

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended weaker on Wednesday following the Fed's agreement to discussions on scaling back asset purchases going forward. The lukewarm bidding metrics for the 20Y auction was also another factor for the pullback in USTs. The belly of the curve was most pressured as overall benchmark yields ended between 1-4bps higher with the UST 2Y yield edging 1bps up at 0.16% and the much-watched 10Y rising 3bps at 1.67%. Key takeaways from the FOMC minutes included the concerted effort by the Fed to discuss plans for tapering of purchases; a shift from March whilst taking cognizance that risks to the outlook were no longer as elevated as in previous months. The auction involving \$27b 20Y of new issuance notched a BTC ratio of 2.24x (previous average for 6 auctions: 2.30x) and awarded higher than WI at 2.286%. Expect trading activities to take cue from the release of initial jobless claims for period ending 15th May tonight; followed by manufacturing and services PMI numbers tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	1
5-yr UST	0.86	4
10-yr UST	1.67	3
30-yr UST	2.37	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.31	-1	2.08	-1
5-yr	2.57	2	2.61	0
7-yr	2.96	1	2.99	-2
10-yr	3.21	0	3.29	6
15-yr	3.84	-1	4.00	4
20-yr	4.17	-3	4.20	0
30-yr	4.42	2	4.56	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.39	2
5-yr	2.69	1
7-yr	2.89	0
10-yr	3.16	4

Source: Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GIII

- On Wednesday, local govvnies continued to close mixed for the 3rd consecutive session as overall benchmark yields settled mostly mixed between -3 to +6bps across the curve belly amid a slight dip in secondary market volume of RM2.20b. The 5Y MGS 9/25 yield edged 2bps higher at 2.57% whilst the 10Y MGS 4/31 closed unchanged at 3.21%. Interest was mainly seen in the shorter off-the-run 21's, 24's, 28's and also benchmark 7Y MGS. GII bond trades dropped to form 13% of overall trades. The 15Y MGS 5/35 auction saw solid bidding metrics with BTC ratio at 2.445x whilst being awarded at 3.956%. Elsewhere the Congress of Union of Employees in the Public and Civil Services i.e. CUEPACS suggestion of a full lock-down was disagreed by both Amcham and the SME association of Malaysia. Expect attention to shift to continuing updates over the resurgence of local virus infections.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw steady investor interest on Wednesday amid a pullback in secondary market volume of RM573m. Trades were mainly printed mainly across the GG-AA part of the curve as overall yields closed mostly mixed-to-lower on 25 various names. Govt-guaranteed DANA 5/23 and 5/31 spiked 5-34bps compared to previous-done levels at 2.35% and 3.56% respectively on volumes totalling RM150m. AAA-rated toll operator WCE 8/28 which last traded in 2017, closed 124bps lower at 3.71% whilst utility giants TELEKOM 10/28 and TNB 8/33 edged 1-3bps lower at 3.57% and 4.13%. The AA-rated Batu KAWAN 6/23 edged 1bps lower at 2.68% with RM50m transacted in total. Energy-related EDRA bonds saw a slew of tranches between 2023-2032, move opposite direction whilst closing between 3.33-4.55% levels.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.752	81	1.699	18/05/2021	5
MGS 09/21	1.749	122	1.727	18/05/2021	2
MGS 11/21	1.708	259	1.748	18/05/2021	-4
MGS 03/22	1.800	7	1.800	18/05/2021	0
MGS 08/22	1.881	13	1.900	18/05/2021	-2
MGS 09/22	1.916	2	1.869	18/05/2021	5
MGS 03/23	2.032	5	2.017	18/05/2021	2
MGS 04/23	2.018	3	2.020	18/05/2021	0
MGS 06/24	2.312	220	2.325	18/05/2021	-1
MGS 07/24	2.364	27	2.369	18/05/2021	-1
MGS 09/24	2.377	69	2.396	18/05/2021	-2
MGS 09/25	2.572	41	2.553	18/05/2021	2
MGS 04/26	2.636	48	2.693	18/05/2021	-6
MGS 07/26	2.723	2	2.708	17/05/2021	1
MGS 11/26	2.571	2	2.627	17/05/2021	-6
MGS 11/27	2.878	7	2.846	18/05/2021	3
MGS 06/28	2.959	200	2.952	18/05/2021	1
MGS 08/29	3.136	46	3.138	18/05/2021	0
MGS 04/31	3.207	120	3.207	18/05/2021	0
MGS 11/33	3.790	3	3.806	18/05/2021	-2
MGS 07/34	3.840	1	3.852	18/05/2021	-1
MGS 05/35	3.941	583	3.880	18/05/2021	6
MGS 04/37	4.068	14	4.093	18/05/2021	-3
MGS 06/38	4.230	30	4.224	18/05/2021	1
MGS 05/40	4.171	5	4.199	18/05/2021	-3
MGS 06/50	4.424	1	4.409	18/05/2021	2
GII 05/23	2.075	30	2.087	18/05/2021	-1
GII 07/23	2.106	100	3.073	18/05/2021	-97
GII 11/23	2.183	41	2.177	17/05/2021	1
GII 10/24	2.356	10	2.369	18/05/2021	-1
GII 08/25	2.525	20	2.527	17/05/2021	0
GII 03/26	2.613	3	2.607	18/05/2021	1
GII 09/27	2.990	1	3.006	18/05/2021	-2
GII 07/29	3.236	2	3.213	18/05/2021	2
GII 10/30	3.285	62	3.229	18/05/2021	6
GII 07/36	4.004	18	3.964	17/05/2021	4
		<u>2196</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	05/23	GG	2.353	50	2.017	14/01/2021	34	31
Perbadanan Tabung Pendidikan Tinggi Nasional	12/24	GG	2.730	10	2.289	21/12/2020	44	26
Pengurusan Air SPV Berhad	02/26	GG	2.868	10	3.198	19/03/2021	-33	30
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.100	20	3.232	06/04/2021	-13	29
DanaInfra Nasional Berhad	05/31	GG	3.561	100	3.511	05/05/2021	5	37
GovCo Holdings Berhad	06/31	GG	3.580	40	3.640	22/04/2021	-6	39
Perbadanan Tabung Pendidikan Tinggi Nasional	03/32	GG	3.710	70	3.690	05/05/2021	2	52
Danum Capital Berhad	05/25	AAA	2.927	10	3.009	09/04/2021	-8	46
Putrajaya Bina Sdn Berhad	09/26	AAA	3.248	10	2.809	07/12/2020	44	68
West Coast Expressway Sdn Berhad	08/28	AAA	3.710	30	4.949	04/05/2017	-124	76
Telekom Malaysia Berhad	10/28	AAA	3.568	10	3.595	28/04/2021	-3	62
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/31	AAA	3.899	10	3.578	24/02/2021	32	71
Tenaga Nasional Berhad	08/33	AAA	4.129	5	4.135	17/05/2021	-1	94
Infracap Resources Sdn Berhad	04/34	AAA	4.379	20	-	-	-	45
Infracap Resources Sdn Berhad	04/35	AAA	4.479	20	-	-	-	55
Tenaga Nasional Berhad	08/40	AAA	4.488	23	4.671	29/03/2021	-18	29
Sabah Credit Corporation	05/22	AA1	2.805	1	2.608	02/12/2020	20	100
Batu Kawan Berhad	06/23	AA1	2.684	50	2.691	18/05/2021	-1	64
Sabah Credit Corporation	07/29	AA1	4.034	8	4.072	03/05/2021	-4	96
United Overseas Bank (Malaysia) Berhad	08/30	AA1	3.045	0	3.367	26/04/2021	-32	-12
Genting RMTN Berhad	11/34	AA1	4.908	2	5.263	18/05/2021	-36	98
CIMB Bank Berhad	08/26	AA+	2.291	2	2.522	27/04/2021	-23	-28
Edra Energy Sdn Berhad	07/23	AA3	3.330	10	5.118	06/05/2019	-179	129
Press Metal Aluminium Holdings Berhad	10/24	AA3	4.051	10	4.062	27/04/2021	-1	174
Edra Energy Sdn Berhad	01/26	AA3	3.737	10	3.778	23/04/2021	-4	117
Edra Energy Sdn Berhad	07/28	AA3	4.148	10	4.229	08/04/2021	-8	120
Edra Energy Sdn Berhad	07/32	AA3	4.549	10	4.009	09/12/2020	54	136
UEM Sunrise Berhad	05/23	AA-	3.802	20	3.908	11/05/2021	-11	176
Eco World Capital Assets Berhad	08/24	-	5.099	1	5.669	17/05/2021	-57	279
				<u>573</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
IGB Commercial REIT Capital Sdn Bhd	Perpetual RM5.0 bil MTN Programm Class A Class B Class C	AAA/Stable AA2/Stable AA3/Stable	Assigned

Source: RAM, MARC

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