

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- US Treasuries ended slightly stronger on Tuesday, as yields traded in narrow ranges on low volumes with attention shifting from inflation to oil price declines. The belly of the curve was better-bid as overall benchmark yields ended between 0-2bps lower with the UST 2Y yield almost unchanged at 0.15% and the much-watched 10Y edging 1bps lower at 1.64%. The longer-dated bonds saw appetite cooling even amid a round of weaker-than-expected housing data; which undermined the positive tone in equities. Signs for inflation are being watched as the US moves deeper into the recovery phase of the pandemic. Despite foreign investors buying ~\$119b of US government debt in March; overall foreign holdings still dipped to \$7.03 trillion. Elsewhere the US has allowed some transactions with military Chinese companies. Expect muted trading activities tonight with traders likely to focus on the minutes of the FOMC meeting tomorrow followed by the manufacturing and services PMI numbers on Friday.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.82	-2
10-yr UST	1.64	-1
30-yr UST	2.36	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.33	1	2.09	-2
5-yr	2.55	-1	2.61	-1
7-yr	2.95	1	3.01	-2
10-yr	3.21	7	3.23	-3
15-yr	3.85	2	3.96	0
20-yr	4.20	0	4.20	0
30-yr	4.41	-1	4.56	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.38	0
5-yr	2.68	2
7-yr	2.89	2
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, 19<sup>th</sup> May 2021

##### MGS/GII

- On Tuesday, local govies generally saw a reversal in movements compared to prior day as MGS yields were better-bid whereas GII ended mostly weaker in the belly. Secondary market volume rose to RM3.32b as overall benchmark yields settled mostly mixed between -3 to +7bps across the curve. The 5Y MGS 9/25 yield edged 1bps lower at 2.55% whilst the 10Y MGS 4/31 yield spiked 7bps instead at 3.21%. Interest was mainly seen in the shorter off-the-run 21-22's and also benchmark 3Y MGS, 7Y GII. GII bond trades increased to form 29% of overall trades. The latest survey of 33 economists by Bloomberg shows that the economy is expected to notch 5.7% y/y growth versus prior 5.5% for 2021. Our house view remains at 5.0% for now amid prevailing uncertainties. Expect attention to shift to the upcoming 15Y MGS auction today followed by updates over the resurgence of local virus infections.

##### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw further improvement in appetite on Tuesday amid a rise in secondary market volume of RM750m. Trades were mainly printed across the curve as overall yields closed mostly mixed-to-lower on 25 various names. Govt-guaranteed PTPTN 3/24 and 7/31 closed 10-12bps lower compared to previous-done levels at 2.60% and 3.60% respectively. AAA-rated PETROLEUM SARAWAK 3/28 notched RM180m in total trades; moving 6bps higher at 3.74%. The AA rated GENM Capital 7/23 closed 3bps at 4.13% whilst GENTING RMTN 11/34 spiked 36bps at 5.26%. JEP 29-30's settled 1-5bps lower between 4.16-23%. Meanwhile the banking space saw Bank ISLAM 21NC26 grind RM150m in transacted amounts, declining 3bps at 3.33%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.699	335	1.747	17/05/2021	-5
MGS 09/21	1.727	204	1.688	17/05/2021	4
MGS 11/21	1.748	534	1.769	17/05/2021	-2
MGS 03/22	1.800	10	1.774	17/05/2021	3
MGS 08/22	1.900	17	1.870	17/05/2021	3
MGS 09/22	1.869	5	1.836	17/05/2021	3
MGS 03/23	2.017	465	2.047	17/05/2021	-3
MGS 04/23	2.020	45	1.940	17/05/2021	8
MGS 08/23	2.122	1	2.117	17/05/2021	0
MGS 06/24	2.325	217	2.318	17/05/2021	1
MGS 07/24	2.369	7	2.358	17/05/2021	1
MGS 09/24	2.396	1	2.411	10/05/2021	-2
MGS 03/25	2.560	1	2.563	11/05/2021	0
MGS 09/25	2.553	5	2.562	17/05/2021	-1
MGS 04/26	2.693	2	2.656	17/05/2021	4
MGS 05/27	2.850	43	2.838	17/05/2021	1
MGS 11/27	2.846	3	2.843	17/05/2021	0
MGS 06/28	2.952	121	2.937	17/05/2021	2
MGS 04/31	3.207	103	3.140	17/05/2021	7
MGS 06/31	3.385	11	3.393	17/05/2021	-1
MGS 04/33	3.791	1	3.765	17/05/2021	3
MGS 11/33	3.806	7	3.817	17/05/2021	-1
MGS 07/34	3.852	90	3.833	17/05/2021	2
MGS 04/37	4.093	25	4.118	17/05/2021	-3
MGS 06/38	4.224	3	4.220	17/05/2021	0
MGS 05/40	4.199	96	4.195	17/05/2021	0
MGS 03/46	4.388	2	4.379	10/05/2021	1
MGS 06/50	4.409	8	4.423	17/05/2021	-1
GII 08/21	1.750	310	1.759	17/05/2021	-1
GII 04/22	1.829	234	1.761	11/05/2021	7
GII 05/23	2.087	70	2.109	17/05/2021	-2
GII 07/23	3.073	51	2.103	17/05/2021	97
GII 10/24	2.369	50	2.399	17/05/2021	-3
GII 03/26	2.607	41	2.614	17/05/2021	-1
GII 09/27	3.006	160	3.030	17/05/2021	-2
GII 10/30	3.229	5	3.260	11/05/2021	-3
GII 09/39	4.252	40	4.183	11/05/2021	7
		<u>3324</u>			

## Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy)	Chg (bp)	Spread Against MGS*	
Lembaga Pembiayaan Perumahan Sektor Awam	04/23	GG	2.405	50	4.100	03/04/2018	-170	35
Lembaga Pembiayaan Perumahan Sektor Awam	10/23	GG	2.472	80	2.051	01/03/2021	42	42
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.599	30	2.698	30/04/2021	-10	29
Perbadanan Tabung Pendidikan Tinggi Nasional	07/31	GG	3.599	60	3.720	08/04/2021	-12	45
Danainfra Nasional Berhad	03/34	GG	3.970	10	4.020	27/04/2021	-5	10
Aman Sukuk Berhad	02/23	AAA	2.568	5	2.874	28/05/2020	-31	52
Malaysia Airport Holdings Berhad	11/27	AAA	3.728	10	3.219	16/02/2021	51	92
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.742	150	3.679	04/05/2021	6	79
Putrajaya Bina Sdn Berhad	05/29	AAA	3.637	10	3.679	06/05/2021	-4	58
Kuala Lumpur Kepong Berhad	09/22	AA1	2.320	10	2.496	26/04/2021	-18	52
Batu Kawan Berhad	06/23	AA1	2.691	20	2.905	20/04/2021	-21	64
GENM Capital Berhad	07/23	AA1	4.127	40	4.096	17/05/2021	3	208
Genting RMTN Berhad	11/34	AA1	5.263	31	4.902	17/05/2021	36	139
Anih Berhad	11/27	AA	3.698	20	3.709	05/05/2021	-1	75
AEON Credit Service (M) Berhad	02/27	AA3	3.797	10	3.797	23/04/2021	0	98
MMC Corporation Berhad	03/28	AA-	4.665	1	4.317	11/05/2021	35	172
Jimah East Power Sdn Berhad	12/29	AA-	4.158	20	4.208	21/04/2021	-5	101
Penang Port Sdn Berhad	12/29	AA-	3.988	10	3.998	04/05/2021	-1	84
Jimah East Power Sdn Berhad	06/30	AA-	4.229	20	4.238	28/04/2021	-1	108
Quantum Solar Park (Semenanjung) Sdn Berhad	10/30	AA-	4.789	6	4.759	06/05/2021	3	164
Bank Islam Malaysia Berhad	11/28	A1	3.334	150	3.360	06/05/2021	-3	39
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.334	1	4.334	17/05/2021	0	119
Eco World Capital Assets Berhad	08/22	-	4.522	2	4.240	29/12/2020	28	272
Eco World International Berhad	04/23	-	5.899	1	5.351	05/05/2021	55	385
Mah Sing Group Berhad	04/17	-	4.607	4	5.418	28/04/2021	-81	40
				<u>750</u>				

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

## Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Sinar Kamiri Sdn Bhd	RM245.0 million Green Sustainable and Responsible Investment (SRI) Sukuk Wakalah	AA-IS/Stable	Affirmed

Source: RAM, MARC

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