

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries surprisingly rallied on Thursday; rebutting a batch of strong economic data consisting of March retail sales and industrial production, weaker jobless claims and along with positive regional Fed data. Overall benchmark yields ended between 0-6bps lower with the UST 2Y yield closing almost unchanged at 0.16% whilst the much-watched UST 10Y declined 6bps at 1.58%. Despite several possibilities for the strength in UST's that include the drastic drop in short positions and fresh demand from Japanese investors due to the commencement of their new fiscal year; the stronger reason is potentially due to the scaling back of Fed rate hike expectations. Meanwhile, China's holdings of UST's rose by \$9.0b in February to the highest since mid-2019 at \$1.1 trillion. It was the 4th straight monthly increase. The calendar remains light tonight save for some data on housing starts and University of Michigan consumer sentiment.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	0
5-yr UST	0.82	-4
10-yr UST	1.58	-6
30-yr UST	2.27	-4

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	-4	2.16	-2
5-yr	2.57	-3	2.64	-1
7-yr	2.97	-1	3.04	0
10-yr	3.08	0	3.27	1
15-yr	3.84	3	3.99	1
20-yr	4.07	0	4.26	4
30-yr	4.28	6	4.37	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.98	-4
3-yr	2.35	-5
5-yr	2.61	-6
7-yr	2.80	-1
10-yr	3.00	-3

Source : Bloomberg

MGS/GII

- On Thursday, local govies closed mostly mixed yet again with the shorter tenures rallying whilst the longer-ends were largely pressured amid an uptick in secondary market volume of ~RM3.12b. IRS levels were seen tumbling as news of resurgence in COVID-19 cases caused some concern among traders and investors alike with receivers stepping up gear. The 5Y MGS 9/25 yield declined 3bps at 2.57% whilst the 10Y MGS 4/31 was untraded; remaining at last done levels of 3.08%. Interest was again mainly seen in the shorter off-the-run 21-22's, 24's, 28's and also benchmark 3Y MGS, 15Y GII. GII bond trades decreased to form ~33% of overall trades. Meanwhile, the economic calendar remains light until the 23rd of April when March inflation data is released.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest wane on Thursday with trades printed across the GG-AA part of the curve. Secondary market volume almost halved to RM296m as overall yields ended mostly mixed on ~31 various bonds. The sole govt-guaranteed trade consisted of PTPTN 2/23 which traded again today, closing unchanged compared to previous done levels at 2.54%. AAA-rated INFRACAP made its debut with the 2026, 2028, 2031 and 2036 tranches registering trades at 3.61%, 3.99%, 4.18% and 4.76% respectively. AA-rated energy-related bonds YTL Power 3/23 edged 1bps up at 3.20% whilst UEM Sunrise 10/25 spiked 34bps at 4.50%. Meanwhile, the banking space saw Hong Leong Financial Group 29NC24 trade again ending unchanged at 3.35%. There were several odd-lot transactions seen in TRPICANA, JATI, Tan Chong, DRB-Hicom, Alliance Bank and Eco World-related names.

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	1.718	185	1.758	14/04/2021	-4
MGS 09/21	1.782	72	1.757	13/04/2021	3
MGS 11/21	1.797	225	1.785	13/04/2021	1
MGS 03/22	1.835	16	1.870	14/04/2021	-4
MGS 09/22	1.989	181	2.009	14/04/2021	-2
MGS 03/23	2.115	319	2.154	14/04/2021	-4
MGS 08/23	2.185	39	2.195	14/04/2021	-1
MGS 06/24	2.335	223	2.371	14/04/2021	-4
MGS 03/25	2.581	60	2.588	14/04/2021	-1
MGS 09/25	2.566	163	2.596	14/04/2021	-3
MGS 04/26	2.663	11	2.618	08/04/2021	4
MGS 07/26	2.711	20	2.719	14/04/2021	-1
MGS 11/26	2.708	41	2.705	14/04/2021	0
MGS 05/27	2.830	5	2.864	14/04/2021	-3
MGS 11/27	2.910	31	2.911	14/04/2021	0
MGS 06/28	2.972	206	2.984	14/04/2021	-1
MGS 08/29	3.129	81	3.220	14/04/2021	-9
MGS 04/30	3.196	12	3.208	13/04/2021	-1
MGS 06/31	3.329	20	3.314	14/04/2021	2
MGS 04/33	3.830	11	3.828	14/04/2021	0
MGS 11/33	3.857	25	3.854	14/04/2021	0
MGS 07/34	3.837	54	3.808	14/04/2021	3
MGS 05/35	3.937	10	3.908	14/04/2021	3
MGS 06/38	4.200	23	4.154	14/04/2021	5
MGS 05/40	4.068	3	4.066	14/04/2021	0
MGS 07/48	4.389	21	4.329	13/04/2021	6
MGS 06/50	4.276	26	4.215	14/04/2021	6
GII 04/21	1.784	230	1.749	08/04/2021	3
GII 04/22	1.904	15	1.908	14/04/2021	0
GII 05/23	2.158	88	2.177	14/04/2021	-2
GII 07/23	2.179	30	2.150	02/04/2021	3
GII 11/23	2.274	50	2.260	14/04/2021	1
GII 10/24	2.408	87	2.376	12/04/2021	3
GII 03/26	2.635	84	2.643	14/04/2021	-1
GII 09/26	2.728	20	2.780	14/04/2021	-5
GII 07/27	2.981	1	2.909	06/04/2021	7
GII 09/27	3.038	4	3.035	14/04/2021	0
GII 10/30	3.268	122	3.255	14/04/2021	1
GII 10/35	3.857	1	4.052	14/04/2021	-19
GII 07/36	3.989	259	3.975	14/04/2021	1
GII 09/39	4.231	40	4.203	09/04/2021	3
GII 09/41	4.255	10	4.219	14/04/2021	4
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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	02/23	GG	2.539	15	2.539	14/04/2021	0	51
DiGi Telecommunications Sdn Berhad	04/22	AAA	2.353	10	2.176	04/02/2021	18	52
Gulf Investment Corporation G.S.C	06/22	AAA	2.807	10	2.842	05/04/2021	-4	98
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.896	10	2.897	14/04/2021	0	77
Danga Capital Berhad	01/24	AAA	2.746	10	2.701	05/03/2021	4	62
Infracap Resources Sdn Berhad	04/26	AAA	3.608	10	-	-	-	102
Pengurusan Air SPV Berhad	06/27	AAA	3.380	10	3.578	29/03/2021	-20	60
Danga Capital Berhad	09/27	AAA	3.375	10	3.432	07/04/2021	-6	59
Infracap Resources Sdn Berhad	04/28	AAA	3.988	15	-	-	-	101
Projek Lebuhraya Usahasama Berhad	01/30	AAA	3.878	10	3.908	08/04/2021	-3	78
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.950	30	3.590	21/12/2020	36	86
Infracap Resources Sdn Berhad	04/31	AAA	4.179	30	-	-	-	109
Infracap Resources Sdn Berhad	04/36	AAA	4.756	2	-	-	-	92
YTL Power International Berhad	03/23	AA1	3.201	20	3.195	17/03/2021	1	117
First Resources Limited	10/21	AA2	2.641	20	2.608	06/01/2021	3	81
Imtiaz Sukuk II Berhad	04/26	AA2	3.540	5	-	-	-	95
Imtiaz Sukuk II Berhad	04/28	AA2	3.900	4	-	-	-	92
Hong Leong Financial Group Berhad	06/29	AA2	3.346	20	3.345	14/04/2021	0	30
Anih Berhad	11/28	AA	3.966	10	3.966	14/04/2021	0	92
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Bhd)	12/23	AA3	3.556	10	4.336	07/04/2021	-78	143
Press Metal Aluminium Holdings Berhad	10/24	AA3	4.112	10	4.177	25/03/2021	-6	170
UEM Sunrise Berhad	10/25	AA-	4.500	10	4.157	23/02/2021	34	191
TG Excellence Berhad	02/20	AA-	3.800	1	4.206	08/04/2021	-41	-28
Tan Chong Motor Holdings Berhad	11/21	A1	3.737	7	3.758	13/04/2021	-2	191
Jati Cakerawala Sdn Berhad	07/22	A1	3.852	1	3.849	30/03/2021	0	202
Tropicana Corporation Berhad	06/23	A+	4.531	1	4.998	25/03/2021	-47	250
Tropicana Corporation Berhad	04/26	A+	5.304	2	5.310	14/04/2021	-1	272
Tropicana Corporation Berhad	04/28	A+	5.538	1	5.540	14/04/2021	0	256
Alliance Bank Malaysia Berhad	10/35	A2	3.924	1	3.985	14/04/2021	-6	8
DRB-Hicom Berhad	12/26	A+	4.399	2	4.479	17/03/2021	-8	161
Eco World International Berhad	05/23	-	5.498	2	5.688	13/04/2021	-19	347
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Sabah Development Bank Berhad	Proposed RM3 bil Commercial Papers (CP)/Medium-Term Notes (MTN) Programme	AA1/Stable/P1	Assigned

Source: RAM, MARC

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