

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	0
5-yr UST	0.87	3
10-yr UST	1.68	4
30-yr UST	2.38	2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	1	2.11	-4
5-yr	2.67	-2	2.77	-3
7-yr	3.11	-2	3.09	-1
10-yr	3.33	-3	3.47	-6
15-yr	3.93	5	4.03	0
20-yr	4.31	2	4.37	-9
30-yr	4.45	4	4.64	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.00	0
3-yr	2.42	2
5-yr	2.72	2
7-yr	2.85	0
10-yr	3.13	-2

Source : Bloomberg

Upcoming Government Bond Tender

New Issuance of RM2.0b+RM2.0b (Private placement) GII 9/41 on Tuesday, 30th March 2021

- US Treasuries gave back some ground last Friday with the curve shifting higher as optimism about the reopening of the economy reduced the safe appeal of bonds. This followed President Biden's announcement of doubling his goal for administering at least 100m vaccine shots in his first 100 days in office. Overall benchmark yields rose between 0-4bps with the 2Y yield closing unchanged at 0.14% whilst the much-watched UST 10Y yield rose 4bps higher at 1.68%. Bond traders and investors remained concerned about the potential of President Biden administration's \$1.9 trillion fiscal stimulus and increase in household spending to filter through the economy in the coming months ahead; creating inflationary pressures. Expect interest to eventually shift to the closely-watched monthly jobs report scheduled for release this Friday.

MGS/GII

- Last Friday, local govies saw overall benchmark MGS yields closed mixed whilst GII ended lower between 0-9bps across the curve amid a sustained secondary market volume of RM3.28b. The 5Y MGS 9/25 edged 2bps lower at 2.67% whilst the 10Y MGS 4/31 declined 3bps at 3.33%. Interest was mainly seen in the shorter off-the-run 21-22's, 28's and also the benchmark 5Y MGS, 10Y GII. GII bond trades dropped to form ~32% of overall trades. Meanwhile, traders and investors will await the upcoming review on the nation's weightage in the FTSE WGBI latest by Wednesday. Expect attention meantime to shift to the release of February's trade data today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space remained lacklustre last Friday amid a further drop in secondary market volume @ RM228m. Overall yields ended mostly higher on ~16 various names seen across the GG to single-A part of the curve. Govt-guaranteed PTPTN bucked the overall trend with yields sharply lower compared to previous-done levels at 2.56%. Nevertheless, PRASA 8/26 rose 6bps at 3.22%. Meanwhile, the sole AAA-rated bond trade involved TNB Western 7/33 which spiked 65bps at 4.46%. AA-rated energy-related bonds YTL Power 5/27 similarly rose 7bps at 4.12% whilst Penag Port 12/29 ended sharply higher on yields at 4.20%. The banking space was dominated by AmBank and AmIslamic bonds. AmBank 31NC26 made its debut trade at 4.03% whereas AmBank Islamic 30NC25 spiked 95bps at 4.02%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.764	425	1.770	25/03/2021	-1
MGS 09/21	1.782	1	1.780	25/03/2021	0
MGS 03/22	1.835	371	1.821	25/03/2021	1
MGS 08/22	1.973	2	1.945	25/03/2021	3
MGS 09/22	1.986	4	1.986	25/03/2021	0
MGS 03/23	2.131	91	2.120	25/03/2021	1
MGS 08/23	2.216	57	2.214	25/03/2021	0
MGS 06/24	2.380	100	2.387	25/03/2021	-1
MGS 07/24	2.442	11	2.452	25/03/2021	-1
MGS 03/25	2.623	1	2.684	25/03/2021	-6
MGS 09/25	2.674	339	2.691	25/03/2021	-2
MGS 07/26	2.793	65	2.796	25/03/2021	0
MGS 11/26	2.749	17	2.782	25/03/2021	-3
MGS 05/27	3.019	72	2.986	25/03/2021	3
MGS 11/27	3.061	27	3.068	25/03/2021	-1
MGS 06/28	3.106	164	3.125	25/03/2021	-2
MGS 08/29	3.302	63	3.321	25/03/2021	-2
MGS 04/30	3.381	1	3.460	25/03/2021	-8
MGS 04/31	3.328	94	3.355	25/03/2021	-3
MGS 04/32	3.797	1	3.820	24/03/2021	-2
MGS 04/33	4.002	82	3.912	25/03/2021	9
MGS 11/33	4.011	1	4.007	25/03/2021	0
MGS 07/34	3.925	125	3.876	25/03/2021	5
MGS 05/35	4.066	4	4.087	25/03/2021	-2
MGS 06/38	4.369	7	4.384	25/03/2021	-2
MGS 05/40	4.309	46	4.289	25/03/2021	2
MGS 03/46	4.475	10	4.465	25/03/2021	1
MGS 07/48	4.517	16	4.495	25/03/2021	2
MGS 06/50	4.447	51	4.407	25/03/2021	4
GII 04/22	1.843	96	1.858	25/03/2021	-2
GII 07/22	1.981	10	1.980	25/03/2021	0
GII 05/23	2.111	83	2.081	24/03/2021	3
GII 11/23	2.233	4	2.199	25/03/2021	3
GII 05/24	2.449	6	2.430	17/03/2021	2
GII 03/26	2.767	87	2.793	25/03/2021	-3
GII 09/27	3.092	53	3.107	25/03/2021	-2
GII 07/29	3.485	42	3.499	25/03/2021	-1
GII 09/30	3.524	130	3.645	19/03/2021	-12
GII 10/30	3.465	493	3.529	25/03/2021	-6
GII 08/33	3.793	4	4.010	25/03/2021	-22
GII 09/39	4.372	20	4.459	25/03/2021	-9
		<u>3280</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing	Vol	Previous	Previous	Chg	Spread	
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*	
Perbadanan Tabung Pendidikan Tinggi Nasional	02/23	GG	2.560	15	3.749	13/06/2013	-119	56
Prasarana Malaysia Berhad	08/26	GG	3.222	15	3.161	17/03/2021	6	54
DanaInfra Nasional Berhad	05/41	GG	4.700	20	4.350	23/02/2021	35	43
TNB Western Energy Berhad	07/33	AAA	4.459	35	3.810	29/01/2020	65	112
YTL Power International Berhad	05/27	AA1	4.118	10	4.050	18/03/2021	7	122
Anih Berhad	11/27	AA	3.917	10	3.249	26/01/2021	67	84
Edra Energy Sdn Berhad	07/26	AA3	4.019	2	3.428	08/02/2021	59	134
Dynasty Harmony Sdn Berhad	12/32	AA3	6.090	20	5.990	01/08/2019	10	275
Dynasty Harmony Sdn Berhad	06/33	AA3	6.150	20	5.342	25/09/2020	81	281
Malayan Banking Berhad	02/17	AA3	3.429	2	3.379	18/03/2021	5	-84
Penang Port Sdn Berhad	12/29	AA-	4.199	10	3.479	22/02/2021	72	88
AmBank Islamic Berhad	12/30	A1	4.016	30	3.057	13/01/2021	96	67
AMBANK MTN 3650D 28.3.2031	03/31	A1	4.030	37			403	69
Alliance Bank Malaysia Berhad	10/35	A2	3.925	1	3.925	24/03/2021	0	1
Eco World International Berhad	04/23	-	5.690	1	5.694	18/03/2021	0	369
Eco World International Berhad	05/23	-	5.701	1	5.889	10/03/2021	-19	370
			<u>228</u>					

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MEX II Sdn Bhd's (MEX II)	RM1.3 billion Sukuk Murabahah Programme and RM150.0 million Junior Bonds	From BB-IS/Negative and B to C-IS/C/Negative	Downgraded

Source: RAM, MARC

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