

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	-1
5-yr UST	0.81	1
10-yr UST	1.64	3
30-yr UST	2.36	5

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	0	2.15	7
5-yr	2.69	1	2.79	-1
7-yr	3.12	-1	3.11	2
10-yr	3.35	-4	3.53	0
15-yr	3.88	-1	4.03	0
20-yr	4.29	2	4.46	2
30-yr	4.41	1	4.64	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.40	-1
5-yr	2.70	-1
7-yr	2.85	-1
10-yr	3.15	-4

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries were pressured on the longer-ends on Thursday with the curve ending steeper, following the weak 7Y auction and upbeat US labor-market which showed that initial jobless claims for period ended 20<sup>th</sup> March fell to its lowest level of 684k since March last year; versus consensus of 730k. Overall benchmark yields rose between 1-5bps save for the 2Y yield edging 1bps lower at 0.14% whilst the much-watched UST 10Y yield moved 3bps higher at 1.64%. The \$62b 7Y note auction saw weaker-than-expected demand on a BTC ratio of 2.23x (previous auction: 2.04x; average previous 6 auctions: 2.28x) whilst being awarded at 1.30%; up 20bps from February's offering. Fed Chair Powell reiterated earlier that the recent rise in UST's reflected an optimistic economic outlook as vaccination rollouts gather momentum. Expect interest to shift to reports on personal income and spending and consumer spending.

MGS/GII

- On Thursday, local govies saw a pull-back in buying momentum as overall benchmark yields closed mixed between -4 to +7bps across the curve amid a lower secondary market volume of RM3.37b. The 5Y MGS 9/25 yield edged 1bps up at 2.69% whilst the 10Y MGS 4/31 bucked the general trend by closing 4bps lower at 3.35%. Interest was mainly seen in the shorter off-the-run 21'S, 23's and also the benchmark 5Y MGS/GII. GII bond trades jumped to form ~52% of overall trades. Meanwhile, the MYR has weakened considerably this week owing to stronger greenback and weaker oil prices. However, oil prices are expected to recover lost ground on tighter supply and increased demand on renewed global economic recovery.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space was less active on Thursday amid a sharp drop in secondary market volume @ RM404m. Overall yields ended mostly mixed-to-higher again on ~28 various names seen across the GG-AA part of the curve. Govt-guaranteed DANA saw a slew of 2032-2037 tranches exchange hands. DANA 32 and 35's closed between -1 to +2bps compared to previous-done levels between 4.04-41%; whilst the 36-37's spiked 32-105bps between 4.45-53%. The long-end DANA 9/45 made its debut, closing at 4.72%. Meanwhile, SEB, 29-30's jumped sharply on yields as well at 4.03% and 4.13% each. AA-rated energy-related bonds EDRA dominated the space with the 2027-2028 tranches closing 62-70bps sharply higher between 4.12-35% levels whereas the 7/30 tranche edged 1bps up at 4.64%. The banking space saw AFFIN Islamic perps 2017NC23 trade again edging 1bps 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	1.770	247	1.791	24/03/2021	-2
MGS 09/21	1.780	100	1.775	24/03/2021	1
MGS 11/21	1.776	7	1.784	23/03/2021	-1
MGS 03/22	1.821	2	1.821	24/03/2021	0
MGS 08/22	1.945	3	1.986	23/03/2021	-4
MGS 09/22	1.986	133	1.960	24/03/2021	3
MGS 03/23	2.120	27	2.121	24/03/2021	0
MGS 08/23	2.214	73	2.207	24/03/2021	1
MGS 07/24	2.452	10	2.435	24/03/2021	2
MGS 09/24	2.500	46	2.471	24/03/2021	3
MGS 09/25	2.691	417	2.677	24/03/2021	1
MGS 04/26	2.837	12	2.775	24/03/2021	6
MGS 07/26	2.796	32	2.799	24/03/2021	0
MGS 11/26	2.782	32	2.799	24/03/2021	-2
MGS 03/27	2.992	4	2.986	23/03/2021	1
MGS 05/27	2.986	18	2.984	24/03/2021	0
MGS 11/27	3.068	12	3.074	24/03/2021	-1
MGS 06/28	3.125	71	3.133	24/03/2021	-1
MGS 08/29	3.321	90	3.320	24/03/2021	0
MGS 04/30	3.460	1	3.455	24/03/2021	0
MGS 04/31	3.355	105	3.394	24/03/2021	-4
MGS 06/31	3.552	4	3.568	24/03/2021	-2
MGS 04/33	3.912	10	3.928	24/03/2021	-2
MGS 11/33	4.007	20	3.981	24/03/2021	3
MGS 07/34	3.876	36	3.886	24/03/2021	-1
MGS 04/37	4.234	3	4.236	24/03/2021	0
MGS 06/38	4.384	8	4.480	24/03/2021	-10
MGS 05/40	4.289	44	4.273	24/03/2021	2
MGS 03/46	4.465	18	4.508	22/03/2021	-4
MGS 07/48	4.495	2	4.544	24/03/2021	-5
MGS 06/50	4.407	21	4.401	24/03/2021	1
GII 04/21	1.736	290	1.755	24/03/2021	-2
GII 08/21	1.780	30	1.769	24/03/2021	1
GII 04/22	1.858	38	1.865	24/03/2021	-1
GII 07/22	1.980	5	1.992	23/03/2021	-1
GII 05/23	2.156	30	2.081	24/03/2021	8
GII 07/23	2.193	205	2.186	22/03/2021	1
GII 11/23	2.199	7	2.238	23/03/2021	-4
GII 10/24	2.528	20	2.513	24/03/2021	2
GII 08/25	2.645	106	2.649	16/03/2021	0
GII 10/25	2.662	23	2.658	17/03/2021	0
GII 03/26	2.793	522	2.801	24/03/2021	-1
GII 09/26	2.960	10	3.000	24/03/2021	-4
GII 09/27	3.107	3	3.082	24/03/2021	3
GII 07/29	3.499	12	3.513	24/03/2021	-1
GII 10/30	3.529	120	3.529	24/03/2021	0
GII 08/33	4.010	8	3.987	08/03/2021	2
GII 09/39	4.459	20	4.443	24/03/2021	2
GII 11/49	4.644	310	4.644	24/03/2021	0
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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	03/32	GG	4.069	30	3.285	12/01/2021	78	71
DanaInfra Nasional Berhad	03/32	GG	4.035	10	4.050	16/03/2021	-1	67
DanaInfra Nasional Berhad	04/35	GG	4.410	10	4.399	16/03/2021	1	50
DanaInfra Nasional Berhad	05/35	GG	4.411	40	4.390	23/03/2021	2	50
DanaInfra Nasional Berhad	10/36	GG	4.450	10	3.399	08/10/2020	105	54
DanaInfra Nasional Berhad	05/37	GG	4.531	15	4.209	31/03/2020	32	63
DanaInfra Nasional Berhad	09/45	GG	4.719	5	-	-	-	44
Cagamas Berhad	10/21	AAA	2.089	10	2.169	23/03/2021	-8	26
Projek Lebuhraya Usahasama Berhad	01/22	AAA	2.491	30	2.445	08/03/2021	5	66
Pengerang LNG (Two) Sdn Berhad	10/23	AAA	2.783	5	2.767	24/03/2021	2	67
Sarawak Energy Berhad	07/29	AAA	4.029	30	3.088	16/12/2020	94	76
Sarawak Energy Berhad	06/30	AAA	4.130	10	3.142	11/01/2021	99	79
Sabah Development Bank Berhad	04/24	AA1	4.268	1	4.268	22/03/2021	0	215
Sime Darby Property Berhad	12/25	AA+	3.477	20	3.011	01/03/2021	47	79
Gamuda Berhad	11/22	AA3	3.050	40	3.045	22/03/2021	0	105
Press Metal Aluminium Holdings Berhad	10/24	AA3	4.177	2	3.746	10/02/2021	43	173
Edra Energy Sdn Berhad	01/27	AA3	4.116	10	3.499	08/02/2021	62	122
Edra Energy Sdn Berhad	07/27	AA3	4.192	10	3.561	08/02/2021	63	130
Edra Energy Sdn Berhad	07/28	AA3	4.352	10	3.650	04/02/2021	70	124
Edra Energy Sdn Berhad	07/30	AA3	4.635	25	4.629	24/03/2021	1	130
UEM Sunrise Berhad	05/23	AA-	4.049	10	3.988	17/03/2021	6	204
MMC Corporation Berhad	11/25	AA-	4.059	10	4.098	23/03/2021	-4	137
MMC Corporation Berhad	04/27	AA-	4.349	10	4.319	17/03/2021	3	145
Bank Muamalat Malaysia Berhad	11/21	A	3.582	1	3.975	23/03/2021	-39	175
Affin Islamic Bank Berhad	10/17	A3	3.866	10	3.872	24/03/2021	-1	-41
DRB-Hicom Berhad	12/24	A+	4.102	1	3.980	26/01/2021	12	166
DRB-Hicom Berhad	12/29	A+	4.883	1	4.870	19/03/2021	1	155
TG Excellence Berhad	02/20	AA-	3.481	40	3.537	22/03/2021	-6	-80
				<u>404</u>				

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

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

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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