

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	-1
5-yr UST	0.87	-5
10-yr UST	1.66	-4
30-yr UST	2.33	-2

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.12	2	2.20	6
5-yr	2.57	-2	2.60	3
7-yr	2.93	-3	2.91	-4
10-yr	3.12	-5	3.17	-5
15-yr	3.78	-3	3.95	0
20-yr	4.10	18	4.22	2
30-yr	4.26	-3	4.47	5

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.43	0
5-yr	2.73	1
7-yr	2.88	2
10-yr	3.13	2

Source : Bloomberg

Upcoming Government Bond Tender

Reopening of RM4.5b 7Y MGS 6/28 on Wednesday,
7th April, 2021

- US Treasuries rallied on Tuesday, led by the belly on portfolio positioning whilst extending Monday's strength as earlier concerns over Fed rate hikes faded. Overall benchmark yields closed between 1-5bps lower. The UST 2Y yield edged 1bps lower at 0.16% whilst the UST 10Y yield declined 4bps to 1.66%. The recent release of strong economic data was fueling bets that economic growth coupled with inflationary pressures may be a dominating theme going forward. However in a surprise move bond yields have been somewhat steady in the past two (2) sessions. It is believed that despite the strong jobs data and ISM report, traders unleashed pent-up demand from the quarter-end and also due to lack of long-end supply this week. Expect attention to shift to the FOMC meeting minutes tomorrow which will shed additional light on the interest rate outlook along with further updates on the upcoming jobless claims for period ending 3rd April.

MGS/GII

- On Tuesday, local govies closed mixed with investors having specific duration requirements as the intermediates were well-bid leaving both the short and long-ends pressured. Overall benchmark govies closed between -5 to +18bps with MGS generally benefitting from lower yields. Overall secondary market volume rose d/d to RM3.14b. The 5Y MGS 9/25 yield edged 2bps lower at 2.57% whilst the 10Y MGS 4/31 rallied pushing yields down 5bps at 3.12%. Interest was again mainly seen in the shorter off-the-run 21-22's 29's, 39's and also benchmark 5Y MGS, 10Y MGS/GII. GII bond trades eased slightly to form ~48% of overall trades. Meanwhile, expect attention to shift to the 7Y MGS auction today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw a reversal in interest with upbeat investor appetite instead on Tuesday as trades printed mainly across the GG-AA part of the curve. Secondary market volume jumped to RM897m as overall yields ended mostly mixed-to-higher on ~35 various bonds. Govt-guaranteed PTPTN saw a total of RM210m traded in the 3/24, 7/26 and 3/27 tranches which closed mixed on yields compared to previous done levels at 2.73%, 3.12% and 3.23% each. AAA-rated MANJUNG 11/31 and TNB 8/37 declined 3-7bps at 4.12% and 4.53% respectively. The AA-space saw PROHAWK 6/29 and 12/32 bonds exchange hands @ 47-75bps higher to close at 4.11% and 4.53% each. Energy-related bonds EDRA 27 closed 9bps lower at 4.10% whilst the 2033 and 2038 tranches spiked 40-80bps at 4.83% and 5.01% each. The banking space saw CIMB Group Holdings 27NC22 move 6bps up on the back of RM120m in transacted amounts.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.760	261	1.792	05/04/2021	-3
MGS 09/21	1.748	157	1.757	05/04/2021	-1
MGS 03/22	1.852	93	1.810	05/04/2021	4
MGS 08/22	1.995	12	2.015	05/04/2021	-2
MGS 03/23	2.124	51	2.103	05/04/2021	2
MGS 04/23	2.128	15	2.162	05/04/2021	-3
MGS 06/24	2.335	41	2.346	01/04/2021	-1
MGS 07/24	2.421	77	2.438	05/04/2021	-2
MGS 09/24	2.445	103	2.424	02/04/2021	2
MGS 03/25	2.564	57	2.566	02/04/2021	0
MGS 09/25	2.565	103	2.588	05/04/2021	-2
MGS 04/26	2.641	10	2.620	05/04/2021	2
MGS 11/26	2.633	12	2.608	02/04/2021	2
MGS 03/27	2.850	2	2.851	01/04/2021	0
MGS 05/27	2.823	15	2.807	02/04/2021	2
MGS 11/27	2.858	1	2.930	02/04/2021	-7
MGS 06/28	2.928	165	2.961	02/04/2021	-3
MGS 08/29	3.072	127	3.132	05/04/2021	-6
MGS 04/30	3.200	10	3.298	02/04/2021	-10
MGS 04/31	3.115	140	3.165	05/04/2021	-5
MGS 06/31	3.303	20	3.326	02/04/2021	-2
MGS 04/33	3.781	54	3.720	02/04/2021	6
MGS 11/33	3.834	21	3.815	02/04/2021	2
MGS 07/34	3.779	35	3.813	05/04/2021	-3
MGS 05/40	4.097	14	3.921	05/04/2021	18
MGS 03/46	4.292	3	4.249	05/04/2021	4
MGS 07/48	4.384	3	4.353	05/04/2021	3
MGS 06/50	4.256	24	4.288	05/04/2021	-3
GII 04/22	1.912	360	1.864	02/04/2021	5
GII 07/22	2.037	60	2.019	02/04/2021	2
GII 05/23	2.196	80	2.131	02/04/2021	7
GII 10/23	2.192	1	2.191	29/03/2021	0
GII 10/24	2.418	40	2.377	05/04/2021	4
GII 03/26	2.595	80	2.565	02/04/2021	3
GII 07/27	2.909	20	2.904	01/04/2021	0
GII 09/27	2.907	36	2.944	05/04/2021	-4
GII 10/28	3.122	80	3.171	05/04/2021	-5
GII 07/29	3.159	170	3.190	05/04/2021	-3
GII 09/30	3.241	20	3.258	02/04/2021	-2
GII 10/30	3.171	137	3.219	05/04/2021	-5
GII 11/34	3.789	20	3.807	05/04/2021	-2
GII 09/39	4.217	326	4.192	02/04/2021	2
GII 09/41	4.176	50	4.212	01/04/2021	-4
GII 11/49	4.470	40	4.415	05/04/2021	5
		<u>3143</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	03/24	GG	2.729	10	2.719	31/03/2021	1	60
Perbadanan Tabung Pendidikan Tinggi Nasional	07/26	GG	3.122	100	2.479	08/02/2021	64	53
Perbadanan Tabung Pendidikan Tinggi Nasional	03/27	GG	3.232	100	3.501	23/03/2021	-27	43
Prasarana Malaysia Berhad	03/30	GG	3.472	60	2.999	26/01/2021	47	35
DanaInfra Nasional Berhad	05/30	GG	3.520	10	2.730	25/08/2020	79	40
Prasarana Malaysia Berhad	02/31	GG	3.573	60	3.139	21/01/2021	43	44
DanaInfra Nasional Berhad	02/49	GG	4.721	15	4.548	23/02/2021	17	62
Cagamas Berhad	04/22	AAA	2.367	10	2.079	01/03/2021	29	52
Danga Capital Berhad	02/26	AAA	3.180	15	3.240	01/04/2021	-6	58
Manjung Island Energy Berhad	11/31	AAA	4.119	30	4.190	24/03/2021	-7	98
Tenaga Nasional Berhad	08/37	AAA	4.529	20	4.560	22/03/2021	-3	73
YTL Power International Berhad	05/27	AA1	4.102	50	4.119	01/04/2021	-2	130
Indera Persada Sdn Berhad	09/28	AA1	4.098	60	4.919	27/12/2016	-82	113
Hong Leong Financial Group Berhad	06/28	AA2	3.235	10	3.122	08/03/2021	11	26
Konsortium ProHAWK Sdn Berhad	06/29	AA2	4.109	10	3.638	08/07/2020	47	105
Konsortium ProHAWK Sdn Berhad	12/32	AA2	4.519	10	3.774	22/12/2020	75	138
Anih Berhad	11/26	AA	3.735	10	3.745	02/04/2021	-1	94
CIMB Group Holdings Berhad	11/27	AA	2.949	120	2.884	13/11/2020	6	-2
Jimah Energy Ventures Sdn Berhad	11/24	AA3	3.316	10	5.380	19/03/2015	-206	91
Edra Energy Sdn Berhad	07/27	AA3	4.098	10	4.192	25/03/2021	-9	130
Edra Energy Sdn Berhad	01/33	AA3	4.834	20	4.034	22/12/2020	80	170
Edra Energy Sdn Berhad	01/38	AA3	5.009	40	4.610	05/02/2021	40	121
AZRB Capital Sdn Berhad	12/22	AA-	3.849	10	3.767	12/03/2021	8	183
Quantum Solar Park (Semenanjung) Sdn Berhad	04/24	AA-	3.740	10	4.065	11/08/2020	-33	161
Quantum Solar Park (Semenanjung) Sdn Berhad	10/24	AA-	3.855	10	4.998	24/07/2019	-114	173
Kimanis Power Sdn Berhad	08/25	AA-	3.397	5	3.007	21/01/2021	39	99
Quantum Solar Park (Semenanjung) Sdn Berhad	10/26	AA-	4.256	10	5.328	23/07/2019	-107	146
Quantum Solar Park (Semenanjung) Sdn Berhad	04/27	AA-	4.327	10	4.289	16/03/2021	4	153
Jimah East Power Sdn Berhad	12/27	AA-	3.978	20	3.453	09/02/2021	53	101
Southern Power Generation Sdn Berhad	04/34	AA-	4.479	10	3.689	17/11/2020	79	68
Southern Power Generation Sdn Berhad	10/35	AA-	4.580	20	3.962	05/01/2021	62	78
TG Excellence Berhad	02/20	AA-	4.208	1	3.538	01/04/2021	67	11
CIMB Group Holdings Berhad	05/16	A1	4.323	10	3.925	05/03/2021	40	22
Hong Leong Financial Group Berhad	11/17	A1	3.081	1	3.082	05/04/2021	0	-102
Tropicana Corporation Berhad	09/19	-	5.964	1	5.965	05/04/2021	0	186
				<u>897</u>				

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

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.

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.