

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries showed a general lack of direction and ended weaker on Monday despite the Fed’s first purchase operations into newly defined maturity range that included 20Y tenures. The curve shifted higher as overall benchmark yields ended between 1-2bps higher with the UST 2Y yield at 0.16% and the much-watched 10Y settling at 1.65%. Meanwhile the Fed remains confident on growth whilst downplaying sustained increase in price pressures. The “transitory” nature of inflation does not seem to be reflected in longer-dated bonds which have been steady of late. Elsewhere China’s holdings of USTs retreated in March from its highest levels since mid-2019; decreasing by \$3.9b to \$1.10 trillion. Japan’s holdings too fell by \$17.7b to \$1.24 trillion. Expect trading to be subdued tonight with traders likely to focus on the minutes of the FOMC meeting this Thursday followed by the manufacturing and services PMI numbers on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.84	2
10-yr UST	1.65	2
30-yr UST	2.36	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.32	-1	2.11	0
5-yr	2.56	-2	2.61	1
7-yr	2.94	-2	3.03	3
10-yr	3.14	0	3.26	0
15-yr	3.83	0	3.96	1
20-yr	4.20	-4	4.20	0
30-yr	4.42	5	4.56	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.38	-3
5-yr	2.66	-3
7-yr	2.88	0
10-yr	3.13	0

Source: Bloomberg

Upcoming Government Bond Tender

Reopening of RM2.5b + RM2.0b(Private Placement)
15Y MGS 5/35 on Wednesday, 19th May 2021

MGS/GII

On Monday, local govvnies generally saw MGS yields end richer whereas GII traded on low volumes; closing mostly unchanged-to-weaker following the long Hari Raya holidays. Secondary market volume jumped to RM2.43b as overall benchmark yields settled mostly mixed between -4 to +5bps across the curve. The 5Y MGS 9/25 yield edged 2bps lower at 2.56% whilst the 10Y MGS 4/31 closed unchanged at 3.14%. Interest was mainly seen in the shorter off-the-run 21’s, 29’s and also benchmark 5Y, 15Y MGS. GII bond trades formed only 19% of overall trades. Meanwhile the economic calendar is light for the week. Expect attention to shift to ongoing updates over the resurgence of local virus infections and the upcoming 15Y MGS auction tomorrow.

Corp Bonds/Sukuk

Corporate Bonds/Sukuk space saw improved secondary market activity on Monday amid a rise in secondary market volume of RM561m. Trades were again mainly printed mainly across the AAA-AA part of the curve as overall yields closed mostly mixed on a 19 various names. The sole govt-guaranteed trade consisted of DANA 5/28 which edged 2bps lower compared to previous-done levels at 3.18%. AAA-rated energy-related bonds SEB dominated trades in this sector with the 6/26 tranche closing 5bps higher at 3.24% whilst the 4/36 tranche spiked 74bps at 4.48%. The 11/33 tranche however saw yields fall 13bps at 4.26% instead. The AA rated GENM Capital 25-27’s moved 1-20bps higher between 4.10% and 4.40% whilst IMTIAZ 11/21 settled unchanged at 2.29%. Meanwhile the banking space saw several odd-lot transactions involving AFFIN, Hong Leong Financial Group, CIMB and Alliance Bank.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.747	185	1.665	12/05/2021	8
MGS 09/21	1.688	80	1.688	12/05/2021	0
MGS 11/21	1.769	503	1.759	12/05/2021	1
MGS 03/22	1.774	59	1.786	12/05/2021	-1
MGS 08/22	1.870	38	1.878	10/05/2021	-1
MGS 09/22	1.836	4	1.942	07/05/2021	-11
MGS 03/23	2.047	30	2.066	12/05/2021	-2
MGS 04/23	1.940	13	2.054	11/05/2021	-11
MGS 08/23	2.117	7	2.157	10/05/2021	-4
MGS 06/24	2.318	122	2.326	12/05/2021	-1
MGS 07/24	2.358	82	2.348	12/05/2021	1
MGS 09/25	2.562	166	2.578	12/05/2021	-2
MGS 04/26	2.656	13	2.664	11/05/2021	-1
MGS 07/26	2.708	5	2.713	10/05/2021	0
MGS 11/26	2.627	35	2.632	12/05/2021	-1
MGS 11/27	2.843	5	2.869	11/05/2021	-3
MGS 06/28	2.937	35	2.956	12/05/2021	-2
MGS 08/29	3.144	128	3.163	11/05/2021	-2
MGS 04/31	3.140	35	3.140	12/05/2021	0
MGS 06/31	3.393	14	3.374	12/05/2021	2
MGS 04/33	3.765	5	3.791	11/05/2021	-3
MGS 11/33	3.817	5	3.791	11/05/2021	3
MGS 07/34	3.833	176	3.837	12/05/2021	0
MGS 05/35	3.900	4	3.882	12/05/2021	2
MGS 04/37	4.118	9	4.094	11/05/2021	2
MGS 06/38	4.220	43	4.234	12/05/2021	-1
MGS 05/40	4.195	140	4.235	12/05/2021	-4
MGS 09/43	4.336	1	4.324	11/05/2021	1
MGS 07/48	4.436	2	4.439	11/05/2021	0
MGS 06/50	4.423	11	4.377	12/05/2021	5
GII 08/21	1.759	150	1.759	10/05/2021	0
GII 03/22	1.804	11	1.810	05/05/2021	-1
GII 05/23	2.109	33	2.111	11/05/2021	0
GII 07/23	2.103	50	2.099	11/05/2021	0
GII 11/23	2.177	16	2.194	10/05/2021	-2
GII 10/24	2.399	111	2.393	11/05/2021	1
GII 08/25	2.527	4	2.570	11/05/2021	-4
GII 03/26	2.614	30	2.603	07/05/2021	1
GII 09/27	3.030	48	3.001	11/05/2021	3
GII 11/34	3.955	10	3.928	06/05/2021	3
GII 07/36	3.964	1	3.950	12/05/2021	1
GII 09/41	4.196	10	4.196	06/05/2021	0
		<u>2425</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy yy)	Chg (bp)	Spread Against MGS*
DanaInfra Nasional Berhad	05/28	GG	3.179	25	3.197	06/05/2021	-2	23
Putrajaya Holdings Sdn Berhad	12/21	AAA	2.160	30	2.230	22/03/2021	-7	36
Putrajaya Bina Sdn Berhad	09/22	AAA	2.483	10	2.277	18/01/2021	21	68
CIMB Bank Berhad	05/24	AAA	2.795	90	2.573	03/12/2020	22	48
Sarawak Energy Berhad	06/26	AAA	3.237	80	3.191	03/05/2021	5	67
Tenaga Nasional Berhad	08/33	AAA	4.135	10	4.159	10/05/2021	-2	99
Sarawak Energy Berhad	11/33	AAA	4.263	120	4.391	08/04/2021	-13	40
Sarawak Energy Berhad	04/36	AAA	4.481	20	3.740	07/01/2021	74	62
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.170	50	2.401	12/05/2021	77	137
GENM Capital Berhad	07/23	AA1	4.096	40	3.901	13/04/2021	20	203
GENM Capital Berhad	08/25	AA1	4.397	50	4.390	12/05/2021	1	193
Genting RMTN Berhad	11/34	AA1	4.902	1	4.944	12/05/2021	-4	104
Imtiaz Sukuk II Berhad	11/21	AA2	2.293	30	2.295	05/05/2021	0	49
Affin Bank Berhad	09/27	A1	3.154	1	3.256	12/05/2021	-10	35
CIMB Group Holdings Berhad	05/16	A1	3.935	1	3.550	30/04/2021	39	-28
Hong Leong Financial Group Berhad	11/17	A1	3.065	1	3.351	11/05/2021	-29	-115
Alliance Bank Malaysia Berhad	10/30	A2	3.551	1	3.404	11/05/2021	15	41
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.334	2	4.500	11/05/2021	-17	119
Matrix Concepts Holdings Berhad	03/23	-	4.605	1	4.648	14/04/2021	-4	254
				561				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Zamrad Assets Berhad	Tranche 6 RM80 mil Class A Sukuk RM20 mil Class B Sukuk	AAA/Stable AA2/Stable	Assigned Assigned

Source: RAM, MARC

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