

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	0
5-yr UST	0.88	-4
10-yr UST	1.67	-7
30-yr UST	2.33	-8

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.14	0	2.14	0
5-yr	2.58	-8	2.68	-5
7-yr	2.96	-12	2.94	-3
10-yr	3.24	0	3.33	-2
15-yr	3.81	-7	3.91	-12
20-yr	4.04	-18	4.27	-18
30-yr	4.31	-7	4.59	-6

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.45	-1
5-yr	2.73	-6
7-yr	2.87	-6
10-yr	3.13	-9

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries gained mainly across the intermediates and long-ends on the first day of the second quarter as the curve flattened whilst ignoring higher-than-expected initial jobless data for period ended and also the solid ISM manufacturing data. The UST 2Y yield ended unchanged at 0.16% whilst the much-watched UST 10Y yield fell 7bps at 1.67%. It is believed that traders may have been clearing their short positions in anticipation of the upcoming better-than-expected NFP data. The combination of buoyant economic data, fiscal stimulus and positive vaccine developments have managed to overshadow some concerns that the world may need to grapple with another resurgence of COVID-19 cases. Expect investor attention to shift to March's monthly jobs report release tonight.

MGS/GII

- On Thursday, local govies rallied further following the recent spate of positive news and vibes with overall benchmark govies closed sharply lower between 0-18bps with the 15-20 sector benefitting the most amid an increase in secondary market volume of RM5.24b. The 5Y MGS 9/25 yield declined 8bps at 2.58% whilst the 10Y MGS 4/31 closed unchanged at 3.24%. Interest was mainly seen in the shorter off-the-run 22's, 29's, benchmark 5Y, 7Y, 20Y, 30Y MGS and also the 7Y GII which contributed 10% of overall volume. GII bond trades rose to form ~38% of overall trades. The liberalized foreign exchange policy benefitting mainly exporters effective 15th April is also expected to provide a shot in the arm mainly for foreign direct investments (FDI). Expect support for bonds following attractive valuations arising from the recent sell-off.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw investor appetite ease with interest mainly noted across the GG-AA part of the curve on Thursday. Secondary market volume fell to RM394m as overall yields continued to end mostly mixed-to-higher on ~21 various bonds. Govt-guaranteed PRASA 10/28 and 3/31 spiked 51-65bps compared to previous-done levels at 3.53% and 3.64% each. AAA-SEB 1/22 and 4/31 however bucked the overall trend, declining 3-7bps at 2.35% and 4.18% respectively. The AA-space saw energy-related bonds YTL Power 5/27 close unchanged at 4.12% whilst EDRA 29-30's jumped 28-64bps between 4.41-56%. PTP 8/27 and PROHAWK 12/25 which traded yesterday exchanged hands again today between 0-4bps lower at 3.86% and 3.53% each. The banking space saw AmBank 28NC23 end 90bps higher at 3.62%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.779	199	1.696	31/03/2021	8
MGS 09/21	1.730	128	1.720	31/03/2021	1
MGS 11/21	1.761	205	1.713	31/03/2021	5
MGS 03/22	1.882	129	1.921	31/03/2021	-4
MGS 08/22	1.970	66	2.031	31/03/2021	-6
MGS 09/22	2.031	90	1.972	31/03/2021	6
MGS 03/23	2.143	116	2.128	31/03/2021	1
MGS 04/23	2.154	6	2.134	31/03/2021	2
MGS 08/23	2.190	18	2.197	31/03/2021	-1
MGS 06/24	2.346	79	2.361	31/03/2021	-2
MGS 07/24	2.397	4	2.421	31/03/2021	-2
MGS 09/24	2.438	15	2.447	31/03/2021	-1
MGS 03/25	2.566	58	2.606	31/03/2021	-4
MGS 09/25	2.578	448	2.656	31/03/2021	-8
MGS 04/26	2.744	3	2.790	31/03/2021	-5
MGS 07/26	2.657	17	2.772	31/03/2021	-12
MGS 11/26	2.673	36	2.770	31/03/2021	-10
MGS 03/27	2.851	5	2.931	31/03/2021	-8
MGS 05/27	2.947	72	2.956	31/03/2021	-1
MGS 11/27	2.861	35	2.992	31/03/2021	-13
MGS 06/28	2.956	86	3.079	31/03/2021	-12
MGS 08/29	3.093	122	3.300	31/03/2021	-21
MGS 04/30	3.358	7	3.399	31/03/2021	-4
MGS 04/31	3.235	22	3.238	31/03/2021	0
MGS 06/31	3.536	19	3.530	31/03/2021	1
MGS 04/33	3.850	69	3.949	31/03/2021	-10
MGS 11/33	3.902	113	3.996	31/03/2021	-9
MGS 07/34	3.807	87	3.880	31/03/2021	-7
MGS 05/35	4.044	6	4.035	31/03/2021	1
MGS 04/37	4.109	60	4.175	31/03/2021	-7
MGS 06/38	4.284	62	4.351	31/03/2021	-7
MGS 05/40	4.043	368	4.226	31/03/2021	-18
MGS 09/43	4.535	3	4.421	31/03/2021	11
MGS 03/46	4.397	5	4.534	31/03/2021	-14
MGS 07/48	4.452	11	4.535	31/03/2021	-8
MGS 06/50	4.245	497	4.379	31/03/2021	-13
GII 03/22	1.838	3	1.877	31/03/2021	-4
GII 05/23	2.136	1	2.136	31/03/2021	0
GII 07/23	2.172	5	2.162	31/03/2021	1
GII 11/23	2.192	3	2.202	31/03/2021	-1
GII 10/24	2.406	110	2.502	31/03/2021	-10
GII 10/25	2.646	40	2.662	25/03/2021	-2
GII 03/26	2.682	523	2.728	31/03/2021	-5
GII 09/26	2.895	3	2.872	31/03/2021	2
GII 06/27	2.990	15	3.131	29/03/2021	-14
GII 07/27	2.904	90	3.048	31/03/2021	-14
GII 09/27	2.936	415	2.962	31/03/2021	-3
GII 10/28	3.273	2	3.273	31/03/2021	0
GII 12/28	3.266	60	3.354	18/03/2021	-9
GII 07/29	3.334	180	3.424	31/03/2021	-9
GII 09/30	3.350	50	3.524	26/03/2021	-17
GII 10/30	3.329	145	3.354	31/03/2021	-2
GII 08/33	3.950	70	3.857	30/03/2021	9
GII 07/36	3.911	30	4.031	15/03/2021	-12
GII 09/39	4.270	94	4.447	31/03/2021	-18
GII 11/49	4.587	130	4.650	31/03/2021	-6
		<u>5235</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	03/25	GG	2.901	25	2.721	19/06/2020	18	48
DanaInfra Nasional Berhad	05/25	GG	2.952	10	2.346	24/07/2020	61	53
Prasarana Malaysia Berhad	10/28	GG	3.530	10	2.876	26/01/2021	65	37
Prasarana Malaysia Berhad	03/31	GG	3.639	50	3.131	26/01/2021	51	43
Sarawak Energy Berhad	01/22	AAA	2.348	5	2.417	24/03/2021	-7	49
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak)	08/22	AAA	2.570	20	2.558	22/03/2021	1	72
Danga Capital Berhad	02/26	AAA	3.240	10	3.179	18/03/2021	6	64
Projek Lebuhraya Usahasama Berhad	01/28	AAA	3.740	10	3.108	24/02/2021	63	70
Tenaga Nasional Berhad	08/30	AAA	3.999	10	3.519	02/03/2021	48	78
Sarawak Energy Berhad	04/31	AAA	4.179	70	4.209	24/03/2021	-3	97
Sepangar Bay Power Corporation Sdn Berhad	07/23	AA1	2.946	10	2.668	04/09/2020	28	92
YTL Power International Berhad	05/27	AA1	4.119	20	4.118	26/03/2021	0	127
Celcom Networks Sdn Berhad	08/24	AA+	3.108	20	3.148	23/03/2021	-4	98
Imtiaz Sukuk II Berhad	10/22	AA2	2.852	10	2.471	05/02/2021	38	83
Konsortium ProHAWK Sdn Berhad	12/25	AA2	3.530	1	3.526	31/03/2021	0	93
Anih Berhad	11/26	AA	3.753	5	3.151	28/12/2020	60	91
Pelabuhan Tanjung Pelepas Sdn Berhad	08/27	AA	3.864	10	3.903	31/03/2021	-4	102
Anih Berhad	11/27	AA	3.936	20	3.938	29/03/2021	0	89
Anih Berhad	11/28	AA	4.072	5	3.404	26/02/2021	67	91
TG Excellence Berhad	02/20	AA-	3.538	10	4.207	29/03/2021	-67	-59
Gamuda Berhad	03/23	AA3	3.139	10	3.136	24/03/2021	0	112
Edra Energy Sdn Berhad	01/29	AA3	4.409	20	3.767	18/12/2020	64	125
Edra Energy Sdn Berhad	01/30	AA3	4.557	20	4.279	02/02/2021	28	134
Malayan Banking Berhad	02/17	AA3	3.778	1	3.232	25/01/2021	55	-35
AmBank (M) Berhad	03/28	A1	3.619	10	2.721	09/02/2021	90	58
Bank Muamalat Malaysia Berhad	06/26	A3	3.462	1	3.772	20/01/2021	-31	86
Affin Islamic Bank Berhad	10/17	A3	3.834	1	3.866	25/03/2021	-3	-30
Eco World International Berhad	10/21	-	5.118	1	5.111	29/03/2021	1	326
YNH Property Berhad	08/19	-	7.053	1	6.492	23/02/2021	56	292
				<u>394</u>				

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

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Special Coral Sdn Bhd	RM250.0 million Senior Class A Medium-Term Notes (MTN), RM50.0 million Senior Class B MTN and RM800.0 million Subordinated Class MTN under the existing RM1.1 billion MTN programme	AAA, AA and B-	Affirmed

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.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

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.