

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries fell on Thursday following stronger data that included faster expansion in the first reading of 1Q2021 GDP; providing further evidence that the US economy was improving sharply. Overall benchmark yields ended higher between 0-4bps from prior day's close with the UST 2Y yield almost unchanged at 0.15% whilst the much-watched 10Y spiked 4bps at 1.65%. The slide in initial jobless claims for period ending 24th April coupled with the bounce in pending home sales boosted risk-on appetite. Nevertheless, Fed Chair Powell's stance to keep policy rates unchanged may lead the bond market vulnerable to a surge in inflation, which is said to be transitory. Meanwhile President Biden unveiled spending plans of up to \$4.0 trillion in infrastructure and other priorities but doubts linger if these bills can be pushed through Congress. Expect attention to shift to the upcoming release of the Fed's preferred inflation indicator i.e. PCE numbers for March.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 0.16 | 0 |
| 5-yr UST | 0.86 | 3 |
| 10-yr UST | 1.65 | 4 |
| 30-yr UST | 2.32 | 1 |

| MGS | | GII | | |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr | 2.39 | 1 | 2.15 | 0 |
| 5-yr | 2.58 | 1 | 2.64 | 0 |
| 7-yr | 3.04 | 5 | 3.08 | 5 |
| 10-yr | 3.19 | 4 | 3.26 | 0 |
| 15-yr | 3.79 | -1 | 3.87 | 3 |
| 20-yr | 4.11 | 8 | 4.24 | 0 |
| 30-yr | 4.21 | 0 | 4.48 | 0 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 2.03 | 2 |
| 3-yr | 2.42 | 0 |
| 5-yr | 2.71 | 1 |
| 7-yr | 2.85 | 1 |
| 10-yr | 3.09 | 0 |

Source : Bloomberg

Upcoming Government Bond Tender

Nil

MGS/GII

- On Wednesday, local govies ended generally weaker ahead of the mid-week holiday, led by rising IRS with overall benchmark yields closing between 0-8bps higher (save for the 15Y MGS) amid a sharp drop in secondary market volume to RM1.89b. The 5Y MGS 9/25 yield edged 1bps up at 2.58% whilst the 10Y MGS 4/31 yield rose 4bps at 3.19%. Interest was seen in the shorter off-the-run 21's, 24's and 28'S. GII bond trades formed a mere 8% of overall trades. Meantime the recent rise in COVID-19 cases and public concerns over AstraZeneca's shots may eventually cause investors to seek some comfort in the safety of bonds. This is expected to shrug off earlier concerns over the perceived future lack of take-up rates for bond auctions by KWAN fund as the government taps the fund for the procurement of COVID-19 vaccines.

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk space however maintained strong investor interest on Wednesday with overall secondary market volume sustained at RM499m. Trades were seen printed across the GG-AA part of the curve with overall yields closing mostly mixed-to-higher on ~25 various names. Govt-guaranteed DANA and LPPSA 24's spiked 41-48bps compared to previous-done levels between 2.63-68%. The long-end PRASA 2/50 notched RM100m worth of nominal trades; rising 45bps at 4.66%. AAA-rated SEB 7/24 edged 1bps lower at 2.89% whilst DANUM 2/26 rallied 12bps at 3.10%. AA-rated JEP 30's saw yields spike 52-62bps between 4.24-30% area whereas ANIH 11/25 declined 5bps at 3.40%. Meanwhile, the banking space was relatively quiet.

Daily Trades : Government Bond

| Securities | Closing | Vol | Previous | Previous | Chg |
|------------|---------|-------------|----------|--------------|------|
| | YTM | (RM mil) | YTM | Trade Date | (bp) |
| | | | | (dd/mm/yyyy) | |
| MGS 07/21 | 1.632 | 480 | 1.702 | 27/04/2021 | -7 |
| MGS 09/21 | 1.636 | 25 | 1.738 | 27/04/2021 | -10 |
| MGS 11/21 | 1.738 | 188 | 1.788 | 27/04/2021 | -5 |
| MGS 03/22 | 1.816 | 90 | 1.812 | 27/04/2021 | 0 |
| MGS 09/22 | 1.987 | 46 | 1.962 | 27/04/2021 | 3 |
| MGS 03/23 | 2.112 | 108 | 2.106 | 27/04/2021 | 1 |
| MGS 06/24 | 2.392 | 202 | 2.377 | 27/04/2021 | 2 |
| MGS 06/28 | 3.041 | 256 | 2.989 | 27/04/2021 | 5 |
| MGS 04/30 | 3.278 | 40 | 3.224 | 26/04/2021 | 5 |
| MGS 06/31 | 3.433 | 150 | 3.408 | 27/04/2021 | 2 |
| MGS 04/33 | 3.828 | 20 | 3.823 | 27/04/2021 | 0 |
| MGS 11/33 | 3.865 | 20 | 3.846 | 27/04/2021 | 2 |
| MGS 07/34 | 3.794 | 62 | 3.808 | 27/04/2021 | -1 |
| MGS 04/37 | 4.115 | 30 | 4.083 | 27/04/2021 | 3 |
| MGS 06/38 | 4.231 | 23 | 4.199 | 27/04/2021 | 3 |
| GII 11/22 | 2.015 | 40 | 2.103 | 16/04/2021 | -9 |
| GII 11/23 | 2.258 | 19 | 2.265 | 26/04/2021 | -1 |
| GII 09/27 | 3.075 | 20 | 3.023 | 27/04/2021 | 5 |
| GII 06/33 | 3.856 | 50 | 3.811 | 27/04/2021 | 4 |
| GII 07/36 | 3.867 | 23 | 3.840 | 27/04/2021 | 3 |
| | | <u>1891</u> | | | |

Daily Trades : Corp Bonds/ Sukuk

| Securities | Rating | Closing | Vol | Previous | Previous | Chg | Spread |
|--|--------|---------|------------|----------|--------------|------------|---------|
| | | YTM | (RM mil) | YTM | Trade Date | (bp) | Against |
| | | | | | (dd/mm/yyyy) | | MGS* |
| DanaInfra Nasional Berhad | 03/24 | GG | 2.631 | 20 | 2.219 | 09/12/2020 | 26 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 09/24 | GG | 2.679 | 40 | 2.197 | 24/11/2020 | 31 |
| Perbadanan Tabung Pendidikan Tinggi Nasional | 07/26 | GG | 3.051 | 30 | 3.122 | 06/04/2021 | 47 |
| Jambatan Kedua Sdn Berhad | 07/26 | GG | 3.005 | 15 | 2.539 | 28/07/2020 | 43 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 03/28 | GG | 3.270 | 25 | - | - | 25 |
| DanaInfra Nasional Berhad | 04/33 | GG | 3.889 | 30 | 3.421 | 27/11/2020 | 74 |
| Prasarana Malaysia Berhad | 02/50 | GG | 4.655 | 100 | 4.202 | 28/12/2020 | 54 |
| DanaInfra Nasional Berhad | 09/50 | GG | 4.649 | 60 | 4.660 | 26/04/2021 | 53 |
| Sarawak Energy Berhad | 07/24 | AAA | 2.887 | 40 | 2.899 | 20/04/2021 | 52 |
| Danum Capital Berhad | 02/26 | AAA | 3.095 | 20 | 3.217 | 05/04/2021 | 52 |
| Telekom Malaysia Berhad | 10/28 | AAA | 3.595 | 1 | 3.630 | 20/04/2021 | 50 |
| Tenaga Nasional Berhad | 08/37 | AAA | 4.459 | 10 | 4.529 | 06/04/2021 | 62 |
| Genting RMTN Berhad | 11/29 | AA1 | 4.507 | 31 | 4.537 | 27/04/2021 | 135 |
| Abu Dhabi National Energy Company PJSC | 03/22 | AA1 | 3.266 | 10 | 3.254 | 27/04/2021 | 143 |
| GENM Capital Berhad | 07/28 | AA1 | 4.716 | 1 | 4.717 | 26/04/2021 | 170 |
| Anih Berhad | 11/25 | AA | 3.402 | 15 | 3.456 | 19/04/2021 | 82 |
| OSK Rated Bond Sdn Berhad | 04/28 | AA | 4.290 | 13 | - | - | 127 |
| Jimah East Power Sdn Berhad | 06/30 | AA- | 4.238 | 10 | 3.718 | 16/02/2021 | 108 |
| Jimah East Power Sdn Berhad | 12/30 | AA- | 4.299 | 10 | 3.658 | 27/01/2021 | 115 |
| TG Excellence Berhad | 02/20 | AA- | 3.830 | 1 | 4.257 | 27/04/2021 | -29 |
| AmBank (M) Berhad | 11/28 | A1 | 3.745 | 2 | 2.978 | 26/02/2021 | 65 |
| CIMB Group Holdings Berhad | 05/16 | A1 | 4.594 | 1 | 2.653 | 31/03/2021 | 47 |
| Tropicana Corporation Berhad | 06/23 | A+ | 4.988 | 1 | 5.446 | 27/04/2021 | 287 |
| Mah Sing Group Berhad | 04/17 | - | 5.418 | 1 | 3.981 | 16/04/2021 | 130 |
| UZMA Berhad | 04/21 | - | 5.930 | 13 | - | - | 181 |
| | | | <u>499</u> | | | | |

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

| Rating Action | | | |
|--------------------------------|---|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Exsim Capital Resources Berhad | Proposed RM323 mil second issuance (Tranche 2 IMTN) | AA3/Stable | Assigned |

Source: RAM, MARC

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