

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	2
5-yr UST	0.86	7
10-yr UST	1.71	6
30-yr UST	2.45	3

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.17	4	2.20	0
5-yr	2.76	7	2.90	7
7-yr	3.14	1	3.09	1
10-yr	3.42	0	3.69	12
15-yr	3.95	-2	4.03	0
20-yr	4.38	12	4.31	0
30-yr	4.47	3	4.67	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	0
3-yr	2.53	6
5-yr	2.85	4
7-yr	2.98	3
10-yr	3.28	2

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b of 5Y MGS 9/25 on Monday, 22nd March 2021

- US Treasuries saw the bears digesting the FOMC's message as an apparent willingness to let inflation accelerate more than normal and ended the biggest sellers, driving yields higher on Thursday. Overall benchmark yields closed between 2-7bps higher with the UST 2Y yield up 2bps at 0.16% whilst the much-watched UST 10Y rose 6bps at 1.71% despite assurances by the Fed that interest rates will remain at near-zero levels through 2023. The 2s10s spread was also higher d/d with a gain of about 5-6bps to ~156bps. The Treasury's \$13b 10Y TIPS reopening was however well-bid due to inflationary fears. The uncertainty over the pace of economic progress is seen to unsettle financial markets, especially bonds~ as vaccine and government-fuelled recovery could lead to higher inflation and subsequently force the Fed to lift short-term rates.

MGS/GII

- On Thursday, local govies ended weaker influenced by rising US yields and local IRS levels. Overall benchmark yields generally closed between 0-12bps higher across the curve amid a lower secondary market volume of RM2.41b. The 5Y MGS 9/25 spiked 7bps at 2.76% whilst the 10Y MGS 4/31 yield closed unchanged at 3.42%. Interest was mainly seen in the shorter off-the-run 21's and also the benchmark 5Y MGS/GII. GII bond trades maintained to form ~36% 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 this month. Meanwhile, expect attention to shift to the upcoming 5Y MGS auction next Monday.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw interest improve further on Thursday as secondary market volume rose to RM416m. Overall yields ended mostly higher again on 35 various names seen across the curve with emphasis on the AAA-AA part of the curve. DANA 10/28 spiked 66bps compared to previous-done levels at 3.46% whilst the long-end 9/50 tranche which made its debut trade at 4.88%; rose sharply above its coupon of 4.01%; issued in September last year. AAA-rated SEB 8/25 rose 15bps at 3.27% whilst the 1/27 tranche spiked 70bps at 3.45%. The AA-space was dominated by energy-related bonds. YTL Power saw RM50m transacted with the 27's edging 1bps up at 4.05% whereas the 28's ended 68bps higher at 4.26%. TBEI 25-26's however bucked the trend by rallying 44-52bps between 3.30-40%. EDRA 31 and 33 however succumbed to selling pressure with yields sharply higher at 4.65% and 4.78% respectively. Meanwhile the banking space saw BPMB 11/26 end 12bps up at 3.35%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.751	469	1.750	17/03/2021	0
MGS 09/21	1.799	45	1.808	17/03/2021	-1
MGS 11/21	1.804	120	1.795	16/03/2021	1
MGS 08/22	2.012	44	2.016	17/03/2021	0
MGS 03/23	2.173	14	2.138	17/03/2021	4
MGS 06/24	2.434	21	2.394	17/03/2021	4
MGS 09/24	2.509	2	2.506	17/03/2021	0
MGS 09/25	2.761	258	2.687	17/03/2021	7
MGS 03/27	3.031	15	3.020	17/03/2021	1
MGS 05/27	3.029	50	3.063	17/03/2021	-3
MGS 11/27	3.092	5	3.082	17/03/2021	1
MGS 06/28	3.140	3	3.134	17/03/2021	1
MGS 09/28	3.239	20	3.138	12/03/2021	10
MGS 08/29	3.470	44	3.389	17/03/2021	8
MGS 04/31	3.424	63	3.426	17/03/2021	0
MGS 04/33	3.981	145	4.055	17/03/2021	-7
MGS 07/34	3.954	63	3.976	17/03/2021	-2
MGS 06/38	4.340	30	4.364	15/03/2021	-2
MGS 05/40	4.378	57	4.258	17/03/2021	12
MGS 06/50	4.465	76	4.433	17/03/2021	3
GII 08/21	1.801	30	1.810	16/03/2021	-1
GII 10/24	2.547	9	2.551	16/03/2021	0
GII 03/26	2.897	302	2.829	17/03/2021	7
GII 09/26	2.925	20	2.965	17/03/2021	-4
GII 09/27	3.089	30	3.083	17/03/2021	1
GII 12/28	3.354	20	3.047	01/03/2021	31
GII 10/30	3.690	270	3.573	17/03/2021	12
GII 11/34	4.148	190	4.216	17/03/2021	-7
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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	10/28	GG	3.459	10	2.799	10/07/2020	66	16
DanaInfra Nasional Berhad	09/50	GG	4.881	5	-	-	-	54
Putrajaya Holdings Sdn Berhad	12/21	AAA	2.220	10	2.180	11/03/2021	4	38
Sarawak Energy Berhad	08/25	AAA	3.271	15	3.119	11/03/2021	15	79
Projek Lebuhraya Usahasama Berhad	01/26	AAA	3.279	10	2.778	26/01/2021	50	54
Danga Capital Berhad	02/26	AAA	3.179	10	3.201	11/03/2021	-2	44
Bank Pembangunan Malaysia Berhad	11/26	AAA	3.352	25	3.229	12/03/2021	12	42
Sarawak Energy Berhad	01/27	AAA	3.450	2	2.751	04/02/2021	70	51
TNB Western Energy Berhad	07/29	AAA	3.922	20	3.367	23/06/2020	56	63
Bank Pembangunan Malaysia Berhad	11/35	AAA	4.619	10	3.899	27/01/2021	72	60
Projek Lebuhraya Usahasama Berhad	01/37	AAA	4.580	10	3.919	03/12/2020	66	56
Sabah Credit Corporation	10/26	AA1	3.739	10	3.130	11/08/2020	61	80
YTL Power International Berhad	05/27	AA1	4.050	40	4.038	17/03/2021	1	111
YTL Power International Berhad	08/28	AA1	4.259	10	3.581	09/02/2021	68	113
Malayan Banking Berhad	01/31	AA1	3.411	10	3.039	10/12/2020	37	-4
Malayan Banking Berhad	10/32	AA1	4.251	10	3.209	18/02/2021	104	80
Celcom Networks Sdn Berhad	08/22	AA+	2.689	10	2.413	01/03/2021	28	85
Anih Berhad	11/23	AA	3.124	33	2.784	03/11/2020	34	97
Besraya (M) Sdn Berhad	07/22	AA3	3.110	10	3.367	21/02/2020	-26	127
Gamuda Berhad	11/22	AA3	3.008	10	2.865	08/02/2021	14	99
Bumitama Agri Ltd	07/24	AA3	3.208	10	2.919	24/02/2021	29	105
BGSM Management Sdn Berhad	08/25	AA3	3.253	10	2.829	23/02/2021	42	77
Tanjung Bin Energy Issuer Berhad	09/25	AA3	3.298	10	3.817	20/12/2019	-52	82
Tanjung Bin Energy Issuer Berhad	03/26	AA3	3.397	20	3.839	20/12/2019	-44	66
Bumitama Agri Ltd	07/26	AA3	3.679	3	3.298	04/03/2021	38	94
Tanjung Bin Energy Issuer Berhad	09/26	AA3	3.479	10	3.435	16/03/2021	4	74
Edra Energy Sdn Berhad	07/31	AA3	4.649	10	3.909	27/01/2021	74	120
Edra Energy Sdn Berhad	07/33	AA3	4.779	10	4.049	27/01/2021	73	133
Malayan Banking Berhad	02/17	AA3	3.379	3	3.526	17/03/2021	-15	-96
Quantum Solar Park (Semenanjung) Sdn Berhad	10/23	AA-	3.587	10	5.309	30/05/2019	-172	143
UEM Sunrise Berhad	03/24	AA-	4.158	20	3.967	09/12/2020	19	200
Sports Toto Malaysia Sdn Berhad	06/24	AA-	4.047	20	-	-	-	189
Quantum Solar Park (Semenanjung) Sdn Berhad	10/31	AA-	5.020	10	6.019	17/07/2019	-100	157
Alliance Bank Malaysia Berhad	10/35	A2	3.800	1	3.800	17/03/2021	0	-22
Cypark Renewable Energy Sdn Berhad	09/20	-	6.442	1	6.405	24/02/2021	4	210
			<u>416</u>					

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

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

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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