

**Global Markets Research**

**Fixed Income**

**Fixed Income Daily Market Snapshot**

**US Treasuries**

- US treasuries retreated as the Fed kept rates and monthly bond purchases unchanged, in addition to reaffirming its pledge to stay the course despite recent spikes in bond yields and rate hike expectations. The yield curve steepened post-FOMC. Yields were flat at the short end as Fed officials expected rates to be at near-zero through 2023. Longer-dated yields rose up to 5bps, adding to signs of optimistic future growth. 10Y UST last traded at 1.67%. We expect the curve to remain steep, underpinned by prospects of heavy additional UST supply, and optimism over the economic recovery where the Fed has upgraded this year's GDP forecast from 4.2% to 6.5% and core PCE from 1.8% to 2.2%. Expect attention to shift to initial jobless claims data tonight and sale of \$13bn 10Y TIPS early tomorrow morning.

**MGS/GII**

- MYR government bonds continued to exhibit similar trading pattern, with better bids seen in the belly following recent pullback. The difference was the long end was also biddish with the 30Y MGS yields falling 11bps to 4.43%. Benchmark 10Y MGS 4/31 yield shed 3bps to 3.43% whilst the 15Y benchies saw yields lower by 9bps at 3.98%. On the contrary, the short end to the belly of the curve saw more muted and mixed moves between -1 to +2bps for MGS and -3 to near zero for the GII curve. Overall trading momentum was a tad softer at RM2.08bn as markets await FOMC outcome. Interest was mainly seen in the shorter off-the-run 21, 23's, and also the benchmark 3Y MGS and 10Y GII. GII bond trades further eased to form 36% of overall trades (prior 41%). Trading in the local govvnies space may come under some pressure today tracking overnight UST move. The government's announcement of a 6<sup>th</sup> economic stimulus package (Pemerksa) will entail a fiscal injection of RM11bn, which could potentially be financed by bills and FCY issuances instead. This should alleviate any concerns that may arise on supply concerns.

**Corp Bonds/Sukuk**

- The Corporate Bond/Sukuk space saw interest pick up further on Wednesday with further increase in secondary market volume to RM572m (prior RM333m). Overall yields ended mostly higher on 35 various names seen across the curve with emphasis on the AA-part of the curve. PRASA '8/26 was the only GG paper traded yesterday, at 3.161% with RM15m done. In the AAA-rated space, SEB '4/31 and CAGA '10/22 saw RM55m and RM20m changed hands at 4.089% and 2.298% respectively. Further down the curve, AA-rated YTLP '21-27 took center stage with RM141m dealt between 2.808-4.038%. IMTIAZ '11/21 also attracted RM100m interests and traded 2bps wider at 2.471%. IRS traded mixed for another day with 3Y registering the biggest move of -4bps to 2.47%.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.85	2
10-yr UST	1.67	5
30-yr UST	2.43	5

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.14	0	2.20	0
5-yr	2.69	-1	2.83	-2
7-yr	3.13	2	3.08	0
10-yr	3.43	-3	3.57	-3
15-yr	3.98	-9	4.03	0
20-yr	4.26	-6	4.31	0
30-yr	4.43	-11	4.67	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	-1
3-yr	2.47	-4
5-yr	2.81	2
7-yr	2.95	-2
10-yr	3.25	0

Source : Bloomberg

**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	1.750	242	1.800	16/03/2021	-5
MGS 09/21	1.808	76	1.776	16/03/2021	3
MGS 03/22	1.813	90	1.830	16/03/2021	-2
MGS 08/22	2.016	20	1.981	16/03/2021	3
MGS 09/22	2.037	8	2.004	16/03/2021	3
MGS 03/23	2.138	150	2.135	16/03/2021	0
MGS 04/23	2.161	176	2.156	16/03/2021	0
MGS 06/24	2.394	40	2.413	16/03/2021	-2
MGS 07/24	2.470	18	2.501	16/03/2021	-3
MGS 09/24	2.506	43	2.513	16/03/2021	-1
MGS 03/25	2.596	1	2.594	16/03/2021	0
MGS 09/25	2.687	4	2.695	16/03/2021	-1
MGS 04/26	2.755	4	2.787	16/03/2021	-3
MGS 09/26	2.760	0	2.303	27/01/2021	46
MGS 11/26	2.845	11	2.854	16/03/2021	-1
MGS 03/27	3.020	3	2.991	12/03/2021	3
MGS 05/27	3.063	1	3.052	16/03/2021	1
MGS 11/27	3.082	27	3.095	16/03/2021	-1
MGS 06/28	3.134	1	3.112	15/03/2021	2
MGS 08/29	3.389	100	3.423	16/03/2021	-3
MGS 04/30	3.488	29	3.544	16/03/2021	-6
MGS 04/31	3.426	77	3.455	16/03/2021	-3
MGS 06/31	3.565	1	3.644	15/03/2021	-8
MGS 04/32	3.892	20	3.768	15/03/2021	12
MGS 04/33	4.055	45	4.044	16/03/2021	1
MGS 11/33	4.031	0	4.080	16/03/2021	-5
MGS 07/34	3.976	41	4.062	16/03/2021	-9
MGS 05/35	4.021	5	4.141	15/03/2021	-12
MGS 05/40	4.258	5	4.322	16/03/2021	-6
MGS 09/43	4.437	0	4.441	16/03/2021	0
MGS 07/48	4.579	8	4.597	16/03/2021	-2
MGS 06/50	4.433	80	4.543	16/03/2021	-11
GII 04/21	1.762	50	1.738	15/03/2021	2
GII 07/22	2.037	20	2.102	15/03/2021	-6
GII 07/23	2.252	1	2.215	11/03/2021	4
GII 05/24	2.430	20	2.503	12/03/2021	-7
GII 10/25	2.658	70	2.693	16/03/2021	-4
GII 03/26	2.829	7	2.846	16/03/2021	-2
GII 09/26	2.965	70	2.926	15/03/2021	4
GII 09/27	3.083	1	3.082	12/03/2021	0
GII 10/28	3.299	4	3.250	11/03/2021	5
GII 07/29	3.542	50	3.557	16/03/2021	-2
GII 10/30	3.573	150	3.604	16/03/2021	-3
GII 11/34	4.216	306	4.198	15/03/2021	2
		<u>2075</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	08/26	GG	3.161	15	2.731	05/03/2021	43	48
Telekom Malaysia Berhad	06/22	AAA	2.555	10	2.170	17/02/2021	39	72
Cagamas Berhad	10/22	AAA	2.298	20	2.201	11/12/2020	10	27
Pengurusan Air SPV Berhad	10/26	AAA	3.309	7	2.890	26/02/2021	42	40
Sarawak Energy Berhad	04/31	AAA	4.089	55	3.288	18/12/2020	80	63
Celcom Networks Sdn Berhad	08/27	AA+	3.687	10	3.514	11/03/2021	17	78
YTL Power International Berhad	10/21	AA1	2.808	70	2.633	24/02/2021	18	97
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.278	30	3.275	15/03/2021	0	144
YTL Power International Berhad	03/23	AA1	3.195	60	2.898	17/02/2021	30	117
YTL Power International Berhad	08/23	AA1	3.264	10	2.936	05/02/2021	33	124
Sabah Development Bank Berhad	08/25	AA1	3.547	20	3.130	24/02/2021	42	108
Sabah Development Bank Berhad	04/26	AA1	3.688	20	3.186	27/01/2021	50	101
YTL Power International Berhad	05/27	AA1	4.038	1	3.838	09/03/2021	20	113
Fortune Premiere Sdn Berhad	03/23	AA	3.136	10	3.087	12/03/2021	5	111
DRB-Hicom Berhad	12/26	AA	4.479	10	4.170	27/01/2021	31	157
Imtiaz Sukuk II Berhad	11/21	AA2	2.471	100	2.456	09/03/2021	2	64
UEM Sunrise Berhad	05/23	AA-	3.988	10	3.757	25/02/2021	23	196
UEM Sunrise Berhad	10/23	AA-	4.093	20	3.598	27/08/2020	50	195
Fortune Premiere Sdn Berhad	09/25	AA-	3.567	10	3.140	13/01/2021	43	110
MMC Corporation Berhad	11/25	AA-	4.028	10	3.747	03/03/2021	28	135
MMC Corporation Berhad	04/27	AA-	4.319	10	3.907	10/02/2021	41	141
Kimanis Power Sdn Berhad	08/27	AA-	3.789	10	3.279	27/01/2021	51	88
Southern Power Generation Sdn Berhad	04/30	AA-	4.039	2	3.284	24/11/2020	76	66
TG Excellence Berhad	02/20	AA-	4.105	1	4.054	09/03/2021	5	-19
Jimah Energy Ventures Sdn Berhad	11/21	AA3	2.596	0	2.442	02/03/2021	15	76
IJM Corporation Berhad	06/23	AA3	3.108	40	2.975	05/03/2021	13	108
Press Metal Aluminium Holdings Berhad	08/25	AA3	4.217	0	3.887	23/02/2021	33	175
Malayan Banking Berhad	02/17	AA3	3.526	2	3.617	15/03/2021	-9	-77
Jati Cakerawala Sdn Berhad	01/22	A1	3.803	0	3.803	12/03/2021	0	197
Jati Cakerawala Sdn Berhad	07/23	A1	4.011	0	4.009	16/02/2021	0	198
Affin Bank Berhad	02/27	A1	3.247	1	3.233	09/03/2021	1	34
AmBank Islamic Berhad	03/27	A1	3.126	2	2.526	29/01/2021	60	21
CIMB Group Holdings Berhad	05/16	A1	2.804	3	3.393	03/03/2021	-59	-149
Alliance Bank Malaysia Berhad	10/35	A2	3.800	0	3.974	15/03/2021	-17	-25
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.136	2	3.988	03/03/2021	15	68
				<u>572</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Glacier Assets Berhad	Proposed RM555 mil Senior Notes under Asset-backed Medium-Term Notes facility	AAA/Stable	Assigned

Source: RAM, MARC

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