

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries remained under pressure on Monday amid a quieter session as investors await the release of March CPI for further clues on potential policy shift, even though the Fed has reiterated relentlessly over various occasions that policy stance will remain accommodative as inflation is not a concern. The auction of 3Y and 10Y both attracted decent BTC of 2.32x and 2.36x respectively (prior 2.69x and 2.38x) at a high yield of 0.376% and 1.680%. Overall benchmark yields ended higher between 1-2bps across the curve, in line with the upticks seen in other global government bonds. Focus now turns to the reopening sale of \$24bn 30Y bonds as well as March CPI print today. There will also be a line-up of Fed speaks this week including Powell's at the Economic Club of Washington just hours ahead of the release of the Fed Beige Book.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.17 | 1 |
| 5-yr UST | 0.88 | 2 |
| 10-yr UST | 1.67 | 1 |
| 30-yr UST | 2.33 | 0 |

| MGS | | GII | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.14 | 1 | 2.17 | 0 |
| 5-yr | 2.58 | 0 | 2.57 | -3 |
| 7-yr | 2.96 | 1 | 2.91 | -1 |
| 10-yr | 3.05 | 1 | 3.18 | -7 |
| 15-yr | 3.76 | 12 | 3.95 | 0 |
| 20-yr | 4.06 | 0 | 4.13 | 0 |
| 30-yr | 4.22 | 0 | 4.37 | -1 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.01 | 0 |
| 3-yr | 2.41 | 0 |
| 5-yr | 2.69 | 1 |
| 7-yr | 2.81 | 0 |
| 10-yr | 3.05 | 1 |

Source : Bloomberg

MGS/GII

- MYR government bonds closed mixed amid softer trading interests on Monday. MGS was under pressure with benchmark yields settling 1-12bps higher while GII saw bullish tone that pushed yields lower by 1-7bps across the curve. Benchmark 5Y MGS 9/25 yield ended flat at 2.58% while 10Y MGS 4/31 yield inched 1bp higher at 3.05%. In the GII space, the 7bps drop in benchmark 10Y GII 10/30 yield to 3.18% was skewed by odd lot trade. Secondary market volume more than halved to RM1.47bn yesterday, from RM3.69bn last Friday with trading interests concentrated on the short end off the run '21s, 7Y benchmark MGS 6/28 and non benchmark GII 7/29. GII bond trades eased further from ~38% to 29% of overall trades. Expect trading in the local bond scene to be influenced by the US treasuries market in the absence of fresh catalyst in the domestic market.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw steady interest on Monday with trades printed mainly across the GG to single-A part of the curve. Secondary market volume was sustained at RM320m (RM328m prior) with overall yields ended mostly mixed on 26 various bonds. The government-guaranteed segment saw only the debut of PTPTN '5/28 and PRASA '11/28 dealt at 3.32% and 3.33% respectively. The AAA-rated space was dominated by telco DIGI '9/26 and TELEKON '10/28, which traded 2bps inner at 3.24% and 3.68% respectively. Meantime, banking names took center stage in the AA-rated space. HLFK '6/29 saw RM60m done 10bps higher at 3.35% while RHB '9/27 traded 19bps higher at 3.01%. Other banking name is MBSB Bank '12/29 and '12/31, dealt at 3.65% and 4.11% respectively. Property-related names such as Tropicana, Eco World and Eco Capital continued to see some odd lots transactions.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

| Securities | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yyyy) | Chg (bp) |
|------------|-------------|--------------|--------------|----------------------------------|----------|
| MGS 07/21 | 1.74 | 110 | 1.75 | 09/04/2021 | -1 |
| MGS 09/21 | 1.73 | 193 | 1.75 | 09/04/2021 | -1 |
| MGS 11/21 | 1.78 | 90 | 1.83 | 09/04/2021 | -5 |
| MGS 03/23 | 2.14 | 80 | 2.13 | 09/04/2021 | 1 |
| MGS 04/23 | 2.12 | 4 | 2.15 | 09/04/2021 | -3 |
| MGS 08/23 | 2.20 | 3 | 2.20 | 06/04/2021 | 0 |
| MGS 06/24 | 2.33 | 10 | 2.36 | 09/04/2021 | -2 |
| MGS 07/24 | 2.38 | 5 | 2.38 | 09/04/2021 | 0 |
| MGS 09/24 | 2.46 | 2 | 2.45 | 09/04/2021 | 1 |
| MGS 03/25 | 2.55 | 8 | 2.55 | 09/04/2021 | 0 |
| MGS 09/25 | 2.58 | 58 | 2.58 | 09/04/2021 | 0 |
| MGS 11/26 | 2.70 | 22 | 2.69 | 09/04/2021 | 1 |
| MGS 05/27 | 2.82 | 20 | 2.82 | 09/04/2021 | 0 |
| MGS 11/27 | 2.92 | 21 | 2.93 | 09/04/2021 | 0 |
| MGS 06/28 | 2.96 | 140 | 2.94 | 09/04/2021 | 1 |
| MGS 08/29 | 3.08 | 130 | 3.10 | 09/04/2021 | -2 |
| MGS 04/30 | 3.20 | 4 | 3.18 | 09/04/2021 | 2 |
| MGS 04/31 | 3.05 | 74 | 3.04 | 09/04/2021 | 1 |
| MGS 11/33 | 3.83 | 38 | 3.78 | 09/04/2021 | 5 |
| MGS 07/34 | 3.76 | 20 | 3.64 | 09/04/2021 | 12 |
| MGS 05/40 | 4.06 | 11 | 4.06 | 09/04/2021 | 0 |
| MGS 03/46 | 4.25 | 0 | 4.28 | 09/04/2021 | -4 |
| MGS 06/50 | 4.22 | 4 | 4.22 | 09/04/2021 | 0 |
| GII 08/21 | 1.77 | 50 | 1.78 | 09/04/2021 | -1 |
| GII 03/22 | 1.86 | 1 | 1.86 | 07/04/2021 | 0 |
| GII 04/22 | 1.88 | 20 | 1.92 | 07/04/2021 | -4 |
| GII 07/22 | 2.02 | 62 | 2.01 | 09/04/2021 | 1 |
| GII 10/24 | 2.38 | 79 | 2.37 | 09/04/2021 | 1 |
| GII 03/26 | 2.57 | 10 | 2.60 | 09/04/2021 | -3 |
| GII 06/27 | 2.94 | 2 | 2.37 | 03/09/2020 | 57 |
| GII 09/27 | 2.91 | 8 | 2.92 | 09/04/2021 | -1 |
| GII 07/29 | 3.15 | 129 | 3.14 | 09/04/2021 | 1 |
| GII 10/30 | 3.18 | 1 | 3.25 | 09/04/2021 | -7 |
| GII 06/33 | 3.84 | 60 | 3.82 | 09/04/2021 | 2 |
| GII 08/33 | 3.82 | 2 | 3.71 | 09/04/2021 | 11 |
| GII 11/49 | 4.37 | 0 | 4.39 | 08/04/2021 | -1 |
| | | <u>1472</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 | 05/28 | GG | 3.319 | 40 | | 332 | 37 | |
| Prasarana Malaysia Berhad | 11/28 | GG | 3.328 | 50 | 2.877 | 27/01/2021 | 45 | 32 |
| DiGi Telecommunications Sdn Berhad | 09/26 | AAA | 3.239 | 20 | 3.261 | 07/04/2021 | -2 | 66 |
| Pengurusan Air Selangor Sdn Berhad | 12/27 | AAA | 3.799 | 30 | 3.240 | 21/12/2020 | 56 | 85 |
| Telekom Malaysia Berhad | 10/28 | AAA | 3.684 | 5 | 3.700 | 07/04/2021 | -2 | 68 |
| United Overseas Bank (Malaysia) Berhad | 08/30 | AA1 | 3.448 | 0 | 2.928 | 05/02/2021 | 52 | 40 |
| UMW Holdings Berhad | 11/25 | AA2 | 3.409 | 6 | 2.982 | 16/02/2021 | 43 | 83 |
| Hong Leong Financial Group Berhad | 06/29 | AA2 | 3.350 | 60 | 3.249 | 12/03/2021 | 10 | 34 |
| MIMC Corporation Berhad | 03/28 | AA- | 4.400 | 10 | 4.545 | 29/03/2021 | -15 | 145 |
| Jimah Energy Ventures Sdn Berhad | 05/21 | AA3 | 2.432 | 10 | 2.589 | 01/10/2020 | -16 | 60 |
| Jimah Energy Ventures Sdn Berhad | 11/21 | AA3 | 2.661 | 10 | 2.596 | 17/03/2021 | 6 | 83 |
| Country Garden Real Estate Sdn Berhad | 02/23 | AA3 | 3.857 | 10 | 4.129 | 19/03/2021 | -27 | 185 |
| Gamuda Berhad | 11/23 | AA3 | 3.265 | 10 | 3.447 | 10/06/2020 | -18 | 114 |
| Country Garden Real Estate Sdn Berhad | 03/25 | AA3 | 4.117 | 10 | 3.666 | 12/03/2021 | 45 | 171 |
| RHB Bank Berhad | 09/27 | AA3 | 3.009 | 20 | 2.816 | 03/12/2020 | 19 | 22 |
| Tropicana Corporation Berhad | 10/23 | A+ | 5.007 | 1 | 5.043 | 29/03/2021 | -4 | 300 |
| Tropicana Corporation Berhad | 10/25 | A+ | 5.195 | 0 | 5.195 | 09/04/2021 | 0 | 279 |
| Tan Chong Motor Holdings Berhad | 11/21 | A1 | 3.762 | 2 | 3.766 | 09/04/2021 | 0 | 193 |
| Hong Leong Financial Group Berhad | 11/17 | A1 | 3.079 | 0 | 3.077 | 09/04/2021 | 0 | -99 |
| Alliance Bank Malaysia Berhad | 10/35 | A2 | 3.874 | 1 | 3.924 | 09/04/2021 | -5 | 8 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/29 | A3 | 3.647 | 10 | 3.595 | 01/03/2021 | 5 | 60 |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/31 | A3 | 4.105 | 10 | 4.520 | 08/04/2021 | -41 | 106 |
| Eco World Capital Services Berhad | 03/26 | - | 5.461 | 0 | 5.445 | 09/04/2021 | 2 | - |
| Eco World International Berhad | 04/23 | - | 6.303 | 0 | 5.736 | 07/04/2021 | 57 | - |
| Eco World International Berhad | 05/23 | - | 5.739 | 4 | 5.740 | 09/04/2021 | 0 | - |
| Eco World Capital Assets Berhad | 08/24 | - | 5.644 | 1 | 6.167 | 09/04/2021 | -52 | - |
| | | | <u>320</u> | | | | | |

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

| Rating Action | | | |
|----------------------|------------------------|-----------------------|---------------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Nil | NII | NII | Nil |

Source: RAM, MARC

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