

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries declined on Tuesday with the curve bear-steepening, shrugging off the solid 7Y auction whilst seeing a pull-back around the timing of Italy's \$3.5b 2Y and 30Y bond issuance pricing. Overall benchmark yields ended higher between 1-6bps from prior day's close with the UST 2Y edging 1bps up at 0.17% whilst the much-watched 10Y spiked 6bps 1.62%. Investors are currently eyeing the 10Y yield which jumped to its highest in 2 weeks as inflation expectations hit an almost 8-year high before the Fed concludes its 2-day FOMC meeting tomorrow. Meanwhile the \$62b auction of 7Y notes saw decent bidding metrics with BTC ratio @ 2.31x (previous auction: 2.23x) and awarded at 1.306% (to recap, both the \$60b 2Y and \$61b 5Y UST notes saw solid demand). Expect attention to shift to the FOMC meeting tomorrow on the Fed's decision on policy rates along with the GDP data for 1Q2021.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.17	1
5-yr UST	0.86	3
10-yr UST	1.62	6
30-yr UST	2.30	5

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.11	-1	2.15	-1
5-yr	2.57	0	2.64	0
7-yr	2.99	0	3.02	-2
10-yr	3.14	-1	3.26	1
15-yr	3.81	0	3.84	1
20-yr	4.03	-5	4.24	-3
30-yr	4.21	3	4.48	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	1
3-yr	2.42	1
5-yr	2.70	3
7-yr	2.84	2
10-yr	3.09	1

Source : Bloomberg

MGS/GII

- On Tuesday, local govvnies were largely directionless despite rising IRS levels with overall benchmark yields closed mostly mixed between -5 to +3bps amid a dip in secondary market volume to ~RM3.01b. The 5Y MGS 9/25 yield closed within 1bps lower at 2.57% whilst the 10Y MGS 4/31 yield edged 1bps lower at 3.14%. Interest was seen in the shorter off-the-run 21's and 24's MGS/GII's. GII bond trades formed ~24% of overall trades. The recent media conference by the Finance Minister on Monday reaffirmed that the fiscal deficit for 2021 is expected at 6.0% versus the 6.2% in 2020. Meantime expect bond movements to correlate with UST's in the absence of market-moving data other than Malaysia exports due at noon today.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space saw lesser secondary market activity on Tuesday compared to prior day. Overall secondary market volume fell to RM466m as trades were seen printed across the GG to single-A part of the curve with overall yields closing mostly mixed-to-lower compared to recent past sessions on ~26 various names. Govt-guaranteed PRASA 34-35's closed 13-25bps lower compared to previous-done levels between 4.02-06%. AAA-rated SEB 7/29 and 12/32 edged 1-3bps lower at 3.68% and 4.18% each whereas the 6/35 tranche spiked 75bps at 4.45%. Another energy-related giant i.e. TNB saw the 8/32 tranche spike 67bps with RM40m in transacted amounts. AA-rated UEM Edgenta 4/22 moved 2bps lower at 2.84% whilst KLK 8/25 rose sharply by 37bps @ 3.11%. Meanwhile, the banking space was relatively active with transactions seen in at least four(4) various names. PUBLIC Bank 29NC24 declined 3bps at 3.24% whilst AmBank Islamic 28NC23 ended unchanged at 3.77%.

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	1.702	721	1.699	26/04/2021	0
MGS 09/21	1.738	115	1.699	26/04/2021	4
MGS 11/21	1.788	741	1.808	26/04/2021	-2
MGS 03/22	1.812	71	1.870	26/04/2021	-6
MGS 08/22	2.014	1	2.016	14/04/2021	0
MGS 09/22	1.962	80	1.997	26/04/2021	-4
MGS 03/23	2.106	47	2.111	26/04/2021	-1
MGS 04/23	2.118	56	2.122	26/04/2021	0
MGS 08/23	2.194	40	2.229	26/04/2021	-4
MGS 06/24	2.377	111	2.352	26/04/2021	2
MGS 07/24	2.453	34	2.408	26/04/2021	4
MGS 03/25	2.531	6	2.573	26/04/2021	-4
MGS 09/25	2.570	2	2.569	26/04/2021	0
MGS 04/26	2.664	10	2.604	20/04/2021	6
MGS 11/26	2.599	11	2.621	23/04/2021	-2
MGS 05/27	2.851	3	2.851	26/04/2021	0
MGS 11/27	2.890	7	2.907	26/04/2021	-2
MGS 06/28	2.989	20	2.983	26/04/2021	1
MGS 08/29	3.107	10	3.165	26/04/2021	-6
MGS 04/31	3.144	10	3.150	26/04/2021	-1
MGS 06/31	3.408	40	3.366	26/04/2021	4
MGS 04/33	3.823	62	3.750	26/04/2021	7
MGS 11/33	3.846	47	3.803	22/04/2021	4
MGS 07/34	3.808	2	3.810	26/04/2021	0
MGS 05/40	4.034	4	4.088	26/04/2021	-5
MGS 03/46	4.352	1	4.304	26/04/2021	5
MGS 06/50	4.214	47	4.183	26/04/2021	3
GII 08/21	1.781	300	1.775	26/04/2021	1
GII 03/22	1.841	1	1.879	21/04/2021	-4
GII 04/22	1.838	7	1.870	21/04/2021	-3
GII 05/23	2.154	40	2.162	26/04/2021	-1
GII 07/23	2.214	106	2.203	16/04/2021	1
GII 08/25	2.540	1	2.536	23/04/2021	0
GII 09/27	3.023	1	3.040	26/04/2021	-2
GII 10/28	3.069	43	3.070	26/04/2021	0
GII 10/30	3.255	51	3.243	26/04/2021	1
GII 06/33	3.811	20	3.807	19/04/2021	0
GII 07/36	3.840	130	3.827	26/04/2021	1
GII 09/39	4.238	2	4.242	26/04/2021	0
GII 09/41	4.236	6	4.269	23/04/2021	-3
		<u>3006</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Maturity (dd/mm/yy yy)	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	08/21	GG	2.082	8	1.901	27/01/2021	18	24
Prasarana Malaysia Berhad	03/34	GG	4.020	30	3.940	23/04/2021	8	21
DanaInfra Nasional Berhad	03/34	GG	4.020	30	4.265	29/03/2021	-25	21
DanaInfra Nasional Berhad	05/35	GG	4.059	20	4.189	13/04/2021	-13	25
Cagamas Berhad	04/22	AAA	2.232	20	2.367	06/04/2021	-14	39
Pengurusan Air SPV Berhad	02/24	AAA	2.865	30	2.938	30/03/2021	-7	52
Pengurusan Air SPV Berhad	10/26	AAA	3.248	10	3.309	17/03/2021	-6	46
Sarawak Energy Berhad	07/29	AAA	3.684	10	3.714	23/04/2021	-3	63
Infracap Resources Sdn Berhad	04/31	AAA	4.078	60	4.098	19/04/2021	-2	96
Tenaga Nasional Berhad	08/32	AAA	4.009	40	3.340	13/01/2021	67	89
Sarawak Energy Berhad	12/32	AAA	4.179	20	4.189	22/04/2021	-1	106
Sarawak Energy Berhad	06/35	AAA	4.450	40	3.701	19/01/2021	75	65
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.254	4	3.260	20/04/2021	-1	141
Kuala Lumpur Kepong Berhad	08/25	AA1	3.109	10	2.744	08/02/2021	37	65
Genting RMTN Berhad	11/29	AA1	4.537	17	4.464	26/04/2021	7	143
Public Bank Berhad	12/29	AA1	3.240	30	3.267	26/04/2021	-3	13
CIMB Bank Berhad	08/26	AA+	2.522	2	4.406	11/03/2021	-188	-6
Celcom Networks Sdn Berhad	08/27	AA+	3.549	10	3.766	31/03/2021	-22	76
UEM Edgenta Berhad	04/22	AA-	2.836	10	2.857	26/04/2021	-2	99
Kimanis Power Sdn Berhad	08/26	AA-	3.489	10	3.279	14/12/2020	21	91
Bank Islam Malaysia Berhad	11/27	A1	3.237	40	3.250	13/04/2021	-1	26
AmBank (M) Berhad	03/28	A1	3.566	2	3.619	01/04/2021	-5	59
AmBank Islamic Berhad	10/28	A1	3.769	10	3.769	26/04/2021	0	79
UMW Holdings Berhad	04/18	A1	4.504	3	4.399	05/04/2021	11	40
Eco World Capital Assets Berhad	08/24	-	5.442	1	5.753	22/04/2021	-31	310
LBS Bina Group Berhad	03/20	-	5.225	1	6.069	16/04/2021	-84	112
				466				

*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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