

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.83	-1
10-yr UST	1.61	-2
30-yr UST	2.36	-2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.17	4	2.18	0
5-yr	2.66	10	2.88	15
7-yr	3.11	11	3.08	0
10-yr	3.49	15	3.67	13
15-yr	4.10	11	4.03	-1
20-yr	4.38	23	4.31	-2
30-yr	4.43	-1	4.55	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.06	3
3-yr	2.49	6
5-yr	2.81	2
7-yr	2.97	4
10-yr	3.27	4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries moved slightly higher on Monday, influenced partly by bullish bunds performance but nevertheless was capped by heavy corporate bond issuance of nearly \$8.0b. Overall benchmark yields closed mostly between 0-2bps lower with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched UST 10Y edged 2bps lower at 1.61%. Longer-dated UST's managed modest gains also due to bargain-hunting activities and some short-covering which helped push yields lower following the extension of February's dramatic sell-off. Meanwhile China's holdings of UST's rose in January by \$2.2b to ~\$1.09 trillion; its highest since October 2019. Japan's too rose by \$25.4b to \$1.28 trillion; surpassing that of China's. Overall foreign holdings of UST's rose by \$48.8b to \$7.12 trillion. Expect attention to shift to reports on retail sales, the 20Y bond auction and the FOMC decision tomorrow which is expected to maintain its dovish posture for now.

MGS/GII

- On Monday, local govies generally continued to weaken considerably tracking UST's earlier; with MGS seen more pressured following higher IRS levels. The spiking of overall benchmark yields between 0-23bps (save for the 20Y GII) corresponded with a pullback in secondary market volume @ RM2.91b. The 5Y MGS 9/25 climbed 10bps at 2.66% whilst the 10Y MGS 4/31 spiked 15bps at 3.49%. Interest was mainly seen in the shorter off-the-run 21-22's and also the benchmark 10Y MGS/GII. GII bond trades jumped to form 63% of overall trades. Meanwhile, BNM's move to liberalize the swaps market may help lower hedging costs and is seen to address investors concerns ahead of FTSE Russell's review at the end of the month.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw tepid interest again on Monday as secondary market volume dipped further to RM90m. Overall yields ended mostly mixed-to-higher on only 11 various names seen along the GG-AA part of the curve. The sole gov-guaranteed trade involved PRASA 12/32 which jumped 86 bps compared to previous-done levels at 4.08%. AAA-rated GIC 2/23 however rallied sharply on yields at 2.96%. AA-rated energy-related bonds TBEI took the limelight with the 2027 tranches closing mixed on yields between -18 to +40bps close within 3.50-57% area. Meanwhile the banking space saw several odd-lot transactions consisting of MAYBANK, ALLIANCE and Bank Muamalat names.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.790	67	1.761	12/03/2021	3
MGS 09/21	1.808	40	1.758	12/03/2021	5
MGS 11/21	1.796	140	1.795	12/03/2021	0
MGS 03/22	1.900	224	1.882	12/03/2021	2
MGS 09/22	2.049	214	2.039	12/03/2021	1
MGS 03/23	2.172	24	2.169	12/03/2021	0
MGS 04/23	2.232	16	2.193	12/03/2021	4
MGS 08/23	2.243	1	2.198	12/03/2021	4
MGS 06/24	2.489	1	2.419	12/03/2021	7
MGS 07/24	2.507	2	2.467	12/03/2021	4
MGS 09/24	2.556	15	2.544	12/03/2021	1
MGS 03/25	2.607	2	2.610	11/03/2021	0
MGS 09/25	2.660	3	2.557	12/03/2021	10
MGS 04/26	2.808	1	2.727	12/03/2021	8
MGS 07/26	2.877	3	2.720	11/03/2021	16
MGS 11/26	2.888	42	2.803	12/03/2021	9
MGS 05/27	3.036	4	2.995	11/03/2021	4
MGS 11/27	3.154	1	2.991	12/03/2021	16
MGS 06/28	3.112	4	3.012	12/03/2021	10
MGS 08/29	3.419	4	3.301	12/03/2021	12
MGS 04/31	3.485	113	3.338	12/03/2021	15
MGS 04/32	3.768	2	3.684	08/03/2021	8
MGS 04/33	4.115	2	3.991	12/03/2021	12
MGS 11/33	4.110	1	4.038	11/03/2021	7
MGS 07/34	4.103	60	3.998	12/03/2021	11
MGS 05/35	4.141	2	4.067	12/03/2021	7
MGS 04/37	4.289	7	4.189	10/03/2021	10
MGS 06/38	4.364	3	4.273	11/03/2021	9
MGS 05/40	4.377	50	4.216	12/03/2021	16
MGS 09/43	4.448	1	4.381	12/03/2021	7
MGS 03/46	4.469	1	4.369	12/03/2021	10
MGS 06/50	4.426	20	4.435	12/03/2021	-1
GII 03/21	1.753	203	0.094	12/03/2021	166
GII 04/21	1.738	245	1.736	25/02/2021	0
GII 03/22	1.959	200	1.844	12/03/2021	12
GII 04/22	1.949	270	1.934	12/03/2021	2
GII 07/22	2.102	60	2.051	11/03/2021	5
GII 08/24	2.571	110	2.050	08/02/2021	52
GII 10/24	2.569	184	2.267	12/03/2021	30
GII 03/26	2.882	80	2.718	12/03/2021	16
GII 09/26	2.926	2	2.988	08/03/2021	-6
GII 10/30	3.671	370	3.545	12/03/2021	13
GII 11/34	4.198	60	4.093	12/03/2021	11
GII 07/36	4.031	30	4.037	11/03/2021	-1
GII 09/39	4.307	30	4.329	12/03/2021	-2
		<u>2914</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*
Prasarana Malaysia Berhad	12/32	GG	4.079	20	3.221	23/11/2020	86	60
Gulf Investment Corporation G.S.C	02/23	AAA	2.957	10	3.863	30/01/2020	-91	93
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.275	30	3.136	19/01/2021	14	145
Genting RMTN Berhad	11/29	AA1	4.896	2	4.896	12/03/2021	0	152
Fortune Premiere Sdn Berhad	12/22	AA	3.067	5	2.823	03/02/2021	24	104
Tanjung Bin Energy Issuer Berhad	03/27	AA3	3.502	10	3.103	27/08/2020	40	63
Tanjung Bin Energy Issuer Berhad	09/27	AA3	3.568	10	3.748	22/01/2020	-18	46
Malayan Banking Berhad	02/17	AA3	3.617	1	3.109	02/03/2021	51	-74
Alliance Bank Malaysia Berhad	10/35	A2	3.974	1	3.974	12/03/2021	0	-15
Bank Muamalat Malaysia Berhad	11/21	A	3.686	1	4.078	26/01/2021	-39	186
Mah Sing Group Berhad	04/17	-	5.113	1	4.169	12/03/2021	94	76
				90				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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