.17	-1	4.20	0
30-yr	4.28	-2	4.54	13

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.40	0
5-yr	2.67	0
7-yr	2.86	2
10-yr	3.10	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	1.698	172	1.762	07/05/2021	-6
MGS 11/21	1.759	52	1.768	06/05/2021	-1
MGS 03/22	1.751	2	1.793	07/05/2021	-4
MGS 08/22	1.878	8	1.901	06/05/2021	-2
MGS 03/23	2.067	79	2.063	07/05/2021	0
MGS 08/23	2.157	13	2.146	07/05/2021	1
MGS 06/24	2.335	64	2.322	07/05/2021	1
MGS 07/24	2.356	5	2.366	07/05/2021	-1
MGS 09/25	2.559	145	2.540	07/05/2021	2
MGS 04/26	2.659	50	2.653	07/05/2021	1
MGS 07/26	2.713	44	2.703	07/05/2021	1
MGS 09/26	2.702	5	2.873	31/03/2021	-17
MGS 11/26	2.616	34	2.600	05/05/2021	2
MGS 05/27	2.841	28	2.854	07/05/2021	-1
MGS 11/27	2.887	2	2.850	07/05/2021	4
MGS 06/28	2.931	3	2.931	07/05/2021	0
MGS 08/29	3.142	6	3.146	07/05/2021	0
MGS 04/31	3.091	56	3.080	07/05/2021	1
MGS 06/31	3.384	2	3.325	07/05/2021	6
MGS 04/33	3.739	4	3.739	07/05/2021	0
MGS 11/33	3.796	2	3.806	06/05/2021	-1
MGS 07/34	3.808	15	3.808	07/05/2021	0
MGS 05/35	3.859	41	3.868	06/05/2021	-1
MGS 04/37	4.069	4	4.074	06/05/2021	0
MGS 06/38	4.199	3	4.208	06/05/2021	-1
MGS 05/40	4.165	2	4.171	07/05/2021	-1
MGS 03/46	4.379	2	4.307	07/05/2021	7
MGS 07/48	4.381	3	4.396	06/05/2021	-1
MGS 06/50	4.282	8	4.301	07/05/2021	-2
GII 08/21	1.759	100	1.780	04/05/2021	-2
GII 07/22	1.930	26	1.931	07/05/2021	0
GII 05/23	2.118	30	2.126	04/05/2021	-1
GII 11/23	2.194	7	2.202	05/05/2021	-1
GII 08/24	2.406	60	2.403	07/05/2021	0
GII 10/24	2.404	8	2.405	07/05/2021	0
GII 09/27	3.014	10	3.016	07/05/2021	0
GII 10/28	3.098	2	3.074	07/05/2021	2
GII 07/29	3.190	1	3.205	07/05/2021	-2
GII 09/30	3.277	2	3.323	04/05/2021	-5
GII 10/30	3.242	20	3.217	06/05/2021	2
GII 07/36	3.895	10	3.931	07/05/2021	-4
GII 11/49	4.544	35	4.419	07/05/2021	13
		1163			

Daily Trades : Corp Bonds/ Sukuk

Securities	Maturity (dd/mm/yyyy)	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy)	Chg (bp)	Spread Against MGS*
DanaInfra Nasional Berhad	11/33	GG	3.889	60	4.190	30/03/2021	-30	4
Pengurusan Air SPV Berhad	11/21	AAA	2.268	50	2.366	10/03/2021	-10	46
Cagamas Berhad	12/21	AAA	2.084	5	2.102	07/05/2021	-2	28
Gulf Investment Corporation G.S.C	02/23	AAA	2.996	20	3.064	23/04/2021	-7	92
Danum Capital Berhad	05/30	AAA	3.749	30	4.028	24/03/2021	-28	64
Tenaga Nasional Berhad	08/32	AAA	4.019	20	4.009	27/04/2021	1	93
Tenaga Nasional Berhad	08/33	AAA	4.159	20	4.159	07/05/2021	0	107
YTL Power International Berhad	10/21	AA1	2.694	20	2.808	17/03/2021	-11	89
YTL Power International Berhad	03/23	AA1	3.082	10	3.201	15/04/2021	-12	100
Kuala Lumpur Kepong Berhad	09/34	AA1	4.470	10	4.451	04/05/2021	2	63
Tanjung Bin O&M Berhad	06/23	AA-	3.010	20	4.637	06/09/2018	-163	93
reNIKOLA Solar Sdn Berhad	05/26	AA3	4.050	5	-	-	-	150
reNIKOLA Solar Sdn Berhad	05/28	AA3	4.300	15	-	-	-	136
reNIKOLA Solar Sdn Berhad	05/29	AA3	4.450	25	-	-	-	139
reNIKOLA Solar Sdn Berhad	05/30	AA3	4.550	25	-	-	-	145
reNIKOLA Solar Sdn Berhad	05/31	AA3	4.600	15	-	-	-	151
reNIKOLA Solar Sdn Berhad	05/32	AA3	4.700	15	-	-	-	161
reNIKOLA Solar Sdn Berhad	05/33	AA3	4.800	25	-	-	-	171
reNIKOLA Solar Sdn Berhad	05/34	AA3	4.900	25	-	-	-	106
reNIKOLA Solar Sdn Berhad	05/35	AA3	5.000	25	-	-	-	116
reNIKOLA Solar Sdn Berhad	05/36	AA3	5.100	30	-	-	-	126
reNIKOLA Solar Sdn Berhad	05/37	AA3	5.250	30	-	-	-	141
UEM Sunrise Berhad	06/21	AA-	3.344	10	3.283	04/02/2021	6	154
UEM Sunrise Berhad	10/21	AA-	3.455	10	3.377	05/01/2021	8	165
Malakoff Power Berhad	12/21	AA-	2.475	2	2.516	21/04/2021	-4	67
WCT Holdings Berhad	10/23	AA-	4.158	20	4.344	16/04/2020	-19	208
UEM Sunrise Berhad	10/23	AA-	4.000	20	4.093	17/03/2021	-9	192
Tanjung Bin O&M Berhad	07/26	AA-	3.485	10	4.318	15/05/2019	-83	93
MMC Corporation Berhad	11/27	AA-	4.307	10	4.357	21/04/2021	-5	137
MMC Corporation Berhad	03/28	AA-	4.347	10	4.350	05/05/2021	0	141
Dialog Group Berhad	11/20	A1	3.997	2	4.385	26/04/2021	-39	-19
YNH Property Berhad	08/19	-	6.845	2	6.557	07/05/2021	29	266
Cypark Renewable Energy Sdn Berhad	09/20	-	6.498	1	6.460	09/04/2021	4	231
				<u>597</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
reNIKOLA Solar Sdn Bhd	RM390 mil ASEAN Green SRI Sukuk Programme (2021/2038)	AA3/Stable	Assigned

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & 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

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.