

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were under some pressure as stocks rebounded from Wednesday selloff following a bigger than expected decline in initial jobless claims to below 900k for the first time in three weeks. Advance estimate also showed the US economy expanded for the second straight quarter albeit slower at 4.0% QOQ in 4Q. Meanwhile, the Fed guidance on maintaining interest rates and QE programme in the foreseeable future to combat the pandemic and moderating economic growth, continued to have a reeling effect on the markets. Overall benchmark yields closed mostly between 2-3bps higher led by the mid to longer ends while the 2Y yield was flat at 0.11%. 10Y note yields settled 3bps higher at 1.05%. Expect attention to turn to the release of personal outlay report for a better gauge on consumer income and spending, as well as the PCE inflation.

MGS/GII

- The MYR bond markets saw sustained trading momentum on Wednesday ahead of Thaipusam holiday yesterday. Secondary market volume dipped only slightly to RM2.55bn on Wednesday, from RM2.84bn the preceding day. Overall benchmark yields closed mixed for another day, again, between -6 to +8bps. Long-end GII recorded the biggest swing (-6bps for the benchmark 20Y GII and +8bps for 30Y GII) while in the MGS space, benchmark 3Y and 5Y saw the biggest down move of between 2-3bps. The 5Y MGS 9/25 yield edged 3bps down at 2.08% whilst the 10Y MGS 4/31 yield closed flat at 2.71%. Interests were seen concentrated on off-the-runs MGS and GII 21s, GII 10/28 and benchmark 3Y MGS 3/23. GII bond trades tapered somewhat to form ~48% of overall trades, down from 60% prior. With anxiety over possibility of a rate cut subsiding for the time being, we expect development on MCO 2.0 and vaccination rollout to influence overall trading sentiments in the local bond space. Latest rating reaffirmation by Moody's on Malaysia sovereign rating at A3 with a stable outlook is expected to spearhead demand for MYR bonds. FTSE review on WGBI will be next in focus followed by S&P rating review in June.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw softer trading interests with secondary market volume eased to RM676m on Wednesday (prior RM1.08bn). Trading was widely scattered over 52 different issuances in the GG to single-A rated segment with yields ended mixed. We noted substantial trading interest in the energy and financial sectors. UOB '30 and RHB '30 each saw RM60m changed hands, while Jimah '28 to '31 saw a combined RM150m dealt between 3.451-3.743%. In the GG segment, Prasa 11/28 took center stage with RM50m done 2bps inner at 2.877%. IRS levels were seen higher by 2bps in the 3Y to 7Y tenors.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.11	0
5-yr UST	0.41	2
10-yr UST	1.05	3
30-yr UST	1.81	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.84	-2	1.88	0
5-yr	2.08	-3	2.21	0
7-yr	2.47	1	2.47	0
10-yr	2.71	0	2.77	0
15-yr	3.32	0	3.43	0
20-yr	3.54	0	3.64	-6
30-yr	3.96	0	4.06	8

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	0
3-yr	1.98	2
5-yr	2.18	2
7-yr	2.35	2
10-yr	2.58	0

Source : Bloomberg

Upcoming Government Bond Tender

Daily Trades : Government Bond

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 02/21	1.770	130	1.703	26/01/2021	7
MGS 07/21	1.739	144	1.700	26/01/2021	4
MGS 09/21	1.728	111	1.720	26/01/2021	1
MGS 11/21	1.776	184	1.802	25/01/2021	-3
MGS 03/22	1.735	1	1.816	26/01/2021	-8
MGS 08/22	1.832	18	1.812	26/01/2021	2
MGS 03/23	1.852	164	1.859	26/01/2021	-1
MGS 04/23	1.879	57	1.836	26/01/2021	4
MGS 08/23	1.880	5	1.904	26/01/2021	-2
MGS 06/24	1.983	8	1.959	26/01/2021	2
MGS 07/24	1.986	3	1.982	26/01/2021	0
MGS 09/24	1.998	11	1.977	26/01/2021	2
MGS 03/25	2.113	5	2.059	26/01/2021	5
MGS 09/25	2.083	69	2.107	26/01/2021	-2
MGS 04/26	2.216	33	2.177	26/01/2021	4
MGS 07/26	2.238	8	2.234	26/01/2021	0
MGS 09/26	2.303	0	2.292	14/01/2021	1
MGS 11/26	2.238	5	2.193	26/01/2021	4
MGS 05/27	2.396	28	2.384	26/01/2021	1
MGS 11/27	2.454	33	2.448	26/01/2021	1
MGS 06/28	2.468	13	2.461	26/01/2021	1
MGS 08/29	2.696	17	2.710	26/01/2021	-1
MGS 04/30	2.792	56	2.789	26/01/2021	0
MGS 04/31	2.711	50	2.709	26/01/2021	0
MGS 06/31	2.888	9	2.888	26/01/2021	0
MGS 04/32	3.125	28	3.101	26/01/2021	2
MGS 04/33	3.395	4	3.390	26/01/2021	0
MGS 11/33	3.379	10	3.380	25/01/2021	0
MGS 07/34	3.321	20	3.326	26/01/2021	0
MGS 05/35	3.401	7	3.370	26/01/2021	3
MGS 05/40	3.544	86	3.542	26/01/2021	0
MGS 03/46	4.005	0	4.017	26/01/2021	-1
MGS 07/48	4.003	2	3.981	25/01/2021	2
MGS 06/50	3.956	17	3.956	26/01/2021	0
GII 03/21	1.745	300	1.740	25/01/2021	1
GII 08/21	1.750	400	1.751	26/01/2021	0
GII 03/22	1.770	10	1.778	21/01/2021	-1
GII 05/23	1.877	20	1.879	26/01/2021	0
GII 10/24	2.013	50	2.021	26/01/2021	-1
GII 08/25	2.166	0	2.093	26/01/2021	7
GII 10/25	2.166	10	2.178	25/01/2021	-1
GII 03/26	2.208	5	2.209	26/01/2021	0
GII 09/26	2.294	20	2.268	26/01/2021	3
GII 07/27	2.517	41	2.502	26/01/2021	2
GII 10/28	2.678	215	2.676	26/01/2021	0
GII 09/30	2.763	1	2.738	19/01/2021	2
GII 10/30	2.767	70	2.768	26/01/2021	0
GII 06/33	3.401	0	3.417	22/01/2021	-2
GII 11/34	3.411	2	3.450	26/01/2021	-4
GII 10/35	3.516	0	3.441	15/12/2020	8
GII 07/36	3.434	62	3.430	26/01/2021	0
GII 09/39	3.640	1	3.697	22/01/2021	-6
GII 05/47	4.072	1	4.044	13/01/2021	3
GII 11/49	4.063	4	3.986	26/01/2021	8
		<u>2549</u>			

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*	
Prasarana Malaysia Berhad	08/21	GG	1.901	5	1.885	25/01/2021	2	15
Bank Pembangunan Malaysia Berhad	10/25	GG	2.450	1	3.519	26/09/2019	-107	37
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	2.439	10	2.468	13/10/2020	-3	15
Small Medium Enterprise Development Bank Malaysia Berhad	04/27	GG	2.730	5	2.530	02/09/2020	20	44
Prasarana Malaysia Berhad	11/28	GG	2.877	50	2.901	08/01/2021	-2	31
Jambatan Kedua Sdn Berhad	07/31	GG	3.127	1	3.101	12/03/2020	3	42
Lembaga Pembiayaan Perumahan Sektor Awam	04/32	GG	3.263	1	3.706	26/09/2019	-44	56
Lembaga Pembiayaan Perumahan Sektor Awam	04/37	GG	3.747	1	4.854	14/11/2018	-111	43
Cagamas Berhad	09/21	AAA	2.074	10	1.981	12/01/2021	9	32
Pengurusan Air SPV Berhad	06/27	AAA	2.878	10	2.815	12/01/2021	6	59
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/27	AAA	2.893	15	2.898	25/01/2021	-1	43
Telekom Malaysia Berhad	09/27	AAA	2.788	10	2.704	29/09/2020	8	33
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.119	10	3.058	29/09/2020	6	55
Bank Pembangunan Malaysia Berhad	11/35	AAA	3.899	10	3.901	25/01/2021	0	58
YTL Power International Berhad	10/21	AA1	2.875	1	2.753	07/10/2020	12	113
Sabah Development Bank Berhad	02/26	AA1	3.171	10	3.262	09/12/2020	-9	109
Sabah Development Bank Berhad	04/26	AA1	3.186	10	3.279	09/12/2020	-9	110
Kuala Lumpur Kepong Berhad	09/29	AA1	3.229	20	3.229	21/01/2021	0	56
United Overseas Bank (Malaysia) Berhad	08/30	AA1	0.697	60	2.999	04/01/2021	-230	-201
Westports Malaysia Sdn Berhad	04/25	AA+	2.709	10	3.339	22/06/2020	-63	74
Westports Malaysia Sdn Berhad	05/25	AA+	2.719	10	2.801	23/09/2020	-8	75
Westports Malaysia Sdn Berhad	10/25	AA+	2.769	10	2.869	27/11/2020	-10	69
Westports Malaysia Sdn Berhad	04/26	AA+	2.823	10	2.817	19/01/2021	1	74
Intiaz Sukuk II Berhad	10/27	AA2	3.141	4	3.138	22/01/2021	0	68
Fortune Premiere Sdn Berhad	03/23	AA	2.819	20	2.877	22/12/2020	-6	102
Fortune Premiere Sdn Berhad	09/26	AA	3.259	0	3.259	21/01/2021	0	97
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.850	1	3.843	18/01/2021	1	177
Edra Energy Sdn Berhad	07/29	AA3	4.147	0	3.609	29/09/2020	54	158
Edra Energy Sdn Berhad	01/30	AA3	4.187	0	3.899	07/07/2020	29	152
RHB Bank Berhad	05/30	AA3	3.019	60	2.999	08/09/2020	2	35
Edra Energy Sdn Berhad	07/31	AA3	3.909	10	3.909	26/01/2021	0	120
Edra Energy Sdn Berhad	01/32	AA3	3.971	11	3.949	20/01/2021	2	126
Edra Energy Sdn Berhad	07/33	AA3	4.049	20	4.039	11/01/2021	1	134
Edra Energy Sdn Berhad	07/34	AA3	4.130	10	4.151	13/01/2021	-2	81
Kimanis Power Sdn Berhad	08/27	AA-	3.279	20	3.551	14/07/2020	-27	82
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/27	AA-	3.638	20	3.659	12/08/2020	-2	118
MMC Corporation Berhad	03/28	AA-	4.011	1	4.027	13/01/2021	-2	155
Jimah East Power Sdn Berhad	06/28	AA-	3.451	10	3.729	19/06/2020	-28	99
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/28	AA-	3.768	20	3.729	05/08/2020	4	120
Jimah East Power Sdn Berhad	06/30	AA-	3.643	10	3.643	22/01/2021	0	97
Jimah East Power Sdn Berhad	12/30	AA-	3.658	70	3.646	16/12/2020	1	95
Jimah East Power Sdn Berhad	06/31	AA-	3.679	20	3.679	22/01/2021	0	97
Southern Power Generation Sdn Berhad	10/31	AA-	3.510	20	3.511	26/01/2021	0	80
Jimah East Power Sdn Berhad	12/31	AA-	3.743	50	3.743	22/01/2021	0	104
Jati Cakerawala Sdn Berhad	07/23	A1	4.011	1	4.010	13/01/2021	0	216
CIMB Group Holdings Berhad	05/16	A1	2.817	12	2.775	26/01/2021	4	-73
CIMB Group Holdings Berhad	05/16	A1	3.313	1	3.386	21/01/2021	-7	-24
CIMB Group Holdings Berhad	05/16	A1	3.721	0	3.346	20/01/2021	38	17
Dialog Group Berhad	11/20	A1	4.134	1	4.133	16/12/2020	0	59
Affin Bank Berhad	07/18	A3	4.305	5	3.497	18/01/2021	81	76
Tropicana Corporation Berhad	10/25	A+	5.104	1	5.499	21/01/2021	-40	302
DRB-Hicom Berhad	12/26	A+	4.170	1	4.479	22/12/2020	-31	188
				<u>676</u>				

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

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Cahaya Mata Sarawak Berhad	RM2.0 bil Islamic MTN Programme (2017/2037)	AA3/Stable	Reaffirmed
	Corporate credit ratings	AA3/Stable/P1	Reaffirmed
Petroleum Sarawak Berhad	Corporate credit ratings	AAA/Stable/P1	Assigned
	Proposed Multi-Currency Islamic Medium-Term Notes of up to RM15 billion (2021/2051)	AAA/Stable	Assigned
Infracap Resources Sdn Bhd	Proposed RM15 bil Sukuk Murabahah Programme (2021/2041)	AAA(s)/Stable	Assigned

Source: RAM, MARC

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