

Global Markets Research

Fixed Income

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.16 | 0 |
| 5-yr UST | 0.83 | 0 |
| 10-yr UST | 1.61 | 3 |
| 30-yr UST | 2.30 | 3 |

| MGS | | GII | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.11 | 0 | 2.17 | 0 |
| 5-yr | 2.55 | 0 | 2.61 | -2 |
| 7-yr | 2.93 | -2 | 3.00 | 0 |
| 10-yr | 3.05 | -1 | 3.22 | 2 |
| 15-yr | 3.81 | 0 | 3.84 | -9 |
| 20-yr | 4.09 | -1 | 4.22 | 0 |
| 30-yr | 4.24 | 3 | 4.41 | 4 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 1.98 | 0 |
| 3-yr | 2.35 | -3 |
| 5-yr | 2.58 | -2 |
| 7-yr | 2.73 | -2 |
| 10-yr | 2.95 | -5 |

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM4.5b 3Y MGS 6/24 on Wednesday, 21st April, 2021

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries had a rather quiet session, closing mixed on Monday led by similar movements in Bunds. The longer-ends ended cheaper as the curve steepened. Overall benchmark yields ended between a mere 0-3bps higher with the UST 2Y yield within 1bps lower at 0.16% and the much-watched 10Y moving 3bps higher at 1.61%. The recent surge in yields have cooled lately on technical factors and also expectations that inflation may be capped going forward. Meanwhile, fiscal policy is expected to impinge on real rates with infrastructure spending likely higher than tax hikes. Elsewhere, the vaccine rollouts gathered steam with almost half of American adults in the US reported to have received at least one (1) jab. Expect some attention to shift to the upcoming existing home sales and weekly jobless claims on Thursday followed by the release of manufacturing and services PMI.

MGS/GII

- On Monday, local govies saw a relatively quiet session amid a pullback in secondary market volume of ~RM2.24b. Overall benchmark yields cloed mostly mixed between -9 to +4bps. The 5Y MGS 9/25 yield settled almost unchanged at 2.55% whilst the 10Y MGS 4/31 edged 1bps lower at 3.05% each. Interest was again seen in the shorter off-the-run 21's, 28's and also benchmark 15Y MGS/GII. GII bond trades eased to form ~30% of overall trades. Meanwhile, both S&P and Moody's have assigned a preliminary rating of A- and A3 respectively to the proposed international USD-denominated Wakala Sukuk issuance by Malaysia Wakala Sukuk Bhd; an SPV formed by the government. Expect attention to shift to the 3Y MGS auction tomorrow followed by the March inflation data this Friday.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw investor interest wane on Monday with trades printed mainly across the AAA-AA part of the curve. Secondary market volume halved to RM420m as overall yields ended mostly mixed on yields with ~35 various bonds transacted. The sole govt-guaranteed trade involved LPPSA 4/25 which spiked 50bps compared to previous done levels at 2.77% AAA-rated utility giants TELEKOM 10/28 declined 5bps at 3.58% whilst TNB Western 7/29 rallied 17bps at 3.75%. AA-rated sector was dominated by energy cum power-related bonds i.e. EDRA, HEP and Southern Power. EDRA 7/24 rose 30bps at 3.53% whilst the 7/26 and 7/31 tranches fell 16bps and closed unchanged respectively at 3.86% and 4.60% each. Meanwhile, the banking space saw AFFIN Islamic 28NC23 move 15bps lower at 3.54%; on RM20m in transacted amounts.

Daily Trades : Government Bond

| Securities | Closing | Vol | Previous | Previous | Chg |
|------------|---------|-------------|----------|----------------------------|------|
| | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS 09/21 | 1.752 | 386 | 1.762 | 16/04/2021 | -1 |
| MGS 11/21 | 1.801 | 40 | 1.801 | 16/04/2021 | 0 |
| MGS 03/22 | 1.823 | 50 | 1.829 | 16/04/2021 | -1 |
| MGS 03/23 | 2.106 | 59 | 2.105 | 16/04/2021 | 0 |
| MGS 04/23 | 2.135 | 1 | 2.150 | 16/04/2021 | -2 |
| MGS 07/24 | 2.413 | 6 | 2.417 | 16/04/2021 | 0 |
| MGS 09/24 | 2.419 | 32 | 2.390 | 16/04/2021 | 3 |
| MGS 03/25 | 2.526 | 2 | 2.553 | 16/04/2021 | -3 |
| MGS 09/25 | 2.547 | 96 | 2.545 | 16/04/2021 | 0 |
| MGS 07/26 | 2.700 | 2 | 2.700 | 16/04/2021 | 0 |
| MGS 11/26 | 2.637 | 40 | 2.656 | 16/04/2021 | -2 |
| MGS 05/27 | 2.464 | 50 | 2.821 | 16/04/2021 | -36 |
| MGS 11/27 | 2.870 | 4 | 2.909 | 16/04/2021 | -4 |
| MGS 06/28 | 2.929 | 152 | 2.952 | 16/04/2021 | -2 |
| MGS 08/29 | 3.075 | 61 | 3.096 | 16/04/2021 | -2 |
| MGS 04/30 | 3.210 | 90 | 3.208 | 16/04/2021 | 0 |
| MGS 06/31 | 3.312 | 18 | 3.323 | 16/04/2021 | -1 |
| MGS 04/33 | 3.810 | 50 | 3.818 | 16/04/2021 | -1 |
| MGS 11/33 | 3.871 | 48 | 3.857 | 15/04/2021 | 1 |
| MGS 07/34 | 3.813 | 228 | 3.808 | 16/04/2021 | 1 |
| MGS 05/35 | 3.901 | 70 | 3.928 | 16/04/2021 | -3 |
| MGS 06/38 | 4.188 | 5 | 4.163 | 16/04/2021 | 2 |
| MGS 05/40 | 4.091 | 30 | 4.103 | 16/04/2021 | -1 |
| MGS 06/50 | 4.242 | 52 | 4.208 | 16/04/2021 | 3 |
| GII 05/23 | 2.166 | 50 | 2.169 | 16/04/2021 | 0 |
| GII 11/23 | 2.251 | 150 | 2.274 | 15/04/2021 | -2 |
| GII 08/25 | 2.518 | 20 | 2.582 | 31/03/2021 | -6 |
| GII 03/26 | 2.608 | 41 | 2.630 | 16/04/2021 | -2 |
| GII 07/29 | 3.149 | 20 | 3.196 | 16/04/2021 | -5 |
| GII 10/30 | 3.219 | 88 | 3.201 | 16/04/2021 | 2 |
| GII 06/33 | 3.807 | 50 | 3.829 | 16/04/2021 | -2 |
| GII 08/33 | 3.859 | 40 | 3.854 | 16/04/2021 | 0 |
| GII 11/34 | 3.895 | 40 | 3.839 | 14/04/2021 | 6 |
| GII 10/35 | 3.828 | 1 | 3.811 | 16/04/2021 | 2 |
| GII 07/36 | 3.840 | 131 | 3.930 | 16/04/2021 | -9 |
| GII 09/39 | 4.231 | 20 | 4.231 | 15/04/2021 | 0 |
| GII 11/49 | 4.406 | 20 | 4.370 | 12/04/2021 | 4 |
| | | <u>2242</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* |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|---------------------------|
| Lembaga Pembiayaan Perumahan Sektor Awam | 04/25 | GG | 2.769 | 10 | 2.269 | 06/11/2020 | 50 | 36 |
| Aman Sukuk Berhad | 04/22 | AAA | 2.449 | 40 | 2.550 | 07/04/2021 | -10 | 61 |
| Danga Capital Berhad | 09/27 | AAA | 3.369 | 40 | 3.375 | 15/04/2021 | -1 | 61 |
| Telekom Malaysia Berhad | 10/28 | AAA | 3.580 | 10 | 3.633 | 14/04/2021 | -5 | 56 |
| TNB Western Energy Berhad | 07/29 | AAA | 3.749 | 10 | 3.922 | 18/03/2021 | -17 | 73 |
| Infracap Resources Sdn Berhad | 04/31 | AAA | 4.098 | 10 | 4.147 | 16/04/2021 | -5 | 103 |
| Infracap Resources Sdn Berhad | 04/33 | AAA | 4.299 | 20 | - | - | - | 123 |
| Imtiaz Sukuk II Berhad | 11/21 | AA2 | 2.380 | 20 | 2.471 | 17/03/2021 | -9 | 54 |
| Fortune Premiere Sdn Berhad | 09/23 | AA | 3.223 | 30 | 2.888 | 16/02/2021 | 34 | 120 |
| Anih Berhad | 11/25 | AA | 3.456 | 10 | 3.019 | 22/02/2021 | 44 | 91 |
| Anih Berhad | 11/27 | AA | 3.785 | 20 | 3.859 | 08/04/2021 | -7 | 85 |
| Perbadanan Kemajuan Negeri Selangor | 06/22 | AA3 | 3.412 | 20 | 3.108 | 18/01/2021 | 30 | 158 |
| Edra Energy Sdn Berhad | 07/24 | AA3 | 3.530 | 10 | 3.223 | 23/10/2020 | 31 | 142 |
| Edra Energy Sdn Berhad | 07/26 | AA3 | 3.864 | 10 | 4.019 | 26/03/2021 | -16 | 131 |
| Edra Energy Sdn Berhad | 07/31 | AA3 | 4.599 | 25 | 4.595 | 16/04/2021 | 0 | 153 |
| MMC Corporation Berhad | 11/25 | AA- | 3.994 | 30 | 3.999 | 14/04/2021 | 0 | 144 |
| Jimah East Power Sdn Berhad | 12/25 | AA- | 3.579 | 10 | 3.192 | 02/02/2021 | 39 | 103 |
| Southern Power Generation Sdn Berhad | 10/27 | AA- | 3.699 | 10 | 3.178 | 24/02/2021 | 52 | 76 |
| MMC Corporation Berhad | 11/27 | AA- | 4.346 | 30 | 4.499 | 23/03/2021 | -15 | 141 |
| Southern Power Generation Sdn Berhad | 10/28 | AA- | 3.879 | 20 | 3.309 | 24/02/2021 | 57 | 86 |
| Southern Power Generation Sdn Berhad | 04/30 | AA- | 4.083 | 10 | 4.039 | 17/03/2021 | 4 | 101 |
| TG Excellence Berhad | 02/20 | AA- | 3.800 | 1 | 3.800 | 15/04/2021 | 0 | -29 |
| Jati Cakerawala Sdn Berhad | 07/22 | A1 | 3.847 | 1 | 3.852 | 15/04/2021 | 0 | 201 |
| Affin Islamic Bank Berhad | 10/28 | A1 | 3.536 | 20 | 3.682 | 04/03/2021 | -15 | 52 |
| DRB-Hicom Berhad | 12/24 | A+ | 4.244 | 1 | 4.318 | 16/04/2021 | -7 | 184 |
| DRB-Hicom Berhad | 12/26 | A+ | 4.490 | 1 | 4.399 | 15/04/2021 | 9 | 173 |
| DRB-Hicom Berhad | 12/29 | A+ | 5.024 | 1 | 4.882 | 16/04/2021 | 14 | 196 |
| DRB-Hicom Berhad | 12/22 | A+ | 3.818 | 2 | 3.731 | 07/01/2021 | 9 | 180 |
| | | | | <u>420</u> | | | | |

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

| Rating Action | | | |
|---|---|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| The Export-Import Bank of Korea (KEXIM) | Financial institution (FI) rating | AAA/Stable | Affirmed |
| | Medium-Term Notes programme of RM1.0 billion. | AAA/Stable | Affirmed |

Source: RAM, MARC

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