

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries saw some volatility on Thursday as the longer-ends ended stronger on reports that the Biden-led government will propose the doubling of capital gains tax rate; with the curve turning flatter. Overall benchmark yields ended mostly lower between 0-3bps from prior day's close with the UST 2Y yield at 0.15% whilst the much-watched 10Y edged 2bps lower at 1.54%. The Treasury's \$18b 5Y TIPS auction results saw solid demand at a BTC ratio of 2.50x which notched a record low rate of minus 1.631%. Meanwhile, the data for jobless benefits fell to 547k, the lowest since the pandemic and may eventually pressure bond yields going forward as investors see brighter prospects for the economy. Elsewhere the ECB left short-term rates unchanged whilst making no changes to its bond-buying program. Expect some attention tonight to shift to the manufacturing and services PMI data for April.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	0
5-yr UST	0.79	-1
10-yr UST	1.54	-2
30-yr UST	2.22	-3

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.09	-4	2.16	0
5-yr	2.55	0	2.61	-1
7-yr	2.96	1	3.01	1
10-yr	3.07	-2	3.19	-2
15-yr	3.75	5	3.70	-11
20-yr	4.08	7	4.21	-3
30-yr	4.26	8	4.45	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	1
3-yr	2.40	2
5-yr	2.63	1
7-yr	2.79	0
10-yr	3.02	0

Source : Bloomberg

MGS/GII

- On Thursday, local govies ended mixed with the MGS longer-ends pressured whilst GII performed better generally compared to prior day amid lower secondary market volume of ~RM2.43b. Overall benchmark yields closed between -11 to +8bps. The 5Y MGS 9/25 yield closed unchanged at 2.55% whilst the 10Y MGS 4/31 edged 2bps lower at 3.07%. Interest was seen in the shorter off-the-run 21's, 28's and also benchmark 10Y GII. GII bond trades inched higher to form ~43% of overall trades. Expect some attention to shift to the March CPI data release at noon today. However, the MYR which closed steadier for the week pursuant to expectations on the government's successful raising of the first ever international Sukuk of USD1.3b; opened slightly weaker this morning.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw decent secondary market activity on Thursday despite slightly lower volumes of RM566m. Trades were printed mainly across the GG-AA part of the curve with overall yields closing mixed again on ~30 various names. Govt-guaranteed PTPTN dominated the GG-space with RM140m in transacted amounts with the 2022 tranches closing between -40 to +40bps compared to previous-done levels at 2.36% area. Both AAA-rated SEB 6/21 and TELEKOM 6/22 closed between 4-6bps lower at 2.23% and 2.50% each. AA-rated SAMALAJU 26-27's spiked 56-61bps between 3.49-71% whilst DUKE 32 jumped 49bps at 5.12%. Meanwhile, the banking space saw Hong Leong Financial Group 28NC23 decline 6bps at 3.18% whereas the 29NC24 tranche ended unchanged at 3.34%.

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.728	145	1.741	21/04/2021	-1
MGS 09/21	1.717	99	1.729	21/04/2021	-1
MGS 11/21	1.797	100	1.796	21/04/2021	0
MGS 03/22	1.848	14	1.833	21/04/2021	2
MGS 09/22	1.976	73	2.000	20/04/2021	-2
MGS 03/23	2.093	6	2.131	21/04/2021	-4
MGS 04/23	2.147	1	2.111	21/04/2021	4
MGS 06/24	2.361	95	2.357	21/04/2021	0
MGS 07/24	2.380	31	2.376	20/04/2021	0
MGS 09/25	2.548	51	2.545	21/04/2021	0
MGS 11/26	2.616	40	2.617	21/04/2021	0
MGS 03/27	2.797	10	2.819	21/04/2021	-2
MGS 05/27	2.822	30	2.837	21/04/2021	-2
MGS 11/27	2.884	21	2.872	21/04/2021	1
MGS 06/28	2.958	271	2.947	21/04/2021	1
MGS 08/29	3.088	11	3.064	21/04/2021	2
MGS 04/30	3.206	69	3.206	21/04/2021	0
MGS 04/31	3.066	65	3.089	20/04/2021	-2
MGS 06/31	3.322	40	3.361	21/04/2021	-4
MGS 04/33	3.720	10	3.771	21/04/2021	-5
MGS 11/33	3.803	24	3.823	21/04/2021	-2
MGS 07/34	3.750	19	3.700	21/04/2021	5
MGS 05/35	3.833	40	3.791	21/04/2021	4
MGS 05/40	4.084	71	4.010	21/04/2021	7
MGS 03/46	4.309	5	4.232	21/04/2021	8
MGS 06/50	4.261	22	4.177	21/04/2021	8
GII 08/21	1.739	40	1.786	21/04/2021	-5
GII 05/23	2.164	20	2.169	20/04/2021	0
GII 11/23	2.222	5	2.251	19/04/2021	-3
GII 02/24	2.450	150	2.163	22/09/2020	29
GII 10/24	2.416	60	2.423	20/04/2021	-1
GII 08/25	2.537	30	2.518	19/04/2021	2
GII 03/26	2.610	30	2.622	21/04/2021	-1
GII 09/27	3.008	20	2.995	21/04/2021	1
GII 10/28	3.056	183	3.122	21/04/2021	-7
GII 12/28	3.143	10	3.060	09/04/2021	8
GII 07/29	3.160	20	3.149	19/04/2021	1
GII 10/30	3.194	308	3.211	21/04/2021	-2
GII 08/33	3.839	10	3.850	20/04/2021	-1
GII 10/35	3.964	5	3.887	21/04/2021	8
GII 07/36	3.701	47	3.808	21/04/2021	-11
GII 09/41	4.208	85	4.233	20/04/2021	-2
GII 11/49	4.451	40	4.451	20/04/2021	0
		<u>2426</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	2.353	110	1.952	08/12/2020	40	52
Perbadanan Tabung Pendidikan Tinggi Nasional	09/22	GG	2.359	30	2.757	17/04/2020	-40	52
Lembaga Pembiayaan Perumahan Sektor Awam	04/27	GG	3.100	40	2.517	13/10/2020	58	31
DanaInfra Nasional Berhad	09/29	GG	3.409	20	3.018	11/01/2021	39	38
Prasarana Malaysia Berhad	03/31	GG	3.619	10	3.639	01/04/2021	-2	55
GovCo Holdings Berhad	06/31	GG	3.640	5	3.650	07/04/2021	-1	57
Prasarana Malaysia Berhad	08/39	GG	4.409	10	3.794	17/12/2020	62	31
Sarawak Energy Berhad	06/21	AAA	2.231	30	2.272	19/03/2021	-4	40
Cagamas Berhad	12/21	AAA	2.098	45	-	-	-	26
Pengurusan Air SPV Berhad	02/22	AAA	2.366	20	2.460	09/04/2021	-9	53
Telekom Malaysia Berhad	06/22	AAA	2.499	10	2.555	17/03/2021	-6	66
Zamrad Assets Berhad	11/26	AAA	3.842	14	4.350	15/11/2019	-51	105
Manjung Island Energy Berhad	11/26	AAA	3.198	20	3.088	08/03/2021	11	40
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/27	AAA	3.408	10	2.898	15/02/2021	51	61
Pengurusan Air SPV Berhad	10/29	AAA	3.759	10	3.139	16/12/2020	62	70
Sarawak Energy Berhad	12/32	AAA	4.189	10	4.210	21/04/2021	-2	112
TNB Western Energy Berhad	07/33	AAA	4.243	15	4.459	26/03/2021	-22	118
Danga Capital Berhad	09/33	AAA	4.269	18	4.339	22/03/2021	-7	120
Danum Capital Berhad	02/35	AAA	4.398	5	4.461	13/04/2021	-6	61
Samalaju Industrial Port Sdn Berhad	12/26	AA1	3.487	20	2.927	09/11/2020	56	69
Samalaju Industrial Port Sdn Berhad	12/27	AA1	3.708	30	3.100	05/01/2021	61	76
Genting RMTN Berhad	11/29	AA1	4.866	2	4.900	02/04/2021	-3	180
Hong Leong Financial Group Berhad	06/28	AA2	3.178	40	3.235	06/04/2021	-6	23
Hong Leong Financial Group Berhad	06/29	AA2	3.337	10	3.340	20/04/2021	0	31
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/32	AA-	5.116	30	4.628	18/12/2020	49	205
Hong Leong Financial Group Berhad	11/17	A1	3.494	1	3.071	20/04/2021	42	-60
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.500	1	4.109	20/04/2021	39	143
Eco World International Berhad	04/23	-	5.602	0	5.489	14/04/2021	11	352
Eco World Capital Assets Berhad	08/24	-	5.753	1	5.597	14/04/2021	16	340
Tropicana Corporation Berhad	09/19	-	5.965	0	5.497	16/04/2021	47	187
				<u>566</u>				

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

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

Source: RAM, MARC

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