

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	0.81	-1
10-yr UST	1.61	-1
30-yr UST	2.31	-2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	-1	2.08	-8
5-yr	2.68	-6	2.80	-5
7-yr	3.13	-2	3.08	-5
10-yr	3.39	-4	3.53	-4
15-yr	3.89	-4	4.03	0
20-yr	4.27	-3	4.44	-2
30-yr	4.40	0	4.64	-1

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	-1
3-yr	2.41	-1
5-yr	2.71	-2
7-yr	2.86	-5
10-yr	3.19	-11

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries continued to advance on Wednesday with the curve flattening slightly, following a decent 5Y auction despite earlier pressure from a heavy IG issuance slate. Overall benchmark yields declined between 0-2bps with the UST 2Y yield closing within 1bps at 0.15% whilst the much-watched UST 10Y yield edged 1bps lower at 1.61%. The \$61b 5Y note auction saw decent demand on a BTC ratio of 2.36x (previous auction: 2.36x; average previous 6 auctions: 2.38x) whilst being awarded at 0.85%; up 23bps from February's offering. The continued strength in UST's is partly attributed to comments from Fed Chair Powell who believes that the underlying sense of improved economic outlook and rise in yields was not threatening. Expect attention to shift to the Treasury auction of \$62b 7Y notes tonight and Labor Department's report on initial jobless claims for week ended 20th March.

MGS/GII

- On Wednesday, local govies witnessed follow-through buying as overall benchmark yields declined; taking cue from UST movements whilst ignoring the higher February inflation data of 0.1% y/y for Malaysia. Overall benchmark yields fell between 0-8bps across the curve amid a higher secondary market volume of RM4.83b. The 5Y MGS 9/25 rallied pushing yields down 6bps to close at 2.68% whilst the 10Y MGS 4/31 yields moved 4bps lower at 3.39%. Interest was mainly seen in the shorter off-the-run 21-22's, 29's and also the benchmark 5Y MGS/GII. GII bond trades jumped to form ~25% of overall trades. Meanwhile, the Finance Minister reiterated that the government's debt-to-GDP ratio is likely to reach 58.5% by year-end; remaining below the statutory limit of 60%.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space maintained solid investor interest on Wednesday amid a sharp rise in secondary market volume @RM1.23b. Overall yields however continued to end mostly higher again on ~41 various names seen across the GG to single-A part of the curve. Both govt-guaranteed GOVCO 2/24 and LPPSA 4/24 saw a total of RM480m exchange hands; spiking 56-69bps compared to previous-done levels at 2.77-78% levels. The long-end LPPSA 3/51 made its debut, closing at 4.91%. Meanwhile, SEB, TNB Northern and TNB Southern dominated the AAA-space rising between 2-101bps. AA-rated GENM Capital 23 and 28 rose the most i.e. 98-102bps to close at 4.20% and 4.98% each. UMW 23's ended 19-44bps higher at 3.09-10% levels. The banking space saw BPMB 3/22 move 10bps up at 2.60% whilst AFFIN Islamic perps 2017NC23 closed unchanged at 3.87%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.791	360	1.786	23/03/2021	0
MGS 09/21	1.775	492	1.791	23/03/2021	-2
MGS 03/22	1.821	1	1.826	23/03/2021	-1
MGS 09/22	1.960	241	1.992	23/03/2021	-3
MGS 03/23	2.121	48	2.129	23/03/2021	-1
MGS 04/23	2.127	1	2.120	23/03/2021	1
MGS 08/23	2.207	133	2.208	23/03/2021	0
MGS 06/24	2.374	80	2.379	22/03/2021	0
MGS 07/24	2.435	8	2.438	22/03/2021	0
MGS 09/24	2.475	52	2.521	23/03/2021	-5
MGS 09/25	2.677	977	2.735	23/03/2021	-6
MGS 04/26	2.775	11	2.797	23/03/2021	-2
MGS 07/26	2.799	66	2.819	23/03/2021	-2
MGS 11/26	2.799	116	2.799	23/03/2021	0
MGS 05/27	2.984	52	2.986	23/03/2021	0
MGS 11/27	3.074	52	3.105	23/03/2021	-3
MGS 06/28	3.133	90	3.156	23/03/2021	-2
MGS 08/29	3.320	227	3.395	23/03/2021	-8
MGS 04/30	3.455	2	3.508	19/03/2021	-5
MGS 04/31	3.394	206	3.430	23/03/2021	-4
MGS 06/31	3.568	11	3.581	23/03/2021	-1
MGS 04/32	3.820	1	3.892	17/03/2021	-7
MGS 04/33	3.928	1	3.951	23/03/2021	-2
MGS 11/33	3.981	123	4.083	23/03/2021	-10
MGS 07/34	3.886	29	3.925	23/03/2021	-4
MGS 05/35	4.118	2	4.127	22/03/2021	-1
MGS 04/37	4.236	2	4.242	23/03/2021	-1
MGS 06/38	4.480	131	4.400	23/03/2021	8
MGS 05/40	4.273	51	4.306	23/03/2021	-3
MGS 09/43	4.421	1	4.446	23/03/2021	-2
MGS 07/48	4.544	10	4.555	23/03/2021	-1
MGS 06/50	4.401	53	4.398	23/03/2021	0
GII 04/21	1.755	75	1.750	23/03/2021	0
GII 08/21	1.769	100	1.782	23/03/2021	-1
GII 03/22	1.848	50	1.853	23/03/2021	0
GII 04/22	1.865	10	1.934	16/03/2021	-7
GII 11/22	2.002	1	2.110	09/03/2021	-11
GII 05/23	2.081	30	2.156	23/03/2021	-8
GII 10/24	2.513	100	2.551	23/03/2021	-4
GII 03/26	2.801	270	2.847	23/03/2021	-5
GII 09/26	3.000	28	2.991	23/03/2021	1
GII 09/27	3.082	25	3.133	23/03/2021	-5
GII 10/28	3.298	60	3.307	23/03/2021	-1
GII 07/29	3.513	30	3.561	23/03/2021	-5
GII 10/30	3.529	250	3.571	23/03/2021	-4
GII 09/39	4.443	140	4.467	23/03/2021	-2
GII 11/49	4.644	31	4.650	23/03/2021	-1
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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*
PR1MA Corporation Malaysia	10/22	GG	2.498	10	1.999	12/08/2020	50	50
GovCo Holdings Berhad	02/24	GG	2.775	440	2.090	20/01/2021	69	66
Lembaga Pembiayaan Perumahan Sektor Awam	04/24	GG	2.774	40	2.217	24/02/2021	56	66
DanaInfra Nasional Berhad	02/25	GG	2.996	40	2.394	22/02/2021	60	53
Prasarana Malaysia Berhad	03/34	GG	4.349	10	3.540	22/01/2021	81	45
Lembaga Pembiayaan Perumahan Sektor Awam	03/51	GG	4.910	120	-	-	-	62
Cagamas Berhad	05/21	AAA	1.973	30	-	-	-	14
Cagamas Berhad	09/21	AAA	2.130	20	2.074	27/01/2021	6	30
Sarawak Energy Berhad	01/22	AAA	2.417	10	2.085	26/02/2021	33	58
Bank Pembangunan Malaysia Berhad	03/22	AAA	2.597	20	2.495	11/03/2021	10	76
Pengerang LNG (Two) Sdn Berhad	10/23	AAA	2.767	5	-	-	-	66
Putrajaya Holdings Sdn Berhad	05/26	AAA	3.482	25	2.658	26/01/2021	82	79
Sarawak Energy Berhad	01/27	AAA	3.570	20	3.450	18/03/2021	12	67
Projek Lebuhraya Usahasama Berhad	01/30	AAA	4.099	10	4.101	22/03/2021	0	75
Danum Capital Berhad	05/30	AAA	4.028	20	3.202	18/01/2021	83	68
TNB Northern Energy Berhad	11/30	AAA	4.100	10	3.089	12/11/2020	101	71
Sarawak Energy Berhad	04/31	AAA	4.209	155	4.189	23/03/2021	2	81
Manjung Island Energy Berhad	11/31	AAA	4.190	20	3.869	08/03/2021	32	80
TNB Northern Energy Berhad	05/32	AAA	4.220	10	3.920	24/09/2019	30	83
Danga Capital Berhad	01/33	AAA	4.290	10	4.299	22/03/2021	-1	90
TNB Western Energy Berhad	01/33	AAA	4.429	15	3.978	01/03/2021	45	103
Danum Capital Berhad	02/34	AAA	4.360	10	3.649	14/12/2020	71	46
Encorp Systembilt Sdn Berhad	11/21	AA1	2.456	10	2.319	24/11/2020	14	62
GENM Capital Berhad	07/23	AA1	4.198	30	3.177	04/02/2021	102	220
GENM Capital Berhad	07/28	AA1	4.977	20	4.000	02/11/2020	98	186
United Overseas Bank (Malaysia) Berhad	07/28	AA1	3.169	10	2.807	03/03/2021	36	5
Genting RMTN Berhad	11/29	AA1	4.898	1	4.900	23/03/2021	0	155
UMW Holdings Berhad	09/23	AA2	3.087	10	2.648	15/02/2021	44	109
UMW Holdings Berhad	10/23	AA2	3.104	30	2.918	12/03/2021	19	99
Gamuda Berhad	03/23	AA3	3.136	10	2.959	05/03/2021	18	114
Edra Energy Sdn Berhad	07/30	AA3	4.629	5	3.671	03/09/2020	96	128
UEM Sunrise Berhad	12/22	AA-	3.913	10	3.516	23/02/2021	40	191
Jimah East Power Sdn Berhad	06/31	AA-	4.490	10	3.749	16/02/2021	74	110
Jimah East Power Sdn Berhad	12/31	AA-	4.549	10	3.743	27/01/2021	81	115
MNRB Holdings Berhad	03/29	A1	4.056	10	4.367	04/12/2020	-31	78
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.181	1	4.124	23/03/2021	6	79
Affin Islamic Bank Berhad	10/17	A3	3.872	10	3.870	22/03/2021	0	-42
Eco World International Berhad	10/21	-	3.649	1	3.662	23/03/2021	-1	182
				<u>1227</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Agroto Business (M) Sdn Bhd	ASEAN Sustainability Sustainable and Responsible Investment (SRI) Sukuk Programme Framework (Framework)	"Gold" Sustainability Sukuk Assessment	Assigned
Cellco Capital Bhd	RM520 million issuance (Issue 1) under its Islamic Commercial Papers/Islamic Medium-Term Notes (Sukuk Ijarah Programme) with a combined limit of up to RM1.0 billion	MARC-1IS /AA-IS	Assigned

Source: RAM, MARC

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