

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.88	2
10-yr UST	1.72	1
30-yr UST	2.44	-1

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	-4	2.22	3
5-yr	2.76	0	2.87	-3
7-yr	3.16	2	3.12	4
10-yr	3.45	2	3.63	-6
15-yr	3.94	-1	4.03	0
20-yr	4.35	-3	4.43	12
30-yr	4.46	-1	4.67	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	-1
3-yr	2.48	-4
5-yr	2.78	-8
7-yr	2.95	-3
10-yr	3.28	0

Source : Bloomberg

Upcoming Government Bond Tender

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

- US Treasuries initially saw yields rise sharply last Friday following the non-extension of the Fed's temporary rule that encouraged banks to hold UST's. However yields retreated as investors doubted its significance to the debt markets. Overall benchmark yields closed mixed between -1 to +2bps with the UST 2Y yield closing within 1bp lower at 0.15% whilst the much-watched UST 10Y edged 1bps up at 1.72%. The nearing of the end in capital relief for banks is deemed as a factor behind the recent volatility in UST movement patterns, as this may hamper banks balance-sheet strength in deploying both buy-sell orders. Fed Chair Powell is expected to speak several times this week following his somewhat dovish outlook at the FOMC meeting last week which was mainly brushed aside by markets. This week will see the US Treasury auction of ~\$180b in 2Y, 5Y and 7Y notes beginning Tuesday, along with \$26b in 2Y FRN's.

MGS/GII

- Last Friday, local govies ended mixed compared to weaker levels seen prior day due to lower IRS levels and also reports of Norway's Government Pension Fund Global increasing its foreign holdings of both MGS and GII by ~RM5.4b as at end-Dec 2020. Overall benchmark yields closed between -4 to +12bps across the curve amid a lower secondary market volume of RM1.97b. The 5Y MGS 9/25 yield closed unchanged at 2.76% whilst the 10Y MGS 4/31 edged 2bps up at 3.45%. Interest was mainly seen in the shorter off-the-run 21'-22's, 26's and also the benchmark 10Y GII. GII bond trades fell to form ~22% of overall trades. Meanwhile, expect some attention to shift to the 5Y MGS auction today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw a spike in investor interest last Friday amid a rise in secondary market volume @ RM788m. Overall yields ended mostly higher again on 27 various names seen across the GG-AA part of the curve. Govt-guaranteed DANA 4/25 spiked 76bps compared to previous-done levels at 3.10% whilst the 5/32 tranche rose 29bps at 4.10%. AAA-rated BAKUN 21 and 26 notched RM280m in nominal amounts with the former closing 10bps up at 2.34% whilst the later jumped 49bps at 3.44%. Likewise PUTRAJAYA 29-31's saw substantial activity with yields rising sharply higher between 4.00-10% area. The AA-space was dominated by energy-related bonds i.e. JEP 29-29's and Southern Power 28-31's which saw higher yields, to close between 3.74-4.21% levels. Meanwhile the banking space saw CIMB Group Holdings callable bonds pressured as yields rose between 27-72bps whilst MAYBANK 31NC26 edged 1bps lower at 3.40%.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.815	173	1.751	18/03/2021	6
MGS	09/21	1.797	57	1.799	18/03/2021	0
MGS	11/21	1.794	160	1.804	18/03/2021	-1
MGS	03/22	1.844	15	1.813	17/03/2021	3
MGS	08/22	2.041	60	2.012	18/03/2021	3
MGS	03/23	2.129	84	2.173	18/03/2021	-4
MGS	04/23	2.167	70	2.161	17/03/2021	1
MGS	08/23	2.220	66	2.219	16/03/2021	0
MGS	06/24	2.396	50	2.434	18/03/2021	-4
MGS	09/24	2.485	3	2.509	18/03/2021	-2
MGS	09/25	2.760	132	2.761	18/03/2021	0
MGS	07/26	2.864	1	2.809	16/03/2021	5
MGS	11/26	2.857	139	2.845	17/03/2021	1
MGS	05/27	3.077	38	3.029	18/03/2021	5
MGS	11/27	3.160	10	3.092	18/03/2021	7
MGS	06/28	3.156	6	3.140	18/03/2021	2
MGS	09/28	3.274	15	3.239	18/03/2021	4
MGS	08/29	3.413	83	3.470	18/03/2021	-6
MGS	04/30	3.508	1	3.492	18/03/2021	2
MGS	04/31	3.450	5	3.424	18/03/2021	3
MGS	06/31	3.581	2	3.565	17/03/2021	2
MGS	11/33	4.090	36	4.031	17/03/2021	6
MGS	07/34	3.944	107	3.954	18/03/2021	-1
MGS	04/37	4.185	3	4.268	18/03/2021	-8
MGS	06/38	4.332	31	4.340	18/03/2021	-1
MGS	05/40	4.350	85	4.378	18/03/2021	-3
MGS	03/46	4.476	9	4.501	16/03/2021	-3
MGS	07/48	4.610	9	4.535	18/03/2021	8
MGS	06/50	4.455	88	4.465	18/03/2021	-1
GII	04/21	1.770	40	1.762	17/03/2021	1
GII	03/22	1.892	112	1.897	16/03/2021	-1
GII	07/22	2.061	10	2.037	17/03/2021	2
GII	05/23	2.224	11	2.197	16/03/2021	3
GII	07/23	2.186	42	2.252	17/03/2021	-7
GII	11/23	2.283	12	2.310	16/03/2021	-3
GII	03/26	2.865	9	2.897	18/03/2021	-3
GII	09/27	3.125	5	3.089	18/03/2021	4
GII	09/30	3.645	2	3.625	16/03/2021	2
GII	10/30	3.627	141	3.690	18/03/2021	-6
GII	09/39	4.430	45	4.307	15/03/2021	12
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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	04/25	GG	3.100	25	2.345	27/07/2020	76	62
Pengurusan Air SPV Berhad	02/26	GG	3.199	5	2.339	14/09/2020	86	46
DanaInfra Nasional Berhad	05/32	GG	4.099	10	3.805	05/03/2021	29	65
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.579	10	3.800	06/01/2021	78	56
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.829	10	4.155	15/02/2021	67	49
DanaInfra Nasional Berhad	09/50	GG	4.843	5	4.881	18/03/2021	-4	51
Sarawak Energy Berhad	06/21	AAA	2.272	50	1.899	05/02/2021	37	43
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Berhad)	08/21	AAA	2.341	140	2.238	02/12/2020	10	50
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Energy Berhad)	08/26	AAA	3.442	140	2.949	02/03/2021	49	70
Sarawak Energy Berhad	11/28	AAA	3.779	1	2.989	29/01/2021	79	48
Putrajaya Bina Sdn Berhad	05/29	AAA	3.997	40	3.789	10/10/2019	21	70
Putrajaya Bina Sdn Berhad	05/30	AAA	4.048	60	3.375	26/02/2021	67	64
Putrajaya Bina Sdn Berhad	05/31	AAA	4.098	20	3.076	07/08/2020	102	65
Malayan Banking Berhad	01/31	AA1	3.399	10	3.411	18/03/2021	-1	-5
Celcom Networks Sdn Berhad	08/22	AA+	2.748	10	2.689	18/03/2021	6	91
CIMB Group Holdings Berhad	03/28	AA	2.962	60	2.690	26/01/2021	27	-17
CIMB Group Holdings Berhad	09/29	AA	3.179	40	2.826	26/01/2021	35	-12
CIMB Group Holdings Berhad	11/30	AA	3.744	100	3.027	02/03/2021	72	30
Country Garden Real Estate Sdn Berhad	02/23	AA3	4.129	2	3.268	12/03/2021	86	211
Jimah East Power Sdn Berhad	06/26	AA-	3.737	10	3.221	05/01/2021	52	100
Jimah East Power Sdn Berhad	06/27	AA-	3.902	10	3.324	06/01/2021	58	97
Southern Power Generation Sdn Berhad	04/28	AA-	3.799	4	3.247	24/02/2021	55	67
Southern Power Generation Sdn Berhad	04/31	AA-	4.209	10	3.415	05/01/2021	79	76
Affin Islamic Bank Berhad	10/17	A3	3.904	5	4.044	16/03/2021	-14	-43
Mah Sing Group Berhad	04/17	-	4.111	1	5.113	15/03/2021	-100	-23
Tropicana Corporation Berhad	10/23	A+	5.042	1	5.021	10/03/2021	2	289
DRB-Hicom Berhad	12/29	A+	4.870	10	4.914	10/03/2021	-4	147
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*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas MBS Berhad	Asset-backed Sukuk Musyarakah issuances (CMBS 2007-1-i)	AAA-IS/Stable	Affirmed
	Fixed rate serial bonds issuances (CMBS 2005-2; CMBS 2007-2)	AAA/Stable	Affirmed
Sabah Credit Corporation	Proposed RM1.75 bil Islamic Commercial Papers Programme	P1	Assigned
	RM1.75 billion Islamic Commercial Papers Programme (2014/2021) and RM3.5 billion Islamic Medium-Term Notes Programme (2014/2039)*	AA1/Stable/P1	Reaffirmed
	RM1 billion Islamic Medium-Term Notes Programme (2011/2031)	AA1/Stable	Reaffirmed
MEX I Capital Berhad	RM1.35 bil Sukuk Musharakah (2014/2031)	From BB1/Negative to C3/Negative	Downgraded

Source: RAM, MARC

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