

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries ended mixed with the long-ends richer last Friday following a slew of mixed data that included strong Markit PMI numbers but tainted with weaker home sales. Overall benchmark yields ended in narrow ranges i.e. between -1 to +1bps with the UST 2Y yield edging 1bps up at 0.15% and the much-watched 10Y closing within 1bps lower at 1.62%. Fed Chair Powell's commentary that it wasn't time to start the process of QE tapering is seen to be contradictory following data stemming from recent reverse repo (RRP) operations that saw an estimated \$351b in liquidity removed. Although traders may remain optimistic about the economic outlook, they are wary of signs that the Fed will consider tapering its asset purchases. Expect attention to shift to the upcoming auctions for 2Y, 5Y and 7Y notes beginning this Wednesday onwards.

MGS/GIII

- Last Friday, local govies saw overall benchmark yields settle mostly unchanged-to-higher i.e. between 0-6bps save for both the ultra-long MGS/GII; amid an increase in secondary market volume @ RM3.04b. Both the 5Y MGS 9/25 and 10Y MGS 4/31 yields closed almost unchanged at 2.57% and 3.20% respectively. Interest was mainly seen in the shorter off-the-run 21's, 24's and benchmark 10Y MGS. GII bond trades rose further to form 31% of overall trades. Elsewhere the government has further tightened movement restrictions via MCO 3.0; which emphasizes among others the need to reduce personnel working from office premises coupled with shorter business operating hours. Expect attention to focus on news surrounding the recent fierce new wave of COVID-19 infections and progress on vaccination rollouts.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw sustained interest last Friday amid a steady secondary market volume of RM560m. Trades were printed across the GG-AA part of the curve as overall yields closed mostly mixed again on 26 various names. Both the ultra-short and long Govt-guaranteed DANA 11/21 and 2/49 tranches rose 6-8bps compared to previous-done levels at 1.99% and 4.77% each. AAA-rated PLUS and SEB 31's saw yields move opposite of each other with the former 7bps lower at 3.90% whereas the latter moved 3bps up at 3.95%. AA-rated energy-related bonds which were issued by TBEI recently in March, saw the 27-28's make their debut trades between 3.51-66% area. The banking space saw AmBank Islamic 3/22 spike 14bps at 2.75% on substantial volume of RM145m.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	1
5-yr UST	0.82	1
10-yr UST	1.62	0
30-yr UST	2.32	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.31	-1	2.08	1
5-yr	2.57	0	2.61	0
7-yr	2.98	2	2.99	0
10-yr	3.20	0	3.28	-1
15-yr	3.90	6	4.02	2
20-yr	4.16	-1	4.20	0
30-yr	4.29	-14	4.53	-3

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.38	-2
5-yr	2.71	2
7-yr	2.90	1
10-yr	3.18	1

Source: Bloomberg

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	1.757	230	1.720	20/05/2021	4
MGS 09/21	1.735	44	1.739	20/05/2021	0
MGS 11/21	1.769	75	1.719	20/05/2021	5
MGS 03/22	1.781	181	1.781	20/05/2021	0
MGS 08/22	1.870	60	1.881	19/05/2021	-1
MGS 08/23	2.103	14	2.122	18/05/2021	-2
MGS 06/24	2.302	473	2.306	20/05/2021	0
MGS 09/24	2.387	10	2.377	19/05/2021	1
MGS 09/25	2.568	55	2.573	20/05/2021	0
MGS 07/26	2.718	19	2.723	19/05/2021	0
MGS 11/26	2.629	2	2.572	20/05/2021	6
MGS 05/27	2.866	10	2.865	20/05/2021	0
MGS 11/27	2.877	30	2.878	19/05/2021	0
MGS 06/28	3.003	255	2.982	20/05/2021	2
MGS 08/29	3.155	64	3.152	20/05/2021	0
MGS 04/31	3.214	201	3.202	20/05/2021	1
MGS 06/31	3.406	2	3.385	18/05/2021	2
MGS 04/33	3.812	41	3.812	20/05/2021	0
MGS 11/33	3.828	10	3.790	19/05/2021	4
MGS 07/34	3.857	241	3.847	20/05/2021	1
MGS 05/35	3.926	47	3.927	20/05/2021	0
MGS 04/37	4.073	1	4.114	20/05/2021	-4
MGS 05/40	4.199	23	4.157	20/05/2021	4
MGS 07/48	4.462	1	4.436	17/05/2021	3
GII 04/22	1.805	20	1.809	20/05/2021	0
GII 07/22	1.878	80	1.936	17/05/2021	-6
GII 05/23	2.085	20	2.081	20/05/2021	0
GII 05/24	2.357	240	2.341	11/05/2021	2
GII 08/24	2.377	30	2.406	10/05/2021	-3
GII 10/24	2.358	214	2.373	20/05/2021	-2
GII 03/26	2.609	15	2.613	20/05/2021	0
GII 09/26	2.774	10	2.724	03/05/2021	5
GII 10/28	3.100	24	3.074	20/05/2021	3
GII 07/29	3.250	71	3.236	19/05/2021	1
GII 10/30	3.296	33	3.277	20/05/2021	2
GII 06/33	3.852	80	3.848	12/05/2021	0
GII 11/34	3.990	30	3.955	17/05/2021	4
GII 07/36	4.052	80	4.024	20/05/2021	3
GII 09/41	4.250	2	4.196	06/05/2021	5
		<u>3039</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	11/21	GG	1.988	10	1.913	25/01/2021	8	19
Prasarana Malaysia Berhad	12/21	GG	2.007	30	2.000	30/09/2020	1	21
Lembaga Pembiayaan Perumahan Sektor Awam	04/22	GG	2.105	20	2.050	22/09/2020	6	31
DanaInfra Nasional Berhad	05/22	GG	2.150	10	1.959	30/09/2020	19	35
Lembaga Pembiayaan Perumahan Sektor Awam	03/28	GG	3.199	15	3.270	28/04/2021	-7	23
Lembaga Pembiayaan Perumahan Sektor Awam	03/31	GG	3.550	15	3.530	04/05/2021	2	34
DanaInfra Nasional Berhad	02/49	GG	4.770	50	4.711	08/04/2021	6	58
Pengurusan Air SPV Berhad	06/29	AAA	3.669	40	3.108	22/12/2020	56	58
Projek Lebuhraya Usahasama Berhad	01/31	AAA	3.898	10	3.969	21/04/2021	-7	69
Sarawak Energy Berhad	04/31	AAA	3.950	40	3.919	20/05/2021	3	74
TNB Western Energy Berhad	07/31	AAA	3.959	10	4.882	24/01/2018	-92	75
Danga Capital Berhad	01/33	AAA	4.119	10	4.290	24/03/2021	-17	91
GENM Capital Berhad	07/23	AA1	3.903	15	4.127	18/05/2021	-22	186
Malayan Banking Berhad	01/31	AA1	3.197	10	3.308	14/04/2021	-11	-1
AmBank Islamic Berhad	03/22	AA3	2.746	145	2.609	07/09/2020	14	95
Perbadanan Kemajuan Negeri Selangor	08/23	AA3	3.597	40	3.608	07/05/2021	-1	155
Perbadanan Kemajuan Negeri Selangor	10/23	AA3	3.630	40	3.660	26/04/2021	-3	158
Tanjung Bin Energy Sdn Berhad	09/27	AA3	3.514	10	-	-	-	70
Tanjung Bin Energy Sdn Berhad	03/28	AA3	3.581	10	-	-	-	62
Tanjung Bin Energy Sdn Berhad	09/28	AA3	3.664	10	-	-	-	70
Tanjung Bin Energy Sdn Berhad	09/29	AA3	3.821	10	3.871	30/04/2021	-5	73
Jati Cakerawala Sdn Berhad	07/23	A1	3.948	1	3.949	07/05/2021	0	190
Tropicana Corporation Berhad	10/23	A+	5.392	1	5.007	12/04/2021	39	335
Eco World Capital Assets Berhad	08/22	-	4.484	4	4.522	18/05/2021	-4	269
Mah Sing Group Berhad	04/17	-	4.542	5	4.891	20/05/2021	-35	35
YNH Property Berhad	08/19	-	6.252	1	6.393	11/05/2021	-14	206
				<u>560</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Encorp Systembilt Sdn Bhd	RM1.575 bil Sukuk Murabahah	AA1/Stable	Reaffirmed
The Holstein Milk Company Sdn Bhd	RM1.0 billion Sukuk Wakalah Programme	AA-IS/Stable	Assigned

Source: RAM, MARC

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