

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	2
10-yr UST	1.71	3
30-yr UST	2.41	3

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.13	-1	2.11	0
5-yr	2.62	-6	2.78	1
7-yr	3.10	0	3.07	-2
10-yr	3.30	-3	3.45	-2
15-yr	3.90	-2	4.03	0
20-yr	4.29	-2	4.34	-3
30-yr	4.43	-2	4.51	-13

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.42	0
5-yr	2.73	1
7-yr	2.85	0
10-yr	3.17	4

Source : Bloomberg

Upcoming Government Bond Tender

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

- US Treasuries ended weaker as the curve steepened on Monday on concerns over inflationary pressures following reports of infrastructure plans that President Biden is set to reveal on Wednesday, which may cost \$4 trillion and include as much as \$3.5 trillion in tax hikes. Overall benchmark yields rose between 0-3bps with the 2Y yield closing within 1bps higher at 0.14% whilst the much-watched UST 10Y yield rose 3bps at 1.71%. The UST 10Y has jumped around 77bps since the beginning of this year; its largest quarterly yield surge since 4Q2016. Expect interest to shift to the closely-watched monthly jobs report scheduled for release this Friday.

MGS/GII

- On Monday, local govies closed stronger between 0-13bps across the curve; just hours ahead of FTSE Russell's decision to maintain Malaysia in the World Government Bond Index (WGBI) and remove the country from watchlist accorded since April 2019. Traders and investors ignored higher IRS levels as bidders outnumbered sellers amid a lower secondary market volume of RM2.35b. The 5Y MGS 9/25 rallied pushing yields down 6bps at 2.62% whilst the 10Y MGS 4/31 yield declined 3bps again at 3.30%. Interest was mainly seen in the shorter off-the-run 21-22's, 29's and also the benchmark 5Y, 20Y MGS. GII bond trades dropped to form ~21% of overall trades. Expect attention to shift to the 20Y GII auction today following the release of strong February trade data yesterday.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw improvement in investor appetite on Monday amid a slight boost in secondary market volume @ RM354m. Overall yields ended mostly mixed-to-higher on ~35 various names seen across the GG to single-A part of the curve. Govt-guaranteed PRASA and DANA 34's closed 6-10bps compared to previous-done levels between 4.27-29%. Nevertheless the longer-end DANA 4/37 and 11/42 tranches spiked 86-98bpd at 4.50% and 4.72% each. AAA-rated BAKUN 8/26 edged 1bps up at 3.45% whilst TNB 8/33 rose 10bps at 4.35%. AA-rated energy-related bonds i.e BGSM 12/23 and Southern Power saw yields spike at 2.98% and 3.30% respectively whilst TBEI 30-31's shot up 74bps between 4.20-32% area. Single-A rated TSH 23's generally closed between -4 to +3bps between 4.16-4.21% whilst the 12/21 tranche closed 4bps lower at 3.82%.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.769	304	1.764	26/03/2021	0
MGS 09/21	1.738	40	1.782	26/03/2021	-4
MGS 11/21	1.804	53	1.776	25/03/2021	3
MGS 03/22	1.807	196	1.835	26/03/2021	-3
MGS 08/22	1.983	1	1.973	26/03/2021	1
MGS 03/23	2.126	167	2.131	26/03/2021	0
MGS 04/23	2.146	7	2.127	24/03/2021	2
MGS 08/23	2.188	2	2.216	26/03/2021	-3
MGS 06/24	1.738	115	2.380	26/03/2021	-64
MGS 07/24	2.463	4	2.442	26/03/2021	2
MGS 09/24	2.504	12	2.500	25/03/2021	0
MGS 09/25	2.618	170	2.674	26/03/2021	-6
MGS 07/26	2.816	17	2.793	26/03/2021	2
MGS 11/26	2.816	3	2.749	26/03/2021	7
MGS 03/27	3.060	2	2.992	25/03/2021	7
MGS 05/27	2.992	19	3.019	26/03/2021	-3
MGS 11/27	3.035	77	3.061	26/03/2021	-3
MGS 06/28	3.104	30	3.106	26/03/2021	0
MGS 08/29	3.320	173	3.302	26/03/2021	2
MGS 04/30	3.447	67	3.381	26/03/2021	7
MGS 04/31	3.298	9	3.328	26/03/2021	-3
MGS 06/31	3.586	1	3.548	26/03/2021	4
MGS 04/33	3.991	41	4.002	26/03/2021	-1
MGS 11/33	4.032	2	4.011	26/03/2021	2
MGS 07/34	3.901	91	3.925	26/03/2021	-2
MGS 06/38	4.352	50	4.369	26/03/2021	-2
MGS 05/40	4.293	207	4.309	26/03/2021	-2
MGS 07/48	4.532	1	4.517	26/03/2021	1
MGS 06/50	4.427	5	4.447	26/03/2021	-2
GII 04/21	1.734	20	1.736	25/03/2021	0
GII 03/22	1.883	85	1.848	24/03/2021	3
GII 04/22	1.847	138	1.843	26/03/2021	0
GII 11/22	2.034	20	2.002	24/03/2021	3
GII 05/23	2.110	10	2.111	26/03/2021	0
GII 10/23	2.191	4	2.225	23/03/2021	-3
GII 11/23	2.120	10	2.233	26/03/2021	-11
GII 03/26	2.777	20	2.767	26/03/2021	1
GII 06/27	3.131	15	2.543	15/02/2021	59
GII 07/27	3.091	20	3.190	16/03/2021	-10
GII 09/27	3.067	29	3.092	26/03/2021	-2
GII 10/28	3.282	35	3.298	24/03/2021	-2
GII 10/30	3.446	20	3.465	26/03/2021	-2
GII 08/33	3.793	1	3.793	26/03/2021	0
GII 11/34	4.105	60	4.130	22/03/2021	-2
		<u>2354</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	08/32	GG	4.122	2	3.200	15/07/2020	92	79
Prasarana Malaysia Berhad	03/34	GG	4.290	20	4.349	24/03/2021	-6	38
DanaInfra Nasional Berhad	03/34	GG	4.265	10	4.360	22/03/2021	-10	35
Lembaga Pembiayaan Perumahan Sektor Awam	09/36	GG	4.475	30	4.190	02/03/2021	28	56
DanaInfra Nasional Berhad	04/37	GG	4.504	2	3.520	02/06/2020	98	59
DanaInfra Nasional Berhad	11/42	GG	4.719	10	3.860	17/11/2020	86	45
Aman Sukuk Berhad	04/22	AAA	2.652	15	2.103	15/02/2021	55	81
Toyota Capital Malaysia Sdn Berhad	01/23	AAA	2.987	2	2.993	09/03/2021	-1	98
MUFG Bank (Malaysia) Berhad (fka Bank of Tokyo-Mits)	03/23	AAA	2.869	6	-	-	-	86
Danum Capital Berhad	02/25	AAA	3.141	10	3.097	11/03/2021	4	69
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/26	AAA	3.448	10	3.442	19/03/2021	1	78
Pengurusan Air SPV Berhad	06/27	AAA	3.578	2	2.849	29/01/2021	73	68
Tenaga Nasional Berhad	08/33	AAA	4.349	20	4.250	12/03/2021	10	102
Danum Capital Berhad	02/34	AAA	4.449	40	4.360	24/03/2021	9	54
Pengurusan Air SPV Berhad	02/36	AAA	4.548	1	-	-	-	64
Cellco Capital Berhad	03/26	AA	4.130	3	-	-	-	146
Anih Berhad	11/27	AA	3.938	10	3.917	26/03/2021	2	85
BGSM Management Sdn Berhad	12/23	AA3	2.978	10	2.598	26/02/2021	38	87
UEM Sunrise Berhad	05/23	AA-	4.046	10	4.049	25/03/2021	0	204
Southern Power Generation Sdn Berhad	04/25	AA-	3.297	30	2.837	02/09/2020	46	85
Bumitama Agri Ltd	07/24	AA3	3.290	2	3.208	18/03/2021	8	118
Tanjung Bin Energy Issuer Berhad	09/30	AA3	4.198	10	3.461	22/01/2021	74	91
Tanjung Bin Energy Issuer Berhad	09/31	AA3	4.319	10	3.583	16/12/2020	74	99
Jati Cakerawala Sdn Berhad	07/22	A1	3.852	1	3.849	25/03/2021	0	201
Hong Leong Financial Group Berhad	11/17	A1	3.084	1	3.110	23/03/2021	-3	-119
TSH Sukuk Ijarah Sdn Berhad	04/23	A+	4.164	30	4.137	25/11/2020	3	216
TSH Sukuk Ijarah Sdn Berhad	12/21	A+	3.822	10	3.867	24/11/2020	-4	198
TSH Sukuk Ijarah Sdn Berhad	06/23	A+	4.206	20	-	-	-	220
TSH Sukuk Murabahah Sdn Berhad	06/23	A+	4.207	10	5.047	06/09/2016	-84	220
Tropicana Corporation Berhad	10/23	A+	5.043	1	4.948	24/03/2021	9	293
DRB-Hicom Berhad	12/24	A+	4.050	10	4.102	25/03/2021	-5	160
Bank Muamalat Malaysia Berhad	11/21	A	3.451	5	3.582	25/03/2021	-13	161
Eco World International Berhad	10/21	-	5.111	2	5.259	26/03/2021	-15	327
Eco World Capital Assets Berhad	08/24	-	5.744	1	6.267	25/03/2021	-52	364
LBS Bina Group Berhad	03/20	-	5.528	1	5.897	11/03/2021	-37	125
				<u>354</u>				

\*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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