

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker on Tuesday; despite a strong 3Y auction with the long-end pressured amid fears of inflationary pressures. The curve continued to steepen as overall benchmark yields ended between 0-5bps higher with the UST 2Y yield almost unchanged at 0.16% whilst the much-watched 10Y yield edged 2bps higher at 1.62%. The \$58b 3Y auction which notched strong bidding metrics @ 2.42x (previous auction: 2.32x) and awarded at 0.329%, failed to boost UST movements which coincided with the growing dollar issuance slate that included names like Charles Schwab and Park Hotels & Resorts Inc. Separately, the Fed has repeatedly said that any inflation would be transitory in nature. Expect attention to shift to the April CPI numbers along with upcoming auctions of \$41b 10Y and \$27b 30Y bonds.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	0
5-yr UST	0.80	1
10-yr UST	1.62	2
30-yr UST	2.35	5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	-1	2.11	-1
5-yr	2.58	2	2.60	0
7-yr	2.94	1	3.00	-1
10-yr	3.10	1	3.26	2
15-yr	3.86	5	3.90	0
20-yr	4.20	4	4.20	0
30-yr	4.34	6	4.54	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.38	-2
5-yr	2.66	0
7-yr	2.85	-1
10-yr	3.10	0

Source: Bloomberg

MGS/GIII

- On Tuesday, local govies mostly succumbed to selling pressure save for the short 3Y MGS/GII and GII belly as 1Q2021 GDP numbers released surprised on the upside; registering a smaller-than-expected contraction of 0.5% y/y. Secondary market volume registered RM1.96b as overall benchmark yields settled mostly higher between -1 to +6bps across the curve. The 5Y MGS 9/25 yield closed 2bps higher at 2.58% whilst the 10Y MGS 4/31 yield edged 1bps up at 3.10%. Interest was mainly seen in the shorter off-the-run 21's, and also benchmark 5Y MGS. GII bond trades jumped to form 41% of overall trades. Expect attention to shift to ongoing updates on the nation-wide MCO restriction beginning 12th May.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw secondary market activity ease on Tuesday amid a dip in secondary market volume @ RM400m. Trades were seen printed mainly across the GG-AA part of the curve as overall yields closed mixed-to-lower on about 25 various names. Govt-guaranteed PRASA 3/24 and JKSB 7/31 saw yields spiking 45-54bps compared to previous-done levels at 2.60% and 3.58% respectively. AAA-rated utility giant TNB 8/35 rose 27bps at 4.30% whereas the 8/38 tranche edged 2bps lower at 4.55%. Energy-related bonds YTL Power 5/27 declined 4bps at 3.92% whilst EDRA 34 and 37 ended 3-6bps lower at 4.74-85% with each notching RM50m worth of trades. CELLCO 30-31's were strongly bid, resulting in yields falling 21-23bps between 4.60-70%. Meanwhile the banking space continued to be relatively quiet with several odd-lot transactions seen in AmBank 31NC26 and MBSB 2031NC26.

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	-	129	1.698	10/05/2021	-
MGS 09/21	1.738	25	1.747	07/05/2021	-1
MGS 11/21	1.754	2	1.759	10/05/2021	0
MGS 03/22	1.780	106	1.751	10/05/2021	3
MGS 03/23	2.040	13	2.067	10/05/2021	-3
MGS 04/23	2.054	70	2.073	07/05/2021	-2
MGS 06/24	2.323	154	2.335	10/05/2021	-1
MGS 07/24	2.397	1	2.356	10/05/2021	4
MGS 09/25	2.581	99	2.559	10/05/2021	2
MGS 04/26	2.664	1	2.659	10/05/2021	1
MGS 11/26	2.623	30	2.616	10/05/2021	1
MGS 05/27	2.840	12	2.841	10/05/2021	0
MGS 06/28	2.937	41	2.931	10/05/2021	1
MGS 08/29	3.163	13	3.142	10/05/2021	2
MGS 04/31	3.104	146	3.091	10/05/2021	1
MGS 04/33	3.791	5	3.739	10/05/2021	5
MGS 11/33	3.791	2	3.796	10/05/2021	0
MGS 07/34	3.857	107	3.808	10/05/2021	5
MGS 05/35	3.882	70	3.859	10/05/2021	2
MGS 04/37	4.094	16	4.069	10/05/2021	3
MGS 06/38	4.230	2	4.199	10/05/2021	3
MGS 05/40	4.201	84	4.165	10/05/2021	4
MGS 07/48	4.439	12	4.381	10/05/2021	6
MGS 06/50	4.342	10	4.282	10/05/2021	6
GII 04/22	1.761	66	1.802	04/05/2021	-4
GII 07/22	1.895	130	1.930	10/05/2021	-3
GII 05/23	2.111	73	2.118	10/05/2021	-1
GII 07/23	2.099	50	2.141	06/05/2021	-4
GII 10/24	2.393	94	2.404	10/05/2021	-1
GII 08/25	2.570	1	2.532	04/05/2021	4
GII 09/27	3.001	333	3.014	10/05/2021	-1
GII 10/30	3.260	40	3.242	10/05/2021	2
GII 06/33	3.848	20	3.835	06/05/2021	1
		<u>1959</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	03/24	GG	2.600	40	2.063	03/11/2020	54	28
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	2.950	5	3.029	20/04/2021	-8	38
Jambatan Kedua Sdn Berhad	07/31	GG	3.580	25	3.127	27/01/2021	45	47
Cagamas Berhad	12/21	AAA	2.176	5	-	-	-	38
Cagamas Berhad	01/22	AAA	2.200	5	-	-	-	40
Sarawak Energy Berhad	04/31	AAA	3.929	15	3.940	04/05/2021	-1	82
Tenaga Nasional Berhad	08/35	AAA	4.299	10	4.029	25/02/2021	27	45
Tenaga Nasional Berhad	08/38	AAA	4.549	10	4.570	21/04/2021	-2	70
YTL Power International Berhad	05/27	AA1	3.921	20	3.959	03/05/2021	-4	112
Genting RMTN Berhad	11/34	AA1	4.899	11	4.895	05/05/2021	0	105
Sime Darby Property Berhad	12/27	AA+	3.702	10	4.028	23/03/2021	-33	76
Fortune Premiere Sdn Berhad	09/25	AA	3.486	20	3.567	17/03/2021	-8	103
Cellco Capital Berhad	03/30	AA	4.599	40	4.830	30/03/2021	-23	148
Cellco Capital Berhad	03/31	AA	4.699	40	4.910	30/03/2021	-21	159
Edra Energy Sdn Berhad	07/34	AA3	4.739	50	4.803	16/04/2021	-6	89
Edra Energy Sdn Berhad	07/37	AA3	4.849	50	4.869	05/05/2021	-2	100
UEM Sunrise Berhad	12/22	AA-	3.796	10	3.913	24/03/2021	-12	173
UEM Sunrise Berhad	05/23	AA-	3.908	2	3.978	05/05/2021	-7	185
Quantum Solar Park (Semenanjung) Sdn Berhad	10/24	AA-	3.725	10	3.855	06/04/2021	-13	141
Quantum Solar Park (Semenanjung) Sdn Berhad	10/25	AA-	3.949	10	4.238	29/09/2020	-29	150
AmBank (M) Berhad	03/31	A1	3.997	1	4.030	26/03/2021	-3	89
DRB-Hicom Berhad	12/29	A+	4.809	1	4.810	06/05/2021	0	169
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.500	1	4.496	07/05/2021	0	139
YNH Property Berhad	08/19	-	6.393	1	6.845	10/05/2021	-45	219
MMC Corporation Berhad	03/28	AA-	4.317	10	4.347	10/05/2021	-3	138
				400				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Serba Dinamik Holdings Berhad	RM500.0 million multi-currency Islamic Commercial Papers Programme and RM1.5 billion Islamic Medium-Term Notes Programme with a combined limit of RM1.5 billion	MARC-1IS A+IS	Assigned
Sabah Development Berhad	Proposed Islamic Medium Term Notes Programme of up to RM10 bil (the Proposed Sukuk)	AAA/Stable	Assigned

Source: RAM, MARC

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