

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	1
5-yr UST	0.84	5
10-yr UST	1.63	9
30-yr UST	2.38	8

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	-2	2.18	1
5-yr	2.56	0	2.73	3
7-yr	3.01	1	3.08	4
10-yr	3.34	18	3.55	9
15-yr	4.00	12	4.04	0
20-yr	4.22	7	4.33	2
30-yr	4.44	-2	4.55	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.03	2
3-yr	2.43	3
5-yr	2.79	11
7-yr	2.93	6
10-yr	3.22	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries ended weak last Friday, led by the longer-ends with losses extending following bearish futures/options flows and also a strong University of Michigan data print on consumer sentiment. Overall benchmark yields closed higher between 1-9bps with both the 10Y and 30Y yields almost at their highest since early 2020. The UST 2Y yield rose 5bps at 0.84% whilst much-watched UST 10Y spiked 9bps at 1.63%. The sell-off in UST's were also aided by President Biden's direction to all states to ensure all adults eligible for COVID-19 vaccine by the 1st of May. Expectations for growth and inflation are causing investors to re-assess reflation trades i.e. especially curve steepeners. This backdrop is expected to be clearer when the Fed meets for the FOMC on Wednesday, 17th March. Meanwhile the swaps market is pricing in ~75% chance that the Fed raises rates from zero around the end of 2022/early 2023. Expect focus to shift to both the FOMC decision and 20Y bond auction this Wednesday.

MGS/GII

- Last Friday, local govovies generally reversed the earlier rebound seen in the past two sessions, led by higher IRS amid a drop in secondary market volume @ RM3.65b despite the lower industrial production data for January. The 10Y sector was seen most pressured as overall benchmark yields rose lower between 0-18bps save for the ultra-short and long bonds. The 5Y MGS 9/25 closed unchanged at 2.56% whilst the 10Y MGS 4/31 spiked 18bps at 3.34%. Interest was mainly seen in the off-the-run 21-22's and also the benchmark 10Y MGS/GII. GII bond trades rose to form 42% of overall trades. Meanwhile the 10Y GII 10/30 auction saw poor bidding metrics at a mere 1.799x cover whilst being awarded at 3.561%.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw tepid interest as secondary market volume nose-dived to RM136m last Friday. Overall yields ended mostly mixed on about 19 various names seen along the GG-AA part of the curve; whilst single-A rated bonds saw several odd-lot transactions. The govt-guaranteed LPPSA 9/26 ended 54bps higher compared to previous-done levels at 3.01% whilst DANA 3/34 jumped a massive 96bps at 4.25%. AAA-rated TNB 8/33 similarly saw yields spike to 4.25%. Toll-operator KESAS 10/22 which was last traded more than two years back notched RM20m in transacted amounts; rallying sharply at 2.95%. Meanwhile the banking space saw BPMB 11/26 spike 34bps at 3.23%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.761	369	1.781	11/03/2021	-2
MGS 09/21	1.758	97	1.768	11/03/2021	-1
MGS 11/21	1.795	340	1.804	11/03/2021	-1
MGS 03/22	1.882	420	1.867	11/03/2021	1
MGS 09/22	2.039	40	1.976	11/03/2021	6
MGS 03/23	2.169	70	2.145	11/03/2021	2
MGS 04/23	2.193	50	2.208	11/03/2021	-2
MGS 08/23	2.198	40	2.267	11/03/2021	-7
MGS 06/24	2.419	2	2.400	11/03/2021	2
MGS 07/24	2.467	10	2.467	11/03/2021	0
MGS 09/24	2.544	50	2.443	11/03/2021	10
MGS 09/25	2.557	90	2.559	11/03/2021	0
MGS 11/26	2.803	53	2.716	11/03/2021	9
MGS 06/28	3.012	12	2.999	11/03/2021	1
MGS 08/29	3.301	29	3.316	11/03/2021	-1
MGS 04/30	3.440	6	3.378	11/03/2021	6
MGS 04/31	3.338	281	3.162	11/03/2021	18
MGS 06/31	3.536	25	3.504	09/03/2021	3
MGS 04/33	3.991	1	3.970	11/03/2021	2
MGS 07/34	3.998	108	3.881	11/03/2021	12
MGS 05/40	4.216	2	4.147	11/03/2021	7
MGS 03/46	4.369	1	4.470	10/03/2021	-10
MGS 06/50	4.435	14	4.458	11/03/2021	-2
GII 08/21	1.790	100	1.810	10/03/2021	-2
GII 03/22	1.844	9	1.844	11/03/2021	0
GII 04/22	1.934	130	1.936	10/03/2021	0
GII 05/23	2.157	20	2.168	11/03/2021	-1
GII 05/24	2.503	31	2.179	02/03/2021	32
GII 10/24	2.267	34	2.539	11/03/2021	-27
GII 03/26	2.718	60	2.706	11/03/2021	1
GII 09/27	3.082	10	3.041	11/03/2021	4
GII 07/29	3.563	80	3.570	11/03/2021	-1
GII 09/30	3.566	2	3.682	10/03/2021	-12
GII 10/30	3.545	1058	3.450	11/03/2021	9
GII 11/34	4.093	2	4.095	11/03/2021	0
GII 09/39	4.329	2	4.309	10/03/2021	2
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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*
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.011	20	2.469	04/02/2021	54	22
Danainfra Nasional Berhad	03/34	GG	4.250	5	3.288	02/11/2020	96	26
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.229	10	2.889	26/02/2021	34	44
Tenaga Nasional Berhad	08/33	AAA	4.250	10	3.900	02/03/2021	35	94
Genting RMTN Berhad	11/29	AA1	4.896	2	4.895	11/03/2021	0	164
Lingkar Trans Kota Sdn Berhad	04/22	AA2	2.781	10	4.410	08/10/2013	-163	96
Kesas Sdn Berhad	10/22	AA2	2.950	20	4.387	11/12/2018	-144	97
Edra Solar Sdn Berhad	10/22	AA2	2.939	1	3.338	23/06/2020	-40	95
UMW Holdings Berhad	10/23	AA2	2.918	5	3.050	15/07/2020	-13	76
Hong Leong Financial Group Berhad	06/29	AA2	3.249	20	3.138	03/03/2021	11	10
Country Garden Real Estate Sdn Berhad	02/23	AA3	3.268	10	5.228	09/03/2021	-196	128
Country Garden Real Estate Sdn Berhad	03/25	AA3	3.666	10	3.822	15/05/2020	-16	124
Fortune Premiere Sdn Berhad	03/23	AA	3.087	3	2.838	19/02/2021	25	110
AZRB Capital Sdn Berhad	12/22	AA-	3.767	2	3.657	06/01/2021	11	178
Jati Cakerwala Sdn Berhad	01/22	A1	3.803	1	3.802	09/03/2021	0	198
Affin Bank Berhad	09/27	A1	3.197	2	3.819	09/03/2021	-62	19
Alliance Bank Malaysia Berhad	10/35	A2	3.974	1	3.925	10/03/2021	5	-1
Eco World International Berhad	10/21	-	3.751	4	5.525	10/03/2021	-177	193
Mah Sing Group Berhad	04/17	-	4.169	1	4.166	11/03/2021	0	-2
				136				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Westports Malaysia Sdn Bhd	RM2.0 bil Sukuk Musharakah Programme 2011/2031	AAA/stable	Assigned

Source: RAM, MARC

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