

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.86	3
10-yr UST	1.66	4
30-yr UST	2.33	2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	1	2.17	-1
5-yr	2.58	0	2.60	0
7-yr	2.94	-1	2.92	-3
10-yr	3.04	-2	3.25	11
15-yr	3.64	5	3.95	0
20-yr	4.06	-1	4.13	-6
30-yr	4.22	14	4.39	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.42	0
5-yr	2.68	-1
7-yr	2.81	-3
10-yr	3.04	-1

Source : Bloomberg

- US Treasuries ended weaker last Friday as bond investors felt signs that the reflationary theme was brewing again in the global economy. The curve shifted higher as overall benchmark yields closed between 1-4bps higher with the belly pressured most. The UST 2Y yield edged 1bps up at 0.16% whilst the UST 10Y yield jumped 4bps at 1.66%. Investors have been watching for signs on supply-driven sources of inflation this year amid reports of blocked supply chains, higher commodity prices and also a spike in shipping costs. Expect attention to shift to the 10Y and 30Y UST auction this week along with the March inflation data tomorrow.

MGS/GII

- Last Friday, local govvnies closed mostly mixed-to-stronger with overall benchmark govvnies closing between -6 to +14bps, with some weakness seen in the 15Y, 30Y MGS and 10Y GII amid secondary market volume of ~RM3.69b. The 5Y MGS 9/25 yields settled almost unchanged at 2.58% whilst the 10Y MGS 4/31 yield edged 2bps lower at 3.04%. Interest was again mainly seen in the shorter off-the-run 21-22's, 28's and also benchmark 10Y MGS/GII. GII bond trades eased slightly to form ~38% of overall trades. The improved industrial production numbers for February had very little impact on bonds. To recap Malaysia is considering a possible offering of dollar-denominated sustainable sukuk; taking cue from several countries adopting ESG debt sales. Elsewhere, it is believed that the recent UST sell-off had caused yields to rise and the market value of negative-yielding global debt to plunge by ~\$4.0 trillion this year.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw a slight pullback in interest ahead of the weekend last Friday with trades printed mainly across the AAA-AA part of the curve. Secondary market volume declined to RM328m as overall yields ended mostly mixed on ~29 various bonds. The sole govt-guaranteed trade consisted of PTPTN 3/29 which spiked 70bps compared to previous done levels at 3.43%. New AAA-rated debuntants i.e. Petroleum Sarawak 28 and 31 registered trades at 3.77% and 4.04% each. Whilst AA-rated UEM Sunrise 5/23 edged 1bps lower at 4.03%, GAMUDA Land 8/30 rose 58bps at 4.48%. Meanwhile, the banking space saw PUBLIC 4/23 decline 86bps at 2.82%. There were several odd-lot transactions especially in property-related names such as Tropicana, Eco World and Eco Capital.

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	1.749	196	1.759	08/04/2021	-1
MGS 09/21	1.748	181	1.748	08/04/2021	0
MGS 11/21	1.826	152	1.795	07/04/2021	3
MGS 03/22	1.832	83	1.789	08/04/2021	4
MGS 08/22	1.998	7	2.023	08/04/2021	-3
MGS 09/22	2.009	1	2.022	08/04/2021	-1
MGS 03/23	2.128	56	2.121	08/04/2021	1
MGS 04/23	2.153	9	2.120	08/04/2021	3
MGS 06/24	2.358	80	2.330	08/04/2021	3
MGS 09/24	2.450	7	2.422	08/04/2021	3
MGS 03/25	2.552	8	2.533	08/04/2021	2
MGS 09/25	2.580	151	2.583	08/04/2021	0
MGS 07/26	2.651	52	2.675	08/04/2021	-2
MGS 11/26	2.686	186	2.651	07/04/2021	4
MGS 03/27	2.794	1	2.850	06/04/2021	-6
MGS 05/27	2.822	19	2.815	08/04/2021	1
MGS 06/28	2.942	447	2.956	08/04/2021	-1
MGS 08/29	3.104	42	3.067	08/04/2021	4
MGS 04/30	3.180	1	3.171	08/04/2021	1
MGS 04/31	3.040	235	3.064	08/04/2021	-2
MGS 06/31	3.274	30	3.279	08/04/2021	0
MGS 04/33	3.730	10	3.750	08/04/2021	-2
MGS 11/33	3.781	69	3.853	08/04/2021	-7
MGS 07/34	3.636	9	3.589	08/04/2021	5
MGS 04/37	4.011	5	4.010	08/04/2021	0
MGS 05/40	4.060	166	4.071	08/04/2021	-1
MGS 03/46	4.284	1	4.413	07/04/2021	-13
MGS 07/48	4.377	3	4.300	08/04/2021	8
MGS 06/50	4.221	91	4.084	08/04/2021	14
GII 08/21	1.780	100	1.769	07/04/2021	1
GII 07/22	2.005	60	1.993	08/04/2021	1
GII 11/22	2.008	18	2.026	01/04/2021	-2
GII 05/23	2.171	20	2.182	08/04/2021	-1
GII 05/24	2.362	150	2.460	05/04/2021	-10
GII 08/24	2.400	150	2.571	16/03/2021	-17
GII 10/24	2.367	20	2.388	08/04/2021	-2
GII 10/25	2.628	10	2.574	08/04/2021	5
GII 03/26	2.603	46	2.597	08/04/2021	1
GII 09/26	2.684	58	2.702	08/04/2021	-2
GII 09/27	2.923	140	2.949	08/04/2021	-3
GII 12/28	3.060	1	3.055	07/04/2021	0
GII 07/29	3.142	80	3.099	07/04/2021	4
GII 10/30	3.251	379	3.140	08/04/2021	11
GII 06/33	3.818	60	3.844	08/04/2021	-3
GII 08/33	3.709	1	3.666	07/04/2021	4
GII 11/34	3.756	8	3.789	06/04/2021	-3
GII 09/39	4.203	12	4.204	08/04/2021	0
GII 09/41	4.130	77	4.193	08/04/2021	-6
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/29	GG	3.429	20	2.730	10/09/2020	70	41
Pengurusan Air SPV Berhad	02/22	AAA	2.460	10	2.530	23/03/2021	-7	62
Manjung Island Energy Berhad	11/22	AAA	2.594	10	2.550	08/03/2021	4	58
Public Bank Berhad	04/23	AAA	2.816	10	3.674	17/07/2019	-86	81
Danum Capital Berhad	05/23	AAA	2.693	5	2.708	10/03/2021	-2	68
Danum Capital Berhad	05/25	AAA	3.009	20	2.640	24/02/2021	37	62
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hydro Power Generation Sdn Berhad)	08/25	AAA	3.119	30	3.248	22/03/2021	-13	73
Pengurusan Air SPV Berhad	06/26	AAA	3.230	20	3.188	11/03/2021	4	66
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.767	60	-	-	-	82
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	4.038	60	-	-	-	99
TNB Western Energy Berhad	01/33	AAA	4.269	10	4.429	24/03/2021	-16	122
IJM Corporation Berhad	06/22	AA3	2.998	20	2.820	16/02/2021	18	116
AEON Credit Service (M) Berhad	02/27	AA3	3.836	10	3.315	15/02/2021	52	105
Gamuda Land (T12) Sdn Berhad	08/30	AA3	4.480	10	3.900	13/01/2021	58	142
UEM Sunrise Berhad	05/23	AA-	4.034	20	4.046	29/03/2021	-1	202
Tan Chong Motor Holdings Berhad	11/21	A1	3.766	1	3.754	08/04/2021	1	193
Hong Leong Financial Group Berhad	11/17	A1	3.077	1	3.081	06/04/2021	0	-99
Hong Leong Financial Group Berhad	11/17	A1	3.389	1	3.665	20/11/2020	-28	-68
Tropicana Corporation Berhad	10/25	A+	5.195	2	5.601	23/03/2021	-41	263
Alliance Bank Malaysia Berhad	10/35	A2	3.924	1	3.801	06/04/2021	12	13
IJM Land Berhad	03/19	A2	4.601	1	4.938	21/01/2021	-34	54
Eco World International Berhad	05/23	-	5.740	3	5.695	08/04/2021	4	373
Eco World Capital Assets Berhad	08/24	-	6.167	3	5.518	07/04/2021	65	404
Eco World Capital Services Berhad	03/26	-	5.445	1	5.500	23/03/2021	-5	288
Cypark Renewable Energy Sdn Berhad	09/20	-	6.460	1	6.442	18/03/2021	2	240
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Celcom Networks Sdn Bhd (CNSB)	RM5.0 billion Sukuk Murabahah Programme	AA+IS /Stable	Last Reaffirmed on 16 th Dec 2020. No impact expected following proposed merger between its parent Celcom Axiata Bhd and Digi.com Bhd
Exsim Ventures Berhad	RM68 mil Tranche 1 IMTN under Exsim Ventures Berhad's (the Issuer) RM2 bil Sukuk Musharakah Programme (IMTN Programme)	AA3/Stable	Reaffirmed

Source: RAM, MARC

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