

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries pared gains on Wednesday in choppy trading after the strong 5Y auction and ended slightly negative; accelerated by large block transactions in 10Y note futures. Overall benchmark yields edged between 0-2bps higher with the UST 2Y yield unchanged at 0.14% whilst the much-watched 10Y bond yields closed 2bps up at 1.58%. The \$61b 5Y auction drew strong investor demand; notching BTC of 2.49x, the highest since September last year whilst being awarded at 0.788%. This was a solid follow-through from prior day's \$60b 2Y auction which registered a 2-year high BTC of 2.74x @ 0.152%. Meanwhile the Fed's reverse repo agreement facility continues to see heavy usage above \$450b due to a cash glut. It is noted that both equities and bond markets continue to struggle with the delicate balance of the Fed's assurances on low rates against the backdrop of rising prices. Expect attention to shift to the upcoming 7Y notes auction tonight followed by US personal consumption data tomorrow.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	0
5-yr UST	0.78	1
10-yr UST	1.58	2
30-yr UST	2.26	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.30	1	2.07	-2
5-yr	2.58	2	2.64	3
7-yr	3.00	2	3.02	-2
10-yr	3.20	1	3.30	2
15-yr	3.95	2	4.04	1
20-yr	4.18	2	4.25	0
30-yr	4.44	0	4.40	-13

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.33	0
5-yr	2.64	-1
7-yr	2.87	-2
10-yr	3.12	-4

Source: Bloomberg

MGS/GIII

- On Tuesday, local govies saw MGS pressured whilst GII ended mostly mixed, with the 30Y GII sharply richer compared to its prior trade done about a week ago. Overall benchmark yields closed between -2 to +3bps save for the 30Y GII amid a dip in secondary market volume of RM1.99b. The 5Y MGS 9/25 yield settled 2bps higher at 2.58% whilst the 10Y MGS 4/31 yield edged 1bps up at 3.20%. Interest was mainly seen in the shorter off-the-run 21's and also benchmark 3Y, 5Y MGS/GII. GII bond trades rose to form 38% of overall trades. Expect attention to focus on the upcoming 5Y GII auction along with the trade numbers for April due for release tomorrow.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw activity ramp up on Tuesday amid a spike in secondary market volume of RM773m. Trades were printed mostly across the GG-AA part of the curve as overall yields closed mixed on 42 various names. Govt-guaranteed trades were plentiful with LPPSA 23 and 26 closing unchanged compared to previous-done levels at 2.41% and 3.03% respectively. PRASA 31's and 34 rose 0-8bps instead at 3.56% and 4.01% levels each. AAA-rated SEB 24-27's moved 1-4bps lower between 2.88-3.31% whilst TNB Western 1/31 and TNB 8/40 rose 11-13bps at 3.90% and 4.60% each. AA-rated energy-related bonds EDRA 34-35's edged 1bps lower between 4.73-79% whilst QUANTUM Solar 27-31's were well-bid resulting in yields declining to between 4.14-4.80%. Meanwhile the banking space saw MAYBANK 31NC26 end unchanged at 3.19%.

Upcoming Government Bond Tender

Re-opening of RM4.5b 5Y GII 3/26 on Friday, 28th May, 2021

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.701	20	1.720	24/05/2021	-2
MGS 09/21	1.750	39	1.728	24/05/2021	2
MGS 11/21	1.760	175	1.738	24/05/2021	2
MGS 03/22	1.764	3	1.812	24/05/2021	-5
MGS 09/22	1.910	11	1.870	24/05/2021	4
MGS 03/23	2.017	152	2.034	24/05/2021	-2
MGS 04/23	2.009	2	2.014	24/05/2021	0
MGS 08/23	2.101	19	2.090	24/05/2021	1
MGS 06/24	2.302	128	2.296	24/05/2021	1
MGS 07/24	2.349	1	2.318	24/05/2021	3
MGS 03/25	2.509	8	2.521	24/05/2021	-1
MGS 09/25	2.583	257	2.566	24/05/2021	2
MGS 07/26	2.695	2	2.705	24/05/2021	-1
MGS 05/27	2.872	3	2.855	24/05/2021	2
MGS 11/27	2.860	6	2.856	24/05/2021	0
MGS 06/28	3.004	111	2.981	24/05/2021	2
MGS 08/29	3.154	34	3.148	24/05/2021	1
MGS 04/30	3.301	50	3.270	24/05/2021	3
MGS 04/31	3.196	8	3.190	24/05/2021	1
MGS 06/31	3.405	8	3.404	24/05/2021	0
MGS 11/33	3.813	10	3.828	21/05/2021	-1
MGS 07/34	3.828	76	3.847	24/05/2021	-2
MGS 05/35	3.945	73	3.927	24/05/2021	2
MGS 06/38	4.228	1	4.233	20/05/2021	0
MGS 05/40	4.180	13	4.156	24/05/2021	2
MGS 09/43	4.350	10	4.335	24/05/2021	1
MGS 07/48	4.439	1	4.441	24/05/2021	0
MGS 06/50	4.435	3	4.433	24/05/2021	0
GII 03/22	1.797	2	1.797	24/05/2021	0
GII 04/22	1.835	4	1.820	24/05/2021	1
GII 07/22	1.844	6	1.867	24/05/2021	-2
GII 05/23	2.065	160	2.082	24/05/2021	-2
GII 11/23	2.195	120	2.191	24/05/2021	0
GII 10/24	2.361	40	2.358	21/05/2021	0
GII 03/26	2.641	5	2.609	21/05/2021	3
GII 09/26	2.753	10	2.774	21/05/2021	-2
GII 07/27	3.048	20	3.031	24/05/2021	2
GII 09/27	3.022	45	3.046	24/05/2021	-2
GII 10/30	3.302	100	3.281	24/05/2021	2
GII 06/33	3.851	60	3.852	21/05/2021	0
GII 07/36	4.038	110	4.024	24/05/2021	1
GII 09/39	4.315	80	4.252	18/05/2021	6
GII 11/49	4.400	2	4.525	20/05/2021	-13
		<u>1988</u>			

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yy yy)	Chg (bp)	Spread Against MGS*
Jambatan Kedua Sdn Berhad	07/23	GG	2.402	20	2.098	17/08/2020	30	36
Lembaga Pembiayaan Perumahan Sektor Awam	09/23	GG	2.412	10	2.414	20/05/2021	0	37
Jambatan Kedua Sdn Berhad	05/25	GG	2.815	10	2.325	25/01/2021	49	35
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.032	5	3.032	20/05/2021	0	45
DanaInfra Nasional Berhad	09/26	GG	3.008	10	3.050	16/04/2021	-4	42
Lembaga Pembiayaan Perumahan Sektor Awam	11/27	GG	3.172	20	3.150	14/04/2021	2	35
DanaInfra Nasional Berhad	02/28	GG	3.178	10	3.278	08/03/2021	-10	18
Prasarana Malaysia Berhad	02/31	GG	3.550	5	3.550	20/05/2021	0	34
Prasarana Malaysia Berhad	03/31	GG	3.560	5	3.520	04/05/2021	4	35
Prasarana Malaysia Berhad	03/34	GG	4.011	20	3.935	06/05/2021	8	7
Cagamas Berhad	12/22	AAA	2.331	30	2.700	10/06/2020	-37	29
Danum Capital Berhad	05/23	AAA	2.577	40	2.693	09/04/2021	-12	53
Manjung Island Energy Berhad	11/23	AAA	2.648	10	2.422	23/12/2020	23	35
Putrajaya Holdings Sdn Berhad	04/24	AAA	2.770	15	2.381	08/02/2021	39	47
Sarawak Energy Berhad	07/24	AAA	2.877	20	2.887	28/04/2021	-1	58
Sarawak Energy Berhad	06/26	AAA	3.199	20	3.237	17/05/2021	-4	61
Sarawak Energy Berhad	01/27	AAA	3.308	20	3.348	12/05/2021	-4	48
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/27	AAA	3.329	40	3.408	22/04/2021	-8	50
Petroleum Sarawak Exploration & Production Sdn Berhad	03/28	AAA	3.760	30	3.742	18/05/2021	2	76
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/29	AAA	3.628	20	3.639	12/05/2021	-1	50
Pengurusan Air Selangor Sdn Berhad	12/30	AAA	3.890	10	3.950	15/04/2021	-6	68
TNB Western Energy Berhad	01/31	AAA	3.899	20	3.773	21/08/2019	13	69
Tenaga Nasional Berhad	08/40	AAA	4.599	81	4.488	24/05/2021	11	41
Sabah Development Bank Berhad	05/23	AA1	3.850	48	-	-	-	180
Encorp Systembilt Sdn Berhad	11/25	AA1	3.085	10	3.094	20/05/2021	-1	62
GENM Capital Berhad	07/28	AA1	4.601	7	4.716	28/04/2021	-12	161
Malayan Banking Berhad	01/31	AA1	3.193	10	3.197	21/05/2021	0	-2
Genting RMTN Berhad	11/34	AA1	4.902	1	4.902	24/05/2021	0	96
Fortune Premiere Sdn Berhad	09/25	AA	3.439	20	3.486	11/05/2021	-5	97
Kedah Cement Sdn Berhad (fka Lafarge Cement Sdn Berhad)	12/23	AA3	3.466	10	3.556	15/04/2021	-9	117
Quantum Solar Park (Semenanjung) Sdn Berhad	04/27	AA-	4.138	10	4.327	06/04/2021	-19	131
Edra Energy Sdn Berhad	07/34	AA3	4.728	60	4.739	11/05/2021	-1	79
Edra Energy Sdn Berhad	07/35	AA3	4.787	25	4.799	05/05/2021	-1	84
Quantum Solar Park (Semenanjung) Sdn Berhad	10/27	AA-	4.208	10	4.548	14/12/2020	-34	138
Quantum Solar Park (Semenanjung) Sdn Berhad	10/28	AA-	4.367	10	4.399	06/05/2021	-3	137
Quantum Solar Park (Semenanjung) Sdn Berhad	04/31	AA-	4.798	10	4.930	09/02/2021	-13	159
Southern Power Generation Sdn Berhad	04/31	AA-	4.118	10	4.209	19/03/2021	-9	91
Dialog Group Berhad	11/20	A1	3.973	1	3.959	20/05/2021	1	-22
Tropicana Corporation Berhad	06/23	A+	3.999	1	4.988	28/04/2021	-99	195
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.331	5	4.331	24/05/2021	0	112
Kenanga Investment Bank Berhad	05/31	-	4.200	51	-	-	-	99
YNH Property Berhad	08/19	-	7.006	5	6.587	26/04/2021	42	282
				<u>773</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
F&N Capital Sdn Bhd (F&N Capital)	Islamic Medium-Term Notes (IMTN) and Islamic Commercial Papers (ICP) programmes with a combined limit of up to RM3.0 billion.	AAA-IS (CG) /MARC-1-IS (CG)	Assigned

Source: RAM, MARC

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