

## 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	0.82	-5
10-yr UST	1.62	-7
30-yr UST	2.33	-7

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	0	2.16	-6
5-yr	2.74	-2	2.85	-3
7-yr	3.16	1	3.13	1
10-yr	3.43	-1	3.57	-2
15-yr	3.93	-2	4.03	0
20-yr	4.31	-3	4.47	0
30-yr	4.40	-7	4.65	-2

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.42	-2
5-yr	2.73	1
7-yr	2.91	-1
10-yr	3.30	2

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasuries ended stronger on Tuesday with the curve bull-flattening, aided by Fed chair Powell's testimony, solid 2Y auction, renewed demand for save havens amid turmoil in Turkey and also extended lockdowns in Europe. Overall benchmark yields continued to rally, with yields declining between 0-7bps with the UST 2Y yield closing unchanged at 0.15% whilst the much-watched UST 10Y yield closed 7bps lower at 1.62%. The \$60b 2Y note auction saw solid demand on a BTC ratio of 2.54x (previous auction: 2.44x; average previous 6 auctions: 2.52x) whilst being awarded at 0.152%. In his testimony with Senate, Fed Chair Powell reiterated his views of inflation, saying that overheating risks from fiscal stimulus won't be sustained due to the high jobless situation. The Fed is expected to communicate well in advance when it begins its tapering of its large-scale bond buying program. Expect attention to shift to the ongoing heavy slate of Treasury auctions of ~\$61b 5Y and \$26b in 2Y FRN's tonight; followed by \$62b 7Y notes tomorrow.

### MGS/GIII

- On Tuesday, local govovies saw the 3<sup>rd</sup> day of gains as overall benchmark yields closed mostly lower between 0-7bps across the curve (save for the 7Y tenures) amid a lower secondary market volume of RM3.17b. To recap, the government's funding requirements due to the recent PEMERKASA stimulus package is expected to be funded by FCY loan/debt, local bills issuances and also gains from higher oil prices. The 5Y MGS 9/25 yield ended 2bps lower at 2.74% whilst the 10Y MGS 4/31 edged 1bps lower at 3.43%. Interest was mainly seen in the shorter off-the-run 21's, 23's and also the benchmark 3Y GII, 5Y MGS. GII bond trades jumped to form ~35% of overall trades.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space continued to be boosted by strong investor interest on Tuesday amid a sharp rise in secondary market volume of RM842m. Overall yields ended mostly higher again on ~26 various names mainly seen across the GG-AA part of the curve. Govt-guaranteed PTPTN 3/24 and SME 4/25 spiked 68bps compared to previous-done levels at 2.80% and 3.03% respectively. AAA-rated CAGAMAS 21's rose 16-19bps between 2.11-17% whilst TOYOTA Capital 2/23 made its debut trade at 3.03%; about 67bps sharply lower than its coupon rate of 3.70%. The AA-space saw energy bond SEPANGAR 7/26 shoot 54bps higher at 3.67% whilst MMC 25 and 27 rose 7-20bps at 4.10% and 4.50% each. Meanwhile the banking space saw Bank MUAMALAT 12/31 edge 2bps lower at 3.98% whilst HLF perps 2117NC22 declined sharply at 3.11% levels.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.786	341	1.788	22/03/2021	0
MGS 09/21	1.791	14	1.799	22/03/2021	-1
MGS 11/21	1.784	170	1.803	22/03/2021	-2
MGS 03/22	1.826	74	1.844	19/03/2021	-2
MGS 08/22	1.986	11	1.995	22/03/2021	-1
MGS 09/22	1.992	50	1.998	22/03/2021	-1
MGS 04/23	2.120	15	2.156	22/03/2021	-4
MGS 08/23	2.208	211	2.217	22/03/2021	-1
MGS 09/24	2.521	33	2.520	22/03/2021	0
MGS 09/25	2.735	634	2.752	22/03/2021	-2
MGS 04/26	2.797	4	2.803	19/03/2021	-1
MGS 07/26	2.819	10	2.822	22/03/2021	0
MGS 11/26	2.799	84	2.822	22/03/2021	-2
MGS 03/27	2.986	2	3.021	19/03/2021	-3
MGS 05/27	2.986	30	3.033	22/03/2021	-5
MGS 11/27	3.105	12	3.102	22/03/2021	0
MGS 06/28	3.156	32	3.148	22/03/2021	1
MGS 08/29	3.395	73	3.436	22/03/2021	-4
MGS 04/31	3.430	31	3.445	22/03/2021	-1
MGS 06/31	3.581	2	3.615	22/03/2021	-3
MGS 04/33	3.951	43	4.018	22/03/2021	-7
MGS 11/33	4.083	7	4.060	22/03/2021	2
MGS 07/34	3.925	43	3.946	22/03/2021	-2
MGS 06/38	4.400	28	4.398	22/03/2021	0
MGS 05/40	4.306	74	4.333	22/03/2021	-3
MGS 09/43	4.446	2	4.461	22/03/2021	-2
MGS 07/48	4.555	10	4.578	22/03/2021	-2
MGS 06/50	4.398	22	4.466	22/03/2021	-7
GII 04/21	1.750	110	1.770	19/03/2021	-2
GII 08/21	1.782	150	1.801	18/03/2021	-2
GII 10/21	2.000	80	1.901	09/03/2021	10
GII 03/22	1.853	100	1.892	19/03/2021	-4
GII 07/22	1.992	7	2.061	19/03/2021	-7
GII 05/23	2.156	207	2.220	22/03/2021	-6
GII 10/23	2.225	20	2.366	10/03/2021	-14
GII 11/23	2.238	163	2.283	19/03/2021	-4
GII 10/24	2.551	5	2.555	22/03/2021	0
GII 10/25	2.350	10	2.658	17/03/2021	-31
GII 03/26	2.847	55	2.873	22/03/2021	-3
GII 09/26	2.991	20	2.925	18/03/2021	7
GII 09/27	3.133	20	3.125	19/03/2021	1
GII 10/28	3.307	17	3.299	17/03/2021	1
GII 07/29	3.561	10	3.542	17/03/2021	2
GII 10/30	3.571	84	3.589	22/03/2021	-2
GII 09/39	4.467	20	4.467	22/03/2021	0
GII 11/49	4.650	30	4.670	16/03/2021	-2
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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*
Perbadanan Tabung Pendidikan Tinggi Nasional	03/24	GG	2.795	70	2.117	26/01/2021	68	68
Small Medium Enterprise Development Bank Malaysia B	04/25	GG	3.028	20	2.349	22/01/2021	68	55
Pengurusan Air SPV Berhad	06/25	GG	3.101	5	2.287	09/02/2021	81	63
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.501	50	3.000	03/06/2020	50	55
Small Medium Enterprise Development Bank Malaysia B	04/27	GG	3.408	20	2.730	27/01/2021	68	46
DanaInfra Nasional Berhad	05/35	GG	4.390	5	3.248	02/09/2020	114	44
Cagamas Berhad	10/21	AAA	2.169	30	1.979	12/01/2021	19	34
Cagamas Berhad	10/21	AAA	2.112	15	1.949	03/03/2021	16	28
Pengurusan Air SPV Berhad	02/22	AAA	2.530	20	2.421	10/03/2021	11	70
Toyota Capital Malaysia Sdn Berhad	02/23	AAA	3.034	40	-	-	-	103
Sarawak Energy Berhad	04/31	AAA	4.189	85	4.089	17/03/2021	10	75
Celcom Networks Sdn Berhad	08/24	AA+	3.148	20	2.697	03/03/2021	45	103
Sime Darby Property Berhad	12/27	AA+	4.028	30	3.355	04/02/2021	67	87
Sepangar Bay Power Corporation Sdn Berhad	07/26	AA1	3.668	20	3.129	26/02/2021	54	92
Genting RMTN Berhad	11/29	AA1	4.900	5	5.000	16/03/2021	-10	150
Sime Darby Plantation Berhad (fka Sime Darby Plantatio	03/16	AA	3.689	116	3.096	26/01/2021	59	-61
Perbadanan Kemajuan Negeri Selangor	08/21	AA3	2.992	75	2.797	23/02/2021	20	116
MMC Corporation Berhad	11/25	AA-	4.098	10	4.028	17/03/2021	7	135
MMC Corporation Berhad	11/27	AA-	4.499	10	4.291	10/03/2021	21	134
Bumitama Agri Ltd	07/26	AA3	3.748	20	3.679	18/03/2021	7	100
Jati Cakerawala Sdn Berhad	07/22	A1	3.851	1	3.848	19/03/2021	0	202
Hong Leong Financial Group Berhad	11/17	A1	3.110	21	4.048	22/03/2021	-94	-119
Bank Muamalat Malaysia Berhad	11/21	A	3.975	5	3.993	16/03/2021	-2	215
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.124	1	4.136	17/03/2021	-1	68
Eco World International Berhad	10/21	-	3.662	2	3.497	16/03/2021	17	183
Eco World Capital Services Berhad	03/26	-	5.500	146	-	-	-	275
				<u>842</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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