

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.34	3
5-yr UST	2.33	4
10-yr UST	2.52	5
30-yr UST	2.93	6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.39	1	3.48	0
5-yr	3.54	0	3.66	-1
7-yr	3.69	-1	3.79	-1
10-yr	3.77	-2	3.83	-2
15-yr	4.08	-2	4.10	-2
20-yr	4.29	1	4.41	1
30-yr	4.58	-2	4.62	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	0
3-yr	3.56	0
5-yr	3.64	-1
7-yr	3.76	0
10-yr	3.94	0

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of 15Y MGS 11/33 consisting of RM2.5b + RM1.0b Private Placement on Friday, 5th April

US Treasuries

• US Treasuries ended weaker on Wednesday amid a low-volume session as the curve bear-steepened with the long-end lagging due to IG credit issuance pipeline. Overall benchmark yields closed 3-6bps higher with the UST 2Y up at 2.34% and the much-watched 10Y ending 5bps higher at 2.52%. A mild global bond sell-off ensued amid encouraging signs on US/China trade negotiations reputed to be at the “end-game stage” as Chinese vice-premier Liu He tries to sort remaining issues on the tricky and difficult existing tariffs. Meanwhile economic data did little to boost bonds despite the private sector creating fewer jobs than expected whilst the services activity (i.e. US ISM Non-Manufacturing PMI) undershot forecasts; pointing to a possible economic slowdown. Up next on the data front are the important March NFP figures out tomorrow.

MGS/GII

• Local govvnies saw decent momentum yesterday with total volume of RM3.52b with sporadic interest seen in the off-the-run 19’s, 26’s, 31’s and 43’s and also benchmark 15Y bonds. Overall benchmark yields however ended mostly mixed-to-lower i.e. -2 to +1bps. The 5Y benchmark MGS 4/23 was untraded at 3.54% and the 10Y MGS 8/29 edged 2bps lower at 3.77%. GII bonds rose to form 38% of overall trades. Meanwhile Moody’s has stated that Malaysia’s relatively high government debt is partly offset by a favourable debt structure and large domestic savings. Upcoming data today include February trade figures, and Foreign Reserves as at 29th March.

Corp Bonds/Sukuk

• Corporate Bonds/Sukuk saw upbeat in interest with volume at RM950m with investor interest mainly across the GG-AA part of the curve. A slew of Govt-guaranteed DANAINFRA bonds dominate this space followed buy other names like MKD Kenchana, Prasa and LPPSA bondsup to 20Y tenures. Both DANA 33-34’s and MKD Kenchana 25’s ralliedthe most by a massive 25-34bps compared to previous-done levels at between 3.94-95% levels and 4.23-24% levels. AAA-rated PLUS 28-29’s also closed sharply lower on yields between 4.25-27% area. AA-rated space saw ANIH 27-28’s close 6-17bps lower between 4.50-54% whilst both MMC 4/23 and WCT 10/23 ended 0-2bps lower at 5.13% and 5.08% respectively. The banking space saw nil trades.

Daily Trades : Government Bonds

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	07/19	3.269	206	3.293	02/04/2019	-2
MGS	10/19	3.347	51	3.332	02/04/2019	2
MGS	11/19	3.336	5	3.329	02/04/2019	1
MGS	03/20	3.357	140	3.388	02/04/2019	-3
MGS	10/20	3.388	46	3.384	02/04/2019	0
MGS	07/21	3.422	4	3.428	02/04/2019	-1
MGS	09/21	3.403	2	3.424	02/04/2019	-2
MGS	11/21	3.439	6	3.428	02/04/2019	1
MGS	03/22	3.387	10	3.376	02/04/2019	1
MGS	09/22	3.529	1	3.516	02/04/2019	1
MGS	07/24	3.686	14	3.687	02/04/2019	0
MGS	09/24	3.683	89	3.691	02/04/2019	-1
MGS	03/25	3.725	92	3.734	02/04/2019	-1
MGS	09/25	3.726	112	3.726	02/04/2019	0
MGS	04/26	3.754	40	3.756	02/04/2019	0
MGS	07/26	3.692	120	3.717	02/04/2019	-2
MGS	05/27	3.840	121	3.831	02/04/2019	1
MGS	11/27	3.811	74	3.816	02/04/2019	0
MGS	06/28	3.777	52	3.784	02/04/2019	-1
MGS	08/29	3.767	90	3.791	02/04/2019	-2
MGS	04/30	3.946	55	3.935	01/04/2019	1
MGS	06/31	4.013	145	4.033	02/04/2019	-2
MGS	04/32	4.057	20	4.077	02/04/2019	-2
MGS	04/33	4.065	31	4.080	02/04/2019	-1
MGS	11/33	4.083	110	4.100	02/04/2019	-2
MGS	05/35	4.236	124	4.241	02/04/2019	0
MGS	04/37	4.261	163	4.285	02/04/2019	-2
MGS	06/38	4.292	18	4.284	02/04/2019	1
MGS	09/43	4.527	160	4.537	02/04/2019	-1
MGS	07/48	4.578	71	4.581	01/04/2019	0
GII	04/19	3.357	60	3.307	02/04/2019	5
GII	04/20	3.395	81	3.414	01/04/2019	-2
GII	11/20	3.473	15	3.651	19/12/2018	-18
GII	08/21	3.483	121	3.501	01/04/2019	-2
GII	03/22	3.477	30	3.474	01/04/2019	0
GII	07/22	3.548	110	3.574	02/04/2019	-3
GII	11/23	3.657	90	3.671	02/04/2019	-1
GII	08/24	3.723	19	3.713	02/04/2019	1
GII	10/25	3.822	110	3.824	02/04/2019	0
GII	03/26	3.742	60	3.751	02/04/2019	-1
GII	09/26	3.805	151	3.845	02/04/2019	-4
GII	07/27	3.874	2	3.881	02/04/2019	-1
GII	10/28	3.902	160	3.934	02/04/2019	-3
GII	12/28	3.934	20	3.983	26/03/2019	-5
GII	07/29	3.827	32	3.844	02/04/2019	-2
GII	06/33	4.102	160	4.123	02/04/2019	-2
GII	10/35	4.292	70	4.318	28/03/2019	-3
GII	08/37	4.410	10	4.399	02/04/2019	1
GII	09/39	4.370	40	4.377	02/04/2019	-1
			<u>3515</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*
DanaInfra Nasional Berhad	11/22	GG	3.749	5	3.842	25/03/2019	-9	25
DanaInfra Nasional Berhad	05/23	GG	3.761	50	3.938	06/03/2019	-18	27
MKD Kencana Sdn Berhad	02/25	GG	3.939	50	4.281	25/10/2018	-34	28
MKD Kencana Sdn Berhad	04/25	GG	3.951	50	4.251	29/08/2018	-30	29
Prasarana Malaysia Berhad	02/26	GG	3.920	10	3.939	26/03/2019	-2	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.961	20	3.972	01/04/2019	-1	26
GovCo Holdings Berhad	02/27	GG	4.001	45	4.331	17/01/2019	-33	26
DanaInfra Nasional Berhad	03/27	GG	3.951	20	4.009	21/03/2019	-6	21
GovCo Holdings Berhad	09/27	GG	4.019	45	4.169	13/03/2019	-15	28
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	4.059	30	4.101	28/03/2019	-4	29
DanaInfra Nasional Berhad	10/28	GG	3.981	20	4.090	22/03/2019	-11	21
DanaInfra Nasional Berhad	11/28	GG	3.978	10	4.098	22/03/2019	-12	21
Prasarana Malaysia Berhad	09/29	GG	4.008	5	4.019	02/04/2019	-1	24
GovCo Holdings Berhad	02/32	GG	4.272	20	4.359	26/03/2019	-9	19
DanaInfra Nasional Berhad	04/33	GG	4.229	15	4.231	02/04/2019	0	15
DanaInfra Nasional Berhad	11/33	GG	4.229	5	4.479	06/03/2019	-25	15
DanaInfra Nasional Berhad	02/34	GG	4.239	20	4.574	20/02/2019	-34	16
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	4.284	135	-	-	-	20
Prasarana Malaysia Berhad	03/34	GG	4.239	20	4.319	02/04/2019	-8	16
Perbadanan Tabung Pendidikan Tinggi Nasional	07/41	GG	4.628	10	4.750	15/03/2019	-12	34
Malaysia Airports Capital Berhad	08/20	AAA	4.021	10	4.041	19/02/2019	-2	66
Toyota Capital Malaysia Sdn Berhad	01/23	AAA	4.340	10	4.353	28/03/2019	-1	84
GENM Capital Berhad	07/23	AAA	4.451	1	4.451	02/04/2019	0	96
Aman Sukuk Berhad	10/26	AAA	4.268	3	4.372	22/02/2019	-10	53
Projek Lebuhraya Usahasama Berhad	01/28	AAA	4.252	20	4.421	07/03/2019	-17	49
Projek Lebuhraya Usahasama Berhad	01/29	AAA	4.269	30	4.832	07/06/2018	-56	50
Tenaga Nasional Berhad	08/33	AAA	4.398	30	4.431	29/03/2019	-3	32
Danga Capital Berhad	09/33	AAA	4.420	69	4.499	29/03/2019	-8	34
Sarawak Energy Berhad	07/24	AA1	4.179	10	4.281	15/03/2019	-10	64
Northern Gateway Infrastructure Sdn Berhad	08/25	AA1	4.309	5	4.524	12/10/2018	-22	65
Celcom Networks Sdn Berhad	08/19	AA+	3.913	20	3.905	21/03/2019	1	55
Anih Berhad	11/27	AA	4.501	30	4.658	15/02/2019	-16	74
Anih Berhad	11/28	AA	4.539	20	4.606	21/03/2019	-7	77
Perbadanan Kemajuan Negeri Selangor	04/22	AA3	4.551	25	4.551	02/04/2019	0	117
Edra Energy Sdn Berhad	01/36	AA3	6.079	10	6.099	28/03/2019	-2	200
MMC Corporation Berhad	04/23	AA-	5.132	20	5.147	27/02/2019	-2	164
WCT Holdings Berhad	10/23	AA-	5.077	20	5.077	29/03/2019	0	153
MMC Corporation Berhad	03/28	AA-	5.419	2	5.420	02/04/2019	0	166
Southern Power Generation Sdn Berhad	04/32	AA-	4.519	20	4.625	13/03/2019	-11	44
WCT Holdings Berhad	05/22	AA-	4.928	10	4.910	29/01/2019	2	154
				950				

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

Market/Corporate News: What's Brewing

Moody's Investors Service has cut its 2019 gross domestic product (GDP) growth forecast for Malaysia to 4.4%, down from 4.7% projected in January. The international rating agency has also reduced Malaysia's real GDP growth for next year to 4.3% from 4.5%. "Growth in Malaysia will slow this year and next year because of its highly open economy and uncertainty in the global trade front," said Anushka Shah, a vice president of Moody's at press briefing in Kuala Lumpur. On March 27, Bank Negara Malaysia cut its economic growth forecast for this year and projected a major drop in export expansion due to slowing global growth and the U.S.-China trade war. The GDP for 2019 should grow 4.3%-4.8%, not 4.9% as projected by the Government in November, the central bank said in its annual report. Malaysia reported 4.7% growth for last year. Shah said as Malaysia's linkages with China are high and rising, China's economic slowdown projected for this year would have an impact on Malaysia. Moody's has projected China's economy to grow at 6.0% this year. She added weaker trends in global trade will also act as a drag. (Source: The Star)

Genting Bhd indirect wholly-owned subsidiaries Resorts World Las Vegas LLC and RWLV Capital Inc had on Tuesday (April 2) priced their US\$1 billion (about RM4.0815 billion) 4.625% senior notes to finance the construction of the Resorts

World Las Vegas casino and integrated resort. At 9.10am, Genting fell 18 sen to RM6.77 with 550,000 shares traded. The 10-year notes due in 2029 are expected to be listed on the Official List of the Singapore Exchange Securities Trading Ltd. The net proceeds will be used to fund the remaining costs associated with the design, development, construction, equipping, financing and opening of the Resorts World Las Vegas casino and integrated resort, including all furniture, fixtures and equipment therein or attached thereto, and related amenities, all to be located in Clark County, Nevada, pay transaction fees and expenses associated with the offering and the senior secured credit facilities, and for working capital and other general corporate purposes. (Source: *The EdgeMarkets*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.