

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	0
10-yr UST	1.62	1
30-yr UST	2.38	2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.14	-4	2.20	2
5-yr	2.70	3	2.85	-4
7-yr	3.11	0	3.08	0
10-yr	3.45	-3	3.60	-7
15-yr	4.06	-4	4.03	0
20-yr	4.32	-5	4.31	0
30-yr	4.54	12	4.67	12

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.03	-3
3-yr	2.51	1
5-yr	2.79	-2
7-yr	2.97	0
10-yr	3.25	-2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries saw the long-ends drift higher on Tuesday giving up earlier gains despite a strong \$24b 20Y bond auction that drew 2.29% and awarded at a BTC ratio of 2.51x (previous 6 auction average: 2.43x). Overall benchmark yields closed mostly between 0-2bps higher with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched UST 10Y edged 1bps higher at 1.62%. Both weaker data for February, i.e. 3.0% decline in retail sales and also industrial production which fell 2.2% m/m had very little impact on UST levels. Longer-dated UST yields continue to be plagued by the prospect of heavy additional UST supply, optimism over the economic recovery and also uncertainty ahead of the Fed's rate decision announcement at the of the FOMC meeting tomorrow. Expect attention to shift to the FOMC decision tomorrow.

MGS/GII

- On Tuesday, local govies saw the belly better bid following recent pullback; but however the ultra long-ends continue to be pressured. Overall benchmark yields closed mixed between -7 to +12bps across the curve amid a sustained secondary market volume of RM3.07b. The 5Y MGS 9/25 rose 3bps at 2.70% whilst the 10Y MGS 4/31 yield declined 3bps instead at 3.45%. Interest was mainly seen in the shorter off-the-run 21-22's, 25's and also the benchmark 5Y GII, 10Y MGS/GII. GII bond trades eased to form 41% of overall trades. Separately, BNM's move to liberalize the swaps market may help lower hedging costs and is seen to boost investor confidence ahead of FTSE Russell's review at the end of March.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw interest improve on Tuesday as secondary market volume rose to RM333m. Overall yields ended mostly mixed-to-higher again on 26 various names seen across the curve with emphasis on the AAA-part of the curve. DANA dominated the govt-guaranteed space with the 9/27 and 4/35 tranches spiking 72-82bps compared to previous-done levels at 3.44% and 4.40% each whilst the 3/32 tranche rose 25bps at 4.05%. AAA-rated Pengerang LNG2 made its debut trade with the 2032-2032 tranches closing at 3.92%, 4.02% and 4.12% respectively. The short-end MANJUNG 11/21 similarly ended 20bps higher at 2.34%. Meanwhile the banking space saw Bank Muamalat 11/21 close 31bps higher at 3.99% on RM25m in nominal amounts.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.800	160	1.790	15/03/2021	1
MGS 09/21	1.776	161	1.808	15/03/2021	-3
MGS 11/21	1.795	113	1.796	15/03/2021	0
MGS 08/22	1.981	25	1.972	11/03/2021	1
MGS 09/22	2.004	34	2.049	15/03/2021	-4
MGS 03/23	2.135	164	2.172	15/03/2021	-4
MGS 04/23	2.156	110	2.232	15/03/2021	-8
MGS 08/23	2.219	2	2.243	15/03/2021	-2
MGS 06/24	2.413	60	2.489	15/03/2021	-8
MGS 07/24	2.501	4	2.507	15/03/2021	-1
MGS 09/24	2.513	20	2.556	15/03/2021	-4
MGS 03/25	2.594	10	2.607	15/03/2021	-1
MGS 09/25	2.695	3	2.660	15/03/2021	3
MGS 04/26	2.787	20	2.808	15/03/2021	-2
MGS 07/26	2.809	70	2.877	15/03/2021	-7
MGS 11/26	2.854	173	2.888	15/03/2021	-3
MGS 05/27	3.052	22	3.036	15/03/2021	2
MGS 11/27	3.095	26	3.154	15/03/2021	-6
MGS 08/29	3.423	52	3.419	15/03/2021	0
MGS 04/30	3.544	10	3.440	12/03/2021	10
MGS 04/31	3.455	237	3.485	15/03/2021	-3
MGS 04/33	4.044	168	4.115	15/03/2021	-7
MGS 11/33	4.080	52	4.110	15/03/2021	-3
MGS 07/34	4.062	45	4.103	15/03/2021	-4
MGS 04/37	4.268	5	4.289	15/03/2021	-2
MGS 05/40	4.322	25	4.377	15/03/2021	-5
MGS 09/43	4.441	5	4.448	15/03/2021	-1
MGS 03/46	4.501	1	4.469	15/03/2021	3
MGS 07/48	4.597	2	4.589	15/03/2021	1
MGS 06/50	4.543	33	4.426	15/03/2021	12
GII 08/21	1.810	10	1.790	12/03/2021	2
GII 03/22	1.897	10	1.959	15/03/2021	-6
GII 04/22	1.934	150	1.976	15/03/2021	-4
GII 05/23	2.197	83	2.157	12/03/2021	4
GII 11/23	2.310	2	2.241	11/03/2021	7
GII 08/24	2.571	110	2.571	15/03/2021	0
GII 10/24	2.551	43	2.569	15/03/2021	-2
GII 08/25	2.649	50	2.546	05/03/2021	10
GII 10/25	2.693	210	2.508	05/03/2021	19
GII 03/26	2.846	230	2.882	15/03/2021	-4
GII 07/27	3.190	1	3.126	10/03/2021	6
GII 07/29	3.557	10	3.563	12/03/2021	-1
GII 09/30	3.625	30	3.566	12/03/2021	6
GII 10/30	3.604	300	3.671	15/03/2021	-7
GII 11/49	4.670	20	4.550	10/03/2021	12
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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*
DanaInfra Nasional Berhad	09/27	GG	3.442	5	2.620	03/11/2020	82	32
DanaInfra Nasional Berhad	03/32	GG	4.050	30	3.805	05/03/2021	25	59
DanaInfra Nasional Berhad	04/35	GG	4.399	15	3.679	08/12/2020	72	32
Manjung Island Energy Berhad	11/21	AAA	2.340	60	2.145	26/02/2021	20	51
Projek Lebuhraya Usahasama Berhad	01/23	AAA	2.656	10	2.356	23/02/2021	30	65
Ranhill Powertron II Sdn Berhad	06/23	AAA	3.074	20	3.246	24/06/2020	-17	107
Projek Lebuhraya Usahasama Berhad	01/25	AAA	3.072	10	2.658	25/01/2021	41	62
Toyota Capital Malaysia Sdn Berhad	01/25	AAA	3.242	30	3.010	28/12/2020	23	79
West Coast Expressway Sdn Berhad	08/30	AAA	4.172	2	4.399	23/05/2019	-23	78
Pengerang LNG (Two) Sdn Berhad	10/30	AAA	3.923	10	-	-	-	46
Pengerang LNG (Two) Sdn Berhad	10/31	AAA	4.024	10	-	-	-	56
Pengerang LNG (Two) Sdn Berhad	10/32	AAA	4.123	20	-	-	-	66
Genting RMTN Berhad	11/29	AA1	5.000	1	4.896	15/03/2021	10	160
RHB Bank Berhad	10/25	AA2	3.244	2	2.850	19/10/2020	39	57
Tanjung Bin Energy Issuer Berhad	09/26	AA3	3.435	20	3.738	21/01/2020	-30	54
Tanjung Bin Energy Issuer Berhad	03/28	AA3	3.657	20	4.338	23/05/2019	-68	54
Sports Toto Malaysia Sdn Berhad	06/22	AA-	3.542	8	3.333	23/02/2021	21	171
Sports Toto Malaysia Sdn Berhad	06/26	AA-	4.489	5	4.129	26/02/2021	36	181
Quantum Solar Park (Semenanjung) Sdn Berhad	04/27	AA-	4.289	10	5.360	05/10/2017	-107	140
Quantum Solar Park (Semenanjung) Sdn Berhad	10/28	AA-	4.529	10	4.798	26/06/2020	-27	125
Tan Chong Motor Holdings Berhad	11/21	A1	3.771	5	3.806	10/03/2021	-4	194
Tropicana Corporation Berhad	10/25	A+	5.601	1	5.450	18/02/2021	15	292
Bank Muamalat Malaysia Berhad	11/21	A	3.993	25	3.686	15/03/2021	31	217
Affin Islamic Bank Berhad	10/17	A3	4.044	3	3.975	09/03/2021	7	-28
Eco World International Berhad	10/21	-	3.497	1	3.751	12/03/2021	-25	167
YNH Property Berhad	08/19	-	6.444	2	6.918	12/03/2021	-47	212
				<u>333</u>				

*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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