

**Global Markets Research**

**Fixed Income**

**Fixed Income Daily Market Snapshot**

**US Treasuries**

- US Treasuries sidestepped higher March inflation data which was flagged earlier by the FOMC, and ended stronger on Tuesday following strong 30Y bond auction. The vaccine suspension news on Johnson & Johnson's product which was due to a rare health disorder; was also another factor for the bond rally as the curve shifted lower with overall benchmark yields closing between 1-5bps lower. The UST 2Y yield edged 1bps down at 0.16% whilst the much-watched UST 10Y rallied 5bps at 1.62%. The \$24b of 30Y bonds were sold at a yield of 2.32% on a BTC ratio of 2.47x. These followed Monday's decent offering of both 3Y and 10Y papers totaling \$96b. Expect attention tomorrow to focus on the release of the jobless claims as at 10<sup>th</sup> April along with details on the Beige Book which provides data and economic conditions gathered by the 12 regional Fed banks.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.16	-1
5-yr UST	0.84	-5
10-yr UST	1.62	-5
30-yr UST	2.30	-4

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.15	1	2.19	2
5-yr	2.58	1	2.66	9
7-yr	2.96	0	3.04	13
10-yr	3.11	6	3.32	14
15-yr	3.82	6	3.95	0
20-yr	4.06	0	4.17	4
30-yr	4.25	3	4.37	0

\* Market indicative levels

**MGS/GII**

- On Tuesday, local govies closed weaker as the curve shifted higher with overall benchmark govies closing higher between 0-14bps, with the belly pressured the most amid secondary market volume of ~RM2.68b. The 5Y MGS 9/25 yields edged 1bps up 2.58% whilst the 10Y MGS 4/31 yield spiked 6bps at 3.11%. Interest was again mainly seen in the shorter off-the-run 21-22's, 28's and also benchmark 5Y MGS, 10Y GII. GII bond trades formed ~39% of overall trades. To recap Malaysia is considering a possible offering of dollar-denominated sustainable sukuk; taking cue from several countries adopting ESG debt sales. Meanwhile expect attention and market movements to be dictated by the upcoming 15Y GII auction today in the absence of further local catalysts.

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.02	1
3-yr	2.45	3
5-yr	2.71	2
7-yr	2.85	4
10-yr	3.08	3

Source : Bloomberg

**Upcoming Government Bond Tender**

Reopening of RM2.5b + RM2.0b ( Private Placement)  
15Y GII 7/36 on Wednesday, 14<sup>th</sup> April 2021

**Corp Bonds/Sukuk**

- Stripping out the newly-issued PTPTN 7/23 bonds totalling RM800m, the overall Corporate Bond/Sukuk space saw a slight pullback in interest on Tuesday with trades printed across the AAA to single-A part of the curve. Secondary market volume notched RM1.02bm as overall yields ended mostly mixed again on ~25 various bonds. Both govt-guaranteed PRASA 3/34 and DANA 5/35 rallied 22-29bps compared to previous done levels at 4.00% and 4.19% each. AAA-rated DANUM 2/35 spiked 76bps at 4.46%. The AA-space was dominated by energy-related bonds such as BGSM and JEP. BGSM 23-24's closed mixed on yields at 3.18% and 3.83% whilst JEP 22's ended 23-29bps higher between 3.02-18%. Meanwhile, the banking space saw Bank Islam 27NC22 rise 6bps at 3.25%. We also note several odd-lot transactions in property-related names such as Tropicana and Eco World.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	07/21	1.741	23	1.739	12/04/2021	0
MGS	09/21	1.757	200	1.734	12/04/2021	2
MGS	11/21	1.785	60	1.780	12/04/2021	0
MGS	03/22	1.824	17	1.832	09/04/2021	-1
MGS	08/22	2.022	20	1.998	09/04/2021	2
MGS	09/22	2.019	100	2.009	09/04/2021	1
MGS	03/23	2.151	119	2.137	12/04/2021	1
MGS	08/23	2.201	5	2.203	12/04/2021	0
MGS	06/24	2.344	80	2.334	12/04/2021	1
MGS	09/24	2.417	30	2.456	12/04/2021	-4
MGS	09/25	2.583	333	2.576	12/04/2021	1
MGS	07/26	2.725	40	2.651	09/04/2021	7
MGS	11/26	2.732	30	2.695	12/04/2021	4
MGS	11/27	2.880	6	2.924	12/04/2021	-4
MGS	06/28	2.956	455	2.957	12/04/2021	0
MGS	08/29	3.157	62	3.082	12/04/2021	8
MGS	06/31	3.302	21	3.274	09/04/2021	3
MGS	04/33	3.761	1	3.730	09/04/2021	3
MGS	07/34	3.818	27	3.760	12/04/2021	6
MGS	04/37	4.003	2	4.011	09/04/2021	-1
MGS	07/48	4.329	1	4.377	09/04/2021	-5
MGS	06/50	4.252	6	4.222	12/04/2021	3
GII	08/21	1.770	50	1.771	12/04/2021	0
GII	03/22	1.858	30	1.861	12/04/2021	0
GII	04/22	1.965	7	1.879	12/04/2021	9
GII	07/22	2.020	190	2.017	12/04/2021	0
GII	11/22	2.078	138	2.008	09/04/2021	7
GII	05/23	2.188	40	2.171	09/04/2021	2
GII	10/25	2.602	20	2.628	09/04/2021	-3
GII	03/26	2.660	118	2.571	12/04/2021	9
GII	09/26	2.740	50	2.684	09/04/2021	6
GII	09/27	3.044	70	2.910	12/04/2021	13
GII	07/29	3.178	110	3.151	12/04/2021	3
GII	10/30	3.319	190	3.179	12/04/2021	14
GII	11/34	3.849	1	3.756	09/04/2021	9
GII	09/41	4.168	30	4.130	09/04/2021	4
			2682			

## 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	07/23	GG	2.630	800	-	-	-	60
Prasarana Malaysia Berhad	03/34	GG	3.999	10	4.290	29/03/2021	-29	17
DanaInfra Nasional Berhad	05/35	GG	4.189	20	4.411	25/03/2021	-22	36
Pengerang LNG (Two) Sdn Berhad	10/26	AAA	3.252	10	3.299	10/03/2021	-5	46
Petroleum Sarawak Exploration & Production Sdn Berhad	03/31	AAA	4.079	50	4.038	09/04/2021	4	98
Danum Capital Berhad	02/35	AAA	4.461	5	3.697	15/01/2021	76	64
GENM Capital Berhad	07/23	AA1	3.901	1	4.198	24/03/2021	-30	187
TRIplic Medical Sdn Berhad	10/34	AA1	4.811	15	3.769	01/10/2020	104	99
UMW Holdings Berhad	10/21	AA2	2.391	20	2.483	05/10/2020	-9	55
Fortune Premiere Sdn Berhad	03/23	AA	3.167	1	3.136	17/03/2021	3	114
Jimah East Power Sdn Berhad	06/22	AA-	3.021	10	2.791	04/01/2021	23	118
Country Garden Real Estate Sdn Berhad	02/23	AA3	5.439	1	3.857	12/04/2021	158	341
BGSM Management Sdn Berhad	09/23	AA3	2.917	5	2.606	17/02/2021	31	89
BGSM Management Sdn Berhad	06/24	AA3	3.056	20	2.677	03/03/2021	38	91
Press Metal Aluminium Holdings Berhad	08/25	AA3	3.948	2	4.271	07/04/2021	-32	153
Edra Energy Sdn Berhad	01/38	AA3	4.899	10	5.009	06/04/2021	-11	107
Jimah East Power Sdn Berhad	12/22	AA-	3.176	10	2.886	04/01/2021	29	115
Jimah East Power Sdn Berhad	06/27	AA-	3.827	10	3.902	19/03/2021	-8	103
Tan Chong Motor Holdings Berhad	11/21	A1	3.758	5	3.762	12/04/2021	0	192
Bank Islam Malaysia Berhad	11/27	A1	3.250	10	3.195	17/11/2020	6	27
Tropicana Corporation Berhad	10/25	A+	5.194	1	5.195	12/04/2021	0	277
Alliance Bank Malaysia Berhad	10/35	A2	3.873	0	3.874	12/04/2021	0	5
Eco World International Berhad	10/21	-	3.206	1	5.033	05/04/2021	-183	137
Eco World International Berhad	05/23	-	5.688	2	5.739	12/04/2021	-5	366
Eco World Capital Assets Berhad	08/24	-	5.594	1	5.644	12/04/2021	-5	345
				<u>1017</u>				

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

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Infracap Resources Sdn Bhd	RM15 bil Sukuk Murabahah Programme (2021/2041)	AAA(s)/Stable	Assigned
Sasaran Etika Sdn Bhd	RM220 mil Fixed-Rate Serial Bonds (2012/2027)	AA1/Stable	Reaffirmed

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; 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.